

CARIBOO ROSE RESOURCES LTD.

Management Discussion & Analysis

For the Six Months Ended

August 31, 2017

Report Date: October 10, 2017

Form 51-102F1

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Introduction

This Management's Discussion and Analysis ("MD&A") includes financial information from, and should be read in conjunction with the unaudited quarterly financial statements of Cariboo Rose Resources Ltd., ("the Company") for the quarter ended August 31, 2017 and the audited financial statements of the Company for the years ended February 28, 2017 and February 29, 2016. This MD&A reflects the Company's adoption of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and together with the financial statements and accompanying notes, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance. This MD&A was prepared with information available as of October 10, 2017. Additional information and disclosure relating to the Company can be found on SEDAR at www.sedar.com

Forward Looking Statements

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation, which include all statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. These include, without limitation:

- the Company's anticipated results and developments in the Company's operations in future periods;
- planned exploration and development of its mineral properties;
- planned expenditures and budgets;
- evaluation of the potential impact of future accounting changes;
- estimates concerning share-based compensation and carrying value of properties; and
- other matters that may occur in the future.

These statements relate to analyses and other information that are based on expectations of future performance and planned work programs.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the related property is developed.

With respect to forward-looking statements and information contained herein, the Company has made a number of assumptions with respect to, including among other things, the price of metals, economic and political conditions, and continuity of operations. Although the Company believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information contained or incorporated by reference herein will prove to be accurate.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation:

- fluctuations in mineral prices;
- the Company's dependence on a limited number of mineral projects;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues;
- the Company's ability to obtain necessary financing to fund continuing operations;
- jurisdiction operating risks which can over time include changes in political, economic, regulatory and taxation regimes;
- governmental regulations and specifically the ability to obtain necessary licenses and permits;
- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- fluctuations in the currency markets;
- changes in environmental laws and regulations which may increase costs of doing business and restrict the Company's operations;
- risks related to the Company's dependence on key personnel; and
- estimates used in the Company's financial statements proving to be incorrect.

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This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Description of Business

Cariboo Rose Resources Ltd. (the "Company") is an exploration stage company engaged in the acquisition and exploration of prospective copper, gold and molybdenum properties in Western Canada. The Company trades as a Tier Two company on the TSX Venture Exchange ("Exchange") under the symbol "CRB" and is a reporting issuer in British Columbia and Alberta. The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction with the financial statements, including the notes thereto, of the Company for the quarter ended August 31, 2017 and the year ended February 28, 2017.

J. William Morton, P. Geo. and Glen L. Garratt, P. Geo. are the Company's qualified persons reviewing the exploration projects described throughout the MD&A. They are responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

Additional information relating to the Company including the Company's financial statements may be found under the Company's profile on SEDAR at www.sedar.com or by visiting the Company's website at www.cariboorose.com.

Current Operations

A review of Cariboo Rose's projects is as follows:

The 100% owned **Pat Project** and the 35% owned **Cowtrail Project**, 65% of which is owned by Dajin Resources Corp. (TSX-V: [DJI](#)), cover porphyry copper-gold targets; these claims are contiguous with the Woodjam Project (100% owned by Consolidated Woodjam Copper) in the Cariboo region of south-central British Columbia.

Carruthers Pass Property, Omineca Mining Division, British Columbia

The 100% owned Carruthers Pass project consists of eight contiguous mineral claims totaling 120 units covering 3,250 ha located approximately 200 km northeast of Smithers and 70 km south of the past producing Kemess copper-gold mine. The Omineca Mine road (Kemess road) is located 30 km east-northeast of the claims while forestry industrial roads extend north along Takla Lake to within 35 km of the property.

The Company acquired Carruthers Pass in 2003 through an option agreement to earn a 100% interest in the project from the Phelps Dodge Corporation of Canada, Ltd. (now Freeport McMoRan Copper and Gold Inc.). The option was satisfied in 2011 subject to a 2.5% net smelter interest (reducible to 1.0% for \$1.5 M).

The project, acquired by earned-in option from Freeport McMoRan Exploration, is now 100% owned by Cariboo Rose Resources Ltd. The claims cover 3,250 ha (8,000 ac).

La Quinta Resources Corp., a former option partner on the Carruthers Pass project, expended \$429,724 completing a program of induced polarization surveying and diamond drilling at Carruthers Pass in 2011. The option with La Quinta with respect to Carruthers Pass was terminated in 2013.

Most significant to the project is a mineralized slab of rock protruding from talus at the toe of gossanous cliffs near the upper reaches of a valley. In 2011 the mineralized slab was drilled. An intercept of 3.1 m grading 6.2% copper, 5.8% zinc, 2.37 g/t gold and 192.0 g/t silver was obtained before the drill bit passed through the mineralized interval and into unconsolidated material. Although the source of the mineralized slab remains elusive, it is almost certainly immediate. Based on the exposed surface expression and the results of the 2011 drill intercept, the slab has a probable mass in the order of a 100 t supporting a very local bedrock origin.

Canadian Creek, Whitehorse Mining District, Yukon

The 100% owned Canadian Creek property is located in the Yukon Territory approximately 160 km south of Dawson City and consists of 311 claims (approximately 6,180 ha or 15,271 ac), measuring approximately 12 km east-west and 6.0 km north-south.

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The project land was assembled between 1993 and 2010 by a combination of staking, purchase and earned option. Between 1993 and 2011 various third party options concerning the claims came and went without the option partners earning any interest, but nevertheless incurring approximately \$4,500,000 to advance the project. Upwards of 20 km of road has been constructed and 38 diamond drill holes (5,773 m) completed.

The Canadian Creek claims cover the western extension of the Casino copper-gold-molybdenum porphyry system and the Koffee porphyry target located a further 6.0 km to the west (not to be confused with the Coffee Project owned by Goldcorp Inc.). The northern half of the claims, beyond the porphyry lithologies cover a number of lode gold targets similar to those which occur on the Goldcorp Inc. owned Coffee property. Highlights include 55 m grading 0.72 g/t gold and 135 m grading 0.31 g/t gold in the porphyry copper-gold target and 1.5 m grading 3.49 g/t gold in the northern ("Coffee like") target.

A considerable portion of the current significance of the Canadian Creek Project is due to its contiguous boundaries with both the Goldcorp owned Coffee property (to the north) and the Western Copper and Gold Corp. owned Casino project (to the east). A preliminary Economic Assessment (PEA) was completed in 2014 and a feasibility study in 2015 on the Coffee Property. Goldcorp is reported to be actively advancing the project. A bankable feasibility study was completed on the adjacent Casino Project in 2013 and an Environmental Assessment Application filed in 2014 with a proposal to initiate construction in 2017. Late in 2016 Cariboo Rose sold 9 claims to Western Copper and Gold for consideration of 500,000 shares and final satisfaction of the Casino "B" option which concerned 46 adjacent claims which had been optioned from a predecessor company to Cariboo Rose in 2000.

The Company received a \$40,000 Yukon exploration grant toward its 2016 program on the Canadian Creek property and completed, from July 13, 2016, a \$243,800 flow-through private placement financing to fund 2016 exploration program on the property. All of these required expenditures were completed by the end of the third quarter, November 30, 2016. The Company also completed, from December 15, 2016, a \$615,150 flow-through private placement and renounced this total amount raised under the look-back rule. The Company is required to spend this \$615,150 amount by the end of 2017 and has a 2017 exploration budget which will complete the required expenditure amount.

This budgeted 2017 program was a follow-up of the continuing target development work from 2016 and earlier programs where several kilometre to multi-kilometre long gold-arsenic+/-antimony geochemical anomalies have been outlined. Float rock sampling and a limited amount of drilling has validated portions of these anomalies as characterizing a large mineralizing system similar to the neighboring Coffee property of Goldcorp.

The 2017 program began in mid-June and entail in-fill soil sampling to better define trends within the large geochemical anomalies, followed by drill-site building and a reverse circulation drilling program. The drilling program will be used to complete a first-pass test of a few of the geochemical anomalies and was completed in September. Rock float sampling results from the 2017 project continue to support the presence of large gold-bearing structures underlying the extensive soil anomalies. Rock sampling has returned a large number of anomalous gold, silver and trace elements with values to 9 g/t gold (see news release dated October 5, 2017). The reverse circulation drilling program completed 24 holes and results are expected before the end of October.

Adjoining Canadian Creek's eastern claim boundary is the large tonnage Casino copper-gold-molybdenum porphyry deposit owned by Western Copper and Gold Corp. The Canadian Creek property, approximately 10 km by 6.5 km in size, hosts structurally localized gold-bearing zones in the northern half of the property similar in style to Goldcorp's Coffee deposit and porphyry copper-gold-molybdenum mineralization similar to Western Copper and Gold's Casino deposit on the southern half.

Cowtrail Property, Cariboo Mining Division, British Columbia

The Cowtrail project is located in the Cariboo region in central British Columbia, and is accessible by highway and logging roads year round with ample power and water supply nearby. The project is a joint venture between the Company (35%) and Dajin Resources Corporation (65%).

On November 10, 2011 Dajin carried out a 2,400 m diamond drill program consisting of six holes at the Cowtrail property. The six diamond drill holes followed-up a gold-copper intersection of 1.16 g/t Au and 0.043% Cu over 18.3 m drilled in 2008, and tested additional I.P. anomalies identified in a survey Dajin completed in that same year. No recent work has been completed on the property which has assessment work filed sufficient to keep the claims valid until 2018.

Pat Claims, Cariboo Mining Division, British Columbia

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The Pat Mineral Project, encompassing 1,330 hectares (3,286 acres), is owned 100% by the Company, is located approximately 15 km to the east of the village of Horsefly in the Cariboo Mining Division. The Pat project lands, which encompass 1,330 ha were staked in 2004 to cover a prominent magnetic anomaly indicated in a 1968 government airborne survey. The magnetic feature is roughly constrained by the 4,500 gamma contour which is approximately 4 km across and is roughly circular. A stronger centre to the feature, which measures approximately two km by one km, is centred immediately south of the east end of Patenaude Lake. The Patenaude Lake airborne magnetic anomaly is comparable in area and intensity to the magnetic feature which occurs at the Mount Polley mine site some 35 km to the northwest. A strong induced polarization anomaly, detailed by Cominco Limited in 1990, occurs immediately to the east of the magnetic anomaly and although drilled without significant results in 1991, can be reinterpreted as a pyrite halo (pyrite mineralization without copper mineralization is commonly a distal feature to copper-gold mineralization at Mount Polley). In addition to the conceptual comparison to Mount Polley the Patenaude magnetic anomaly lies along a trend of known copper-gold mineralized alkalic intrusives including the Redgold Prospect, the Cowtrail Prospect (Dajin Resources Inc and Cariboo Rose resources Ltd.), the Beekeeper Prospect and the Lemon Lake Prospect. The project is also contiguous to the Woodjam Project lands (Consolidated Woodjam Copper Corp.). It is possible that the Pat magnetic anomaly is at least in part due to another (buried) alkalic stock. A total of sixteen holes have been drilled on the Pat Property of which nine (the PAT holes drilled by Cominco Limited in 1991) were percussion and seven, the four 2006 holes drilled by Cariboo Rose Resources Ltd. and MaxTech Ventures Inc. and the three 2009 holes drilled by Cariboo Rose and Astorius Resources) were cored holes. Small programs completed subsequent to this have kept the claims in good standing.

Koster Dam Project, Cariboo Mining Division, British Columbia

The Koster Dam project, 3,286 ha (8,120 acres), consists of six mineral claims located approximately 80 km south of Williams Lake in south-central British Columbia. The property targets low sulphidation gold similar to what occurs at the Blackdome Mine which during its 8-year life recorded production of approximately 225,000 ounces of gold and 547,000 ounces of silver from several narrow quartz veins. The Blackdome Mine is located south of the Gang Ranch in semiarid terrain immediately west of the Fraser River (approximately 80 km southwest of the City of Williams Lake).

Silt surveying was initiated on the Koster Dam property in 2012 and was followed up in 2013 and 2014 with additional silt sampling augmented with pre-concentrating duplicate samples in a portable sluice box. In 2014 sporadic anomalous gold values indicated in the 2012 and 2013 work were traced to a small subsidiary creek yielding consistent gold values exceeding 200 ppb with many exceeding 500 ppb (both silt and sluiced silt types). The final samples near the headwaters of the creek yielded 632 ppb gold in the silt and 1,452 ppb gold in the sluiced silt. A soil grid and further detailed stream sediment sampling were completed in 2015.

On June 28, 2016 the Company entered into an agreement with ALQ Gold Corp. for ALQ to earn a 50% interest in the Koster Dam property by incurring \$110,495 of exploration work by June 28, 2017, and thereafter, on or before June 28, 2017, to have an option to acquire the Company's remaining 50% interest in the Koster Dam property in consideration of payment of \$400,000 to the Company. The ALQ agreement has lapsed and the company is seeking new option interest in the project.

CHG (Carbonate Hosted Gold), Clinton Mining Division, British Columbia

The 100% owned Carbonate hosted Gold Project (CHG) is located in southern BC near the community of Clinton. It consists of three separate claim blocks totaling 5,271 hectares. The project was conceived as a reconnaissance gold exploration program in carbonate rocks comprising the more or less continuous belt of limestone aligned along the eastern side of the Cache Creek Terrane of British Columbia. The primary target for this exploration is carbonate hosted gold (CHG) modeled on a number of gold deposits including the deposits of Carlin Nevada, the high grade Muddy Lake deposit located in northern BC, the Lustdust Carbonate Replacement Deposit located in north central BC and the recent ATAC Resources discoveries in the Yukon Territory. Historical reports from the Geological Survey of Canada report high-grade gold mineralized jasper boulders in the glacial till in this area [A quotation in what is probably the earliest geological reconnaissance of this area completed by G. M. Dawson of the Geological Survey of Canada in 1895 include "the discovery of several specimens of rock containing richly auriferous haematite [hematite], in gravel deposits near Clinton has been noticed. Inquiries made on the spot show that such specimens, consisting of jaspers haematite with quartz, have been found in three separate locations near the west end of the town of Clinton, and one of these, subjected to assay, is reported as yielding gold to the value of \$300 to the ton [then at \$20.67 per ounce].... It would appear that the eastern edge and the eastern slopes of the Marble Mountains well deserve to be closely examined and searched for the possible origin of the richly gold bearing specimens first alluded to".

A program focused on silt and "sluiced silt" sampling was initiated in 2013 and continued in 2014 and 2015 resulting in the identification of two significantly anomalous drainages in 2013 and a third drainage in 2014. The anomalies

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currently span 8.0 km in a northwesterly direction with consistent anomalous gold concentrations in both silt and sluiced silt samples in an upstream direction until cut off suggesting a source at this elevation. Anomalous values exceeding 300 ppb gold are common and reach a maximum value of 1,700 ppb. Further reconnaissance soil sampling and prospecting was completed in 2015. Extensive clearcut logging has occurred recently on the project claims due to the pine beetle epidemic and has provided greatly improved access and new rock exposure. On October 18, 2016, JM Capital II Corp. announced that it had entered into a letter of intent to acquire an 80% interest in the CHG property by making payments of \$15,000, issuing 750,000 common shares and completing \$2,600,000 in exploration by September 30, 2019.

Results of Operations

The Company had a net gain of \$36,097 for the quarter ended August 31, 2017 (\$0.001 loss per common share) compared to a loss of \$50,810 (\$0.001 per common share) for the three months ended August 31, 2016. For the quarter ended August 31, 2017, the Company incurred exploration expenditures on its properties totaling \$1,077,125 compared to \$280,362 for the quarter ended August 31, 2016. In the long term, most expenditures on the Company's mineral properties have been incurred by other companies under option agreements, but this season's program on Canadian Creek, Yukon has been the exception. The majority of the activities for the Company's exploration program typically occur between May and October.

Current quarter

The largest uses of cash for the current quarter were exploration costs of \$1,077,125 and general and administrative expenses of \$35,866.

Summary of Quarterly Results

The selected quarterly information set out below has been derived from and should be read in conjunction with the previous eight quarterly financial statements for each respective financial period. Financial statements for all the quarters were prepared in accordance with IFRS.

	Revenue \$	Income (Loss) \$	Income (Loss) per share \$
August 31, 2017	nil	(36,097)	0.001
May 31, 2017	nil	35,440	0.001
February 28, 2017	nil	(47,311)	(0.001)
November 30, 2016	nil	20,485	0.001
August 31, 2016	nil	50,810	0.002
May 31, 2016	nil	24,700	0.001
February 29, 2016	nil	80,509	0.003
November 30, 2015	nil	38,490	0.001

While the Company's G&A expenses tend to be incurred evenly throughout the year, fluctuations in expenditures occur reflecting the seasonal variations of exploration and the Company's ability to defer certain expenditures without hindering its projects' progress. The Company's ability to raise capital to fund its project activities may also influence the timing of certain expenditures. For example, most exploration activities occur in the summer months with an attendant increase in G&A expenses over the same period. Furthermore, periods ending in December typically have year-end adjustments such as future income tax recoveries or stock based payments for stock options.

Liquidity and Capital Resources

As of August 31, 2017, the Company had working capital of \$374,078 (February 28, 2017 - \$1,790,398), which includes \$255,596 (February 28, 2017 - \$897,555) in cash and cash equivalents. The \$641,959 decrease in the cash balance is attributable almost entirely of exploration and property acquisition costs.

Cariboo Rose has a solid capital structure, with 61,391,577 fully diluted shares outstanding as at the date of this report (44,743,488 shares issued), \$374,078 in working capital and no long-term debt. The Company remains committed to the core philosophy of building a company with a strong portfolio of projects largely funded by option partners.

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The working capital balance at the end of the period is expected to sufficiently meet the Company's planned exploration expenditures and administration costs for the 2017/18 fiscal year. The Company is at a development/exploration stage and has no material revenue from its business operations. The Company's ability to meet its future obligations and maintain operations is contingent upon successful completion of additional financing arrangements. Although the Company has been successful in raising funds in the equity markets to date, there can be no assurance that additional funding will be available in the future at reasonable terms.

At the report date, the Company had 10,574,200 warrants outstanding (all but 574,200 warrants are exercisable at \$0.12 until December 29, 2018) and 3,425,000 stock options outstanding (all of which are vested and all are exercisable at \$0.10 or \$0.105 per share for a term of ten years, expiring between 2021 and 2026).

Marketable Securities/ Investments

Company	Aug.31, 2017 Fair Value (\$)	Feb. 28, 2017 Fair Value (\$)
Western Copper and Gold Corp.	410,350	965,000
Consolidated Woodjam Copper Corp.	2,737	3,484
Total	\$413,087	\$968,484

During the prior year, the Company received 500,000 shares of Western Copper and Gold Corp. in exchange for eight of the 55 Casino B claims which were acquired by the Company and then transferred to Western Copper.

Transactions with Related Parties

During the quarter, geological services totaling \$597,307 were provided by Mincord Exploration Consultants Ltd. ("Mincord"), a geological service company owned by two directors of the Company. Mincord's relationship with the Company is non-exclusive and without retainer, and is used on a project by project basis. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs. The amounts for geological and exploration services also include the Company's share of payments for services on properties managed by the Company on behalf of joint venturers.

Outstanding Share Data

The Company had the following common shares and stock options outstanding as at the Report Date:

	At Report Date
Common shares	44,743,488
Stock options	3,425,000
Share purchase warrants	10,574,200
Fully Diluted shares outstanding	58,742,688

Critical Accounting Estimates

Significant areas requiring the use of management estimates include the collectability of amounts receivable, recovery of British Columbia Mining Exploration Tax Credit receivable, balances of accrued liabilities, the fair value of financial instruments, the recoverability of mineral property interests, determination of asset retirement and environmental obligations, estimates of future income tax assets and liabilities, valuation allowances for future income tax assets and the determination of variables used in the calculations of stock-based compensation. While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

Other Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases, and other information can be obtained on SEDAR.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not

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guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects. The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously held an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Website

The Company's web site address is www.cariboorose.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

Corporate Information

Directors and Officers

J. William Morton, P. Geo
President and CEO and Director

Donald D. Sharp, C.A.
Chief Financial Officer and Director

Glen L. Garratt, P. Geo.
Vice President, Secretary and Director

R. Paul Way
Director

Alan R. Scott, P. Geo.
Director

Auditors

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Share Listing

TSX Venture Exchange: Symbol: **CRB**