

**Annual Management Discussion & Analysis<sup>1</sup>**  
**for**  
**CARIBOO ROSE RESOURCES LTD.**

**Containing information up to and including June 27, 2018**

**Description of Business**

Cariboo Rose Resources Ltd. (the “Company” or “Cariboo Rose”) 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”. The Company’s head office is located at Suite 110 – 325 Howe Street, Vancouver, BC.

**OVERALL PERFORMANCE**

**Summary:**

- In November 2017 the Company entered into an option agreement to advance its Carbonate Hosted Gold Project
- In March 2018 the Company re-acquired a 100% interest in the Cowtrail Gold Copper Project.
- In February 2018 the Company reported that re-evaluation of rock and soil samples at the Carruthers Pass Project had identified significant concentrations in cobalt previously overlooked.
- During the year ended February 28, 2018 the Company received net proceeds of \$503,430 from the sale of investments.
- An exploration program consisting drilling and surface sampling was completed at the Canadian Creek property in 2017. The program continues to yield positive results that support the presence of large gold-bearing systems underlying the broad geochemical anomalies.
- In September 2017 the Company completed a private placement of 1,053,400 units at \$0.12 for flow through units and \$0.10 for non flow-through units for gross proceeds of \$105,800.
- In July 2017 the Company granted an option on the Koster Dam project to a private company.

**SELECTED ANNUAL INFORMATION**

The following table summarizes selected financial data for Cariboo Rose for years ended February 28, 2018, 2017, and 2016. This information should be read in conjunction with the audited financial statements, prepared in accordance with IFRS, and related notes.

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total revenue	\$ Nil	\$ Nil	\$ Nil
Net loss	79,585	48,684	165,696
Basic and diluted loss per share	0.002	0.001	0.005
Comprehensive loss	480,832	344,844)	151,077
Total assets	1,898,387	2,279,635	837,558
Total liabilities	42,733	93,188	55,933
Cash dividends per share	Nil	Nil	Nil
Number of shares issued and outstanding	45,796,888	44,743,488	31,516,577

Net loss is expected to fluctuate from year-to-year primarily due to the activity level of the Company’s exploration projects, the strength of equity markets and the Company’s ability to finance on favorable terms.

<sup>1</sup> Note to Reader

This Annual Management Discussion and Analysis (“Annual MD&A”) should be read in conjunction with the Company’s audited financial statements for the year ended February 28, 2018.

**Forward-Looking Information**

When used in this document, words like "anticipate", "believe", "estimate" and "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management’s future plans, objects and goals for the Company, and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such statements.

**Currency** - Unless otherwise stated, all currency amounts are stated in Canadian dollars.

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**RESULTS OF OPERATIONS****Year Ended February 28, 2018**

The Company's net loss of \$79,585 for the year ended February 28, 2018 was slightly greater than the net loss for the year ended February 28, 2017 of \$48,684. The results were largely influenced by the stronger financial markets for mineral exploration companies and management's continuing efforts to advance the development of the Company's Canadian Creek Property.

**Three Months Ended February 28, 2018**

The Company had a net loss for the three months ended February 28, 2018 of \$56,639 compared to a net income of \$47,311 for the three months ended February 28, 2017. As previously reported in this MD&A, results were largely influenced management's continuing efforts to advance the development of the Canadian Creek Property in the current year. The net income for the three months ended February 28, 2017 was primarily as a result of a gain on the sale of nine of the Canadian Creek Property claims.

**Exploration Expenditures**

The following table discloses the net changes in Exploration and Evaluation Assets for the years ending February 28, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
<b>ACQUISITION COSTS</b>		
Incurring during the year	\$ 1,284	\$ 103
Impairment of mineral property	-	(1,137)
	<u>1,284</u>	<u>(1,034)</u>
<b>EXPLORATION EXPENDITURES</b>		
Expenditures for the year:		
Professional fees and field crews	431,300	204,900
Trenching	-	18,750
Drilling	191,649	-
Fees, permits and assessments	1,733	250
Geophysical surveys	24,388	-
Geological	345	776
Rental of vehicles and equipment	66,606	42,273
Transportation and fuel	354,332	63,620
Field equipment	14,274	4,390
Communications	10,384	4,396
Food and accommodation	32,506	9,583
Freight	48,343	2,870
Project administration	12,788	5,038
Assaying	85,117	12,297
Share-based compensation	-	32,586
Other	25,677	-
	<u>1,299,442</u>	<u>401,729</u>
<b>Total Exploration Expenditures</b>	1,299,442	401,729
Mineral exploration tax credits	-	(42,287)
	<u>1,299,442</u>	<u>359,442</u>
<b>OPTION PROCEEDS</b>		
Proceeds from sale of claims	-	(453,059)
	<u>-</u>	<u>(453,059)</u>
<b>Net Increase (Decrease) in Exploration and Evaluation Assets</b>	<u>\$ 1,300,726</u>	<u>\$ (94,651)</u>

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## **MINERAL PROPERTIES**

### **1. Carruthers Pass Property, Omineca Mining Division, British Columbia**

The Carruthers Pass Project (3,680 hectares) is a massive sulfide project (VMS), base and precious metal project, located in Northern BC approximately 30 km west of the Kemess Mine road. It was discovered in 1997 by the Phelps Dodge Corporation of Canada (now Freeport McMoran Exploration) following up regional copper, zinc and cobalt stream sediment anomalies and was subsequently optioned in 2003 to a predecessor company of Cariboo Rose. In 2011 a 100% interest in the project was earned subject to a 2.5% net smelter interest (reducible to 1.0% for \$1.5 M).

#### **Recent Activity**

In February 2018 the Company reported that re-evaluation of rock and soil samples at the Carruthers Pass Project has identified significant concentrations in cobalt heretofore overlooked.

Surveys completed by Phelps Dodge in 1997 to 2000 located two areas of massive sulfide mineralization 4 kilometers distant from each other and an extensive area of highly anomalous soils exceedingly anomalous in copper, zinc, silver and cobalt in between. The soil anomaly, defined by a 935 soil sample survey, is northwest trending and approximately 6 kilometers by 1.5 kilometers in extent at a 300 ppm copper threshold (8 samples exceed 1,000 ppm Cu) within which is a coincident soil zinc anomaly measuring approximately 4 km by 0.5 km at a 650 ppm zinc threshold (with values reaching 4,580 ppm Zn). Within the copper-zinc anomaly soil cobalt values routinely exceed 100 ppm and occasionally exceed 250 ppm. Little or no follow up of the cobalt anomalies has occurred and there is no record of any exploration in the area of the Carruthers claims prior to Phelps Dodge.

The western massive sulfide prospect is described in a 1997 Phelps Dodge Report is a 20 meter by 20 meter exposure of pyrrhotite-chalcopyrite dominant massive sulfide in shale. It returned an analysis of 0.83% copper, 51.46% iron and 687 ppm cobalt but is not believed to have been revisited since. A second area of massive sulfide occurring 4 kilometers to the east subsequently became the focus of exploration at Carruthers Pass. At this eastern site stratabound massive sulfide was discovered as a large slab protruding from talus and later in nearby cliff faces. The slab was drilled by Cariboo Rose (and then partner, La Quinta Resources Corporation) in 2011, returning a 3.2 meter intercept grading 6.24% copper, 5.87% zinc, 2.37 g/t gold and 192.0 g/t silver (but without significant cobalt). Interest in the area that includes the massive sulfide slab has dominated exploration efforts at Carruthers Pass and is responsible for the limited follow up of the cobalt soil anomaly and the western massive sulfide occurrence which includes cobalt.

In addition to demonstrated permissiveness for copper, silver, gold and zinc Carruthers Pass is exceedingly permissive for cobalt. The company is currently re-visiting the projects' entire data base which also includes an airborne EM survey that indicated a large number of anomalies. Also two new claims have been staked increasing the claim size to 3,680 hectares (9,090 acres)

### **2. Canadian Creek, Whitehorse Mining District, Yukon**

The Canadian Creek property is located approximately 160 km south of Dawson City and encompasses 311 claims. It abuts Western Copper and Gold's Casino porphyry copper-gold-molybdenum property on the east and Goldcorp Inc.'s Coffee property on the north, sharing a 12 km long boundary with Coffee and a six km boundary with Casino.

Cumulative expenditures completed on the property since work started in 1993 is approximately \$4.8 million. Work completed to date includes more than 20 kilometers of road construction, 40 diamond drill holes, 87 line kilometers of induced polarization surveying, 484 line kilometers of ground base magnetic surveying and the collection and analysis of approximately 10,000 soil and rock samples. Cariboo Rose owns a 100% interest in the Canadian Creek property.

#### **Recent Activity**

An exploration program consisting of drilling and surface sampling was completed in 2017.

#### ***2017 Drilling Program***

A broad first-pass drill testing of multi-kilometre long soil geochemical anomalies resulted in 24 holes totaling 2144.22 m, exploring a range of geological, geophysical and geochemical targets in the Koffee Bowl South, Linear A, Malt East and Kana Zones. (go to [www.cariboorose.com](http://www.cariboorose.com) for a drill hole location map) Hole depths ranged from 16.76 m to 126.49 m. The drill holes

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were designed to validate the geochemical soil targets and to vector towards their feeders. Of the 24 holes, 20 intersected gold intercepts and strong trace element association.

Analytical results proved the existence of differing styles of gold mineralization across the Canadian Creek property, including discrete zones that contained up to 4.46g/t gold (hole CCRC17-23, in the eastern part of the property), to broad zones of mineralization such as 107.59 metres averaging 0.14g/t gold in hole CCRC17-08 in the central part of the property. The high gold values were often associated with anomalous arsenic and antimony which has proven to be useful pathfinder elements in other properties in the area. Only 4 of the 24 holes did not return significant gold results. It is evident that a broad area several kilometres in length hosts structurally hosted gold systems and that much more drill testing needs to be completed. A brief summary of the results by area follows:

#### *Koffee Bowl Target*

The first two holes of the programme, CCRC17-01 and 02 targeted coincident geophysical and geochemical anomalies in the southern part of the Koffee Bowl target. High water flow caused both holes to be terminated prematurely at 16.76 and 61.57 metres respectively, with no significant results returned.

#### *Linear A Target*

A total of seven holes, (CCRC17-03 to 09), were drilled from three sites along a distance of 1.2 km in the Linear A target, the west-central part of the property one kilometre east of Koffee Bowl. Linear A is a strong north-northwest trending break in the local magnetic signature which contains local strong chargeability highs and gold in soil anomalies. Twelve mineralized intercepts were noted from the seven holes. These included 10.64 m grading 0.40 g/t gold in hole CRCC-17-03 and 4.57 m grading 0.63 g/t gold within the long intercept of 107.59 m of 0.14g/t in hole CRCC-17-08 as stated above.

#### *Malt East Target*

Drill holes CCRC17-10 to 15 were drilled from two sites into the Malt East Zone in the northwest part of the property. This zone is one km in length and trends north-northwest defined by a gold-arsenic-antimony in soil anomaly that is up to 450 m in width. The soil anomaly occurs on the west side of a strong parallel trending break in the ground magnetics which is interpreted to represent a fault or structure.

All but two of the holes returned gold intercepts with local good silver values and strong pathfinder element values. The most significant result was from hole CCRC17-10 which was drilled to the east towards the geophysical structure and which contained anomalous gold values (6.08 m averaging 0.14g/t) and strongly anomalous silver, arsenic and antimony in the bottom of the hole, nearest to the structure. Other highlights from this area were hole CCRC-17-11 with 7.62 m grading 0.20 g/t gold and 9.3 g/t silver, and CCRC-17-13 with 1.52 m grading 0.07 g/t gold and 12.9 g/t silver.

#### *Kana Target*

The remaining holes of the 2017 program, CCRC17-16-24, were emplaced in the Kana Zone, a five km long east-west trending gold-arsenic in soil anomaly located in the eastern half of the property. These 9 holes were drilled on 6 sites across the length of this zone. In these 9 holes, 20 gold intercepts were encountered, ranging from 1.52 to 22.56 metres in sample length.

Rock float sampling (see Surface Sampling below) in the eastern part of the Kana Zone returned gold values from 1.5 to 9.1g/t and silver values to 3100g/t.

Hole CCRC17-23 was collared in the northeast part of the Kana Zone, in the area of the 2009 drill holes CC09-08 and CC09-10 which returned intercepts of 3.50 g/t gold over 1.5 metres and 1.10 g/t gold over 3.0 metres, respectively. A total of five significant gold intercepts were returned from CCRC17-23, the most significant of which was a 1.52 metre sample at 89.92 metres which returned an assay of 4.46 g/t, the highest result of the 2017 programme. Other results of note from the Kana Zone were 1.52 metres of 0.82g/t gold from CCRC17-18 and 3.05 metres of 0.79g/t gold from hole CCRC17-22.

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**2017 Drilling Program Summary Results**

Koffee Bowl Target - Holes CCRC-17-01 and 02 did not return significant results

Linear A Target

<u>Hole No.</u>	<u>From (m)</u>	<u>To (m)</u>	<u>Int. (m)</u>	<u>Au (g/t)</u>
CCRC-17-03	41.76	58.52	16.76	0.31
including	41.76	52.53	10.64	0.40
	67.67	73.76	6.1	0.11
CCRC-17-04	67.67	69.19	1.52	0.12
CCRC-17-05	32.61	35.66	3.05	0.19
	99.67	105.77	6.08	0.16
CCRC-17-06	20.12	21.64	1.52	0.14
	122.22	123.75 (EOH)	1.52	0.17
CCRC-17-07	12.19	13.72	1.52	0.10
	27.43	30.48	3.05	0.12
CCRC-17-08	1.22	108.81 (EOH)	107.59	0.14
including	50.9	55.47	4.57	0.67
including	75.29	78.33	3.05	0.33
CCRC-17-09	3.96	8.23	4.57	0.16
including	3.96	5.18	1.52	0.27

Malt East Target

<u>Hole No.</u>	<u>From (m)</u>	<u>To (m)</u>	<u>Int. (m)</u>	<u>Au (g/t)</u>	<u>Ag (g/t)</u>
CCRC-17-10	12.19	13.72	1.52	0.26	
	108.20	114.30 (EOH)	6.08	0.14	
CRCC-17-11	108.20	115.82	7.62	0.20	9.3
CRCC-17-12	NSR				
CRCC-17-13	35.66	37.19	1.52	0.12	4.0
	66.14	67.67	1.52	0.07	12.9
CCRC-17-14	NSR				
CCRC-17-15	39.01	42.06	3.05	0.14	

Kana Target

<u>Hole No.</u>	<u>From (m)</u>	<u>To (m)</u>	<u>Int. (m)</u>	<u>Au (g/t)</u>	<u>Ag (g/t)</u>
CCRC-17-16	45.72	48.77	3.05	0.51	6.8
CRCC-17-17	0.61	14.02	13.41	0.14	
	47.55	50.60	3.05	0.23	
	73.46	74.98	1.52	0.31	
CRCC-17-18	2.13	29.26	27.13	0.22	

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<u>Hole No.</u>	<u>From (m)</u>	<u>To (m)</u>	<u>Int. (m)</u>	<u>Au (g/t)</u>	<u>Ag (g/t)</u>
including	18.59	20.12	1.52	0.82	
	39.93	47.55	7.62	0.15	
	56.69	61.26	4.57	0.20	
	81.08	84.12	3.05	0.15	
CRCC-17-19	0.30	22.86	22.56	0.17	
CRCC-17-20	14.33	29.57	15.24	0.13	
CRCC-17-21	74.98	91.74	16.76	0.16	
CRCC-17-22	0.61	10.67	10.06	0.14	
	25.91	28.96	3.05	0.14	
	54.86	57.91	3.05	0.79	
	70.1	88.39	18.29	0.14	
including	86.87	88.39	1.52	0.39	
CRCC-17-23	30.48	32.00	1.52	0.61	
	80.77	83.82	3.05	0.47	
	89.92	91.44	1.52	4.46	
	99.06	100.58	1.52	0.36	
	121.92	123.44	1.52	0.33	
CCRC-17-24	54.86	56.39	1.52	0.16	2.3

(NSR: no significant results; EOH: end of hole)

***2017 Surface Sampling***

The surface sampling program was directed toward adding detail at two previously outlined target areas: Kana and Malt West. In-fill soil sampling, prospecting and rock sampling were completed with the goal of better defining possible mineralized structures within the large multi-element soil anomalies in each area. A total of 257 rocks and 1,568 soil samples were collected and a magnetic survey was also completed across the western end of the property where the Malt West target occurs. A reverse circulation drilling program completed 24 holes totaling 2,142 m with 9 holes on selected parts of the Kana area, 6 holes in the Malt East area, 7 holes in the Linear A target (which saw no new surface work) and 2 holes in the Koffee Bowl target. Several targets were not drill tested including the Malt West area (go to [www.cariboorose.com](http://www.cariboorose.com) to view a drill plan and zone map).

The program continues to yield positive results that support the presence of large gold-bearing systems underlying the broad geochemical anomalies. Highlights of the results are as follows:

***Kana Target Area***

This area is approximately 5 km east-west and is defined by strong and largely coincidental gold and arsenic in soils anomalies and also contains two internal zones of anomalous bismuth near the eastern end and antimony at the western end. The antimony anomaly also coincides with strong silver-lead-zinc values. Prospecting here in 2017 discovered quartz vein float with massive stibnite-arsenopyrite with local galena, molybdenum and sphalerite near the end of a drill access road. Gold values from these samples range as high as 9145ppb with silver up to over the current assay limit of 1000g/t. Final assays for these high values are pending. A table of the significant results is given below.

<b>Sample</b>	<b>Au ppb</b>	<b>Ag g/t</b>	<b>Pb ppm</b>	<b>Zn ppm</b>	<b>As ppm</b>	<b>Sb ppm</b>	<b>Mo ppm</b>	<b>Cu ppm</b>
79430	9145	1001*	40001*	2.53%	4.17%	4.74%	0.3ppm	7715.5ppm
142795	4688	713g/t	40001*	5613ppm	4.24%	50001*	0.001ppm	816.4ppm

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Sample	Au ppb	Ag g/t	Pb ppm	Zn ppm	As ppm	Sb ppm	Mo ppm	Cu ppm
79431	3332	1001*	3.90%	3.56%	2.66%	1.75%	0.7ppm	905.3ppm
79432	3183	10g/t	0.03%	0.01%	71.3ppm	151ppm	0.53%	17.2ppm
79409	1696	251g/t	1.22%	8347ppm	1.47%	1.10%	0.2ppm	505.6ppm

(samples marked with \* have over limit values)

An area with anomalous silver and gold in float samples extends from the above samples to the west for over a kilometre. The float samples here include quartz veins and strongly limonite-hematite stained gneiss, with gold values to 462ppb, silver to 51ppm, along with lead values to 2646ppm, arsenic values to 1.71%, and antimony to 1529ppm. The best results in this area form a cluster 900 metres west of the end of the road.

*Malt West Target Area*

This target is a linear 2.5 km long and 200-400 m wide zone outlined by anomalous Au, As, Ba, Sb and Mo. The soil geochemical results indicate mineral zoning and possibly fault displacement of the zone with strong barium in the northwestern part of the structure, gold in the central portion and arsenic to the southeast. Outcrop is sparse but rock float sampling displays alteration of limonite, hematite and jarosite occurring as fracture coatings and locally strongly pervasive. Local silicification has been noted along with quartz veining. Minor pyrite occurs locally with the alteration. Brecciation is common across the Malt West Zone, most commonly as strongly limonite stained clast-supported autobreccia, generally with open spaces and local quartz infill. Highlights of the rock float sampling are as follows:

Sample	Au ppb	Ag ppm	As ppm	Mo ppm	Sb ppm	Ba ppm
142776	1866.7	4.2	27.6	60.3	0.9	340
142778	1244.8	4	5.7	24.5	0.3	93
142769	168.6	0.001	2245.2	0.2	9670	107
142497	161.3	5697	2299.4	206.14	30.6	531.5
214119	3.3	1.2	4527.5	24.9	442.8	925
142754	2.2	1	3.7	14.6	0.2	49591

*Malt East Target Area*

Malt East trends north-northwest and is defined by a 1km long coincidental gold-arsenic-antimony in soil anomaly that is up to 450 metres in width. This soil anomaly occurs on the west side of a parallel (north-northwest) strong break in the ground magnetics which is interpreted to represent a fault or structure. Limited prospecting here in 2016 discovered no outcrop, but brecciated and sericite-clay altered float samples returned weak gold values but significant pathfinder results including >1% arsenic, silver to 104ppm, antimony to 1495ppm, and barium to 469ppm. Selected results from the float sampling include:

Sample	Ag ppb	As ppm	Au ppb	Sb ppm	Bi ppm	Ba ppm
142455	1044	1897.1	12.1	17.95	0.22	99.5
142456	10395	>10000.0	86.3	85.01	1.46	107.1
142474	361	101.1	8.8	1495.22	0.18	152.6
142479	605	325.1	22.1	9.93	0.58	496.9
1633355	68	420.3	13	6.4	0.11	74

The management of Cariboo Rose Resources Ltd. are very pleased with the results of the surface sampling and the outlining of extensive gold and silver bearing systems. The Canadian Creek Project continues to show the need for continued aggressive exploration.

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#### **3. Cowtrail Property, Cariboo Mining Division, British Columbia**

The Cowtrail project is located near the community of Horsefly in the Cariboo region in central British Columbia. The property encompasses 4,600 hectares is accessible by highway and logging roads year round with ample power and water supply nearby.

The Cowtrail property is underlain by rocks consisting of Upper Triassic to Lower Jurassic alkalic volcanics and intrusives. The area is relatively flat and outcrops are infrequent. Previous work on the project identified a large induced polarization / magnetic and soil geochemical target and completed 14 drill holes totaling 4,160 meters. Highlights of the drilling include hole 2007-001 which returned 18.2 meters grading 1.16 g/t gold and hole 2011-012 which returned 40.0 meters grading 0.17% copper and 0.11 g/t gold.

#### **Recent Activity**

Until recently, the project was a joint venture between the Company (35%) and Dajin Resources Corporation (65%). However, as announced on March 28, 2018 the Company has re-acquired a 100% interest in the Cowtrail gold copper project. Dajin, has now agreed to transfer its interest in the property to Cariboo Rose subject to an agreement by Cariboo Rose to share any third party option proceeds with Dajin on a 50%-50% basis for a period of three years.

#### **4. Koster Dam Project, Cariboo Mining Division, British Columbia**

The Koster Dam project, 100% owned by the Company, consists of ten mineral claims (4,535 acres) located approximately 80 km south of Williams Lake in south-central British Columbia. It is a reconnaissance gold exploration initiative targeting gold-silver mineralization similar to what occurs at the formerly producing Blackdome mine located approximately 3 kilometres to the south.

At Koster Dam, exploration initiated in 2012 and continuing in 2013, 2014, 2015 and 2017 was predominantly conventional silt sampling augmented with the preconcentrating of those samples in a portable sluice box. This work defined a well-focused anomalous target area. Conventional silt samples in the target area reach 632 ppb gold while samples preconcentrated in a portable sluice box reach 1,451 ppb gold. The next phase of exploration will develop procedures to identify the source of these anomalous gold results in an area that is devoid of outcrop.

#### **Recent Activity**

In July 2017 granted an option on the Koster Dam project to Oakley Ventures Inc. ("Oakley"), a private company.

Oakley may earn an initial 50% interest in Koster Dam by matching Cariboo Rose's prior expenses of \$110,495 within 12 months of the effective date. Oakley may thereafter, at its sole discretion, purchase the remaining 50% interest in the project by paying \$400,000 within 20 days of completing the initial option or proceed with a joint venture interest of 50%.

#### **5. CHG (Carbonate Hosted Gold), Clinton Mining Division, British Columbia**

The 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 primary target for the project is carbonate hosted gold (CHG) modeled on a number of gold deposits including Carlin Nevada, the high grade Muddy Lake deposit located in northern BC and the recent discoveries in the Yukon Territory. The first claims for the Carbonate Hosted Gold Project were staked in 2012 to cover prospective source areas for high gold values in heavy mineral samples collected in 1986 and corroborative BCGS stream sediment anomalies which validated historic Geological Survey of Canada references from the 1890s describing float samples ("jasperoid") with high-grade gold contents. Exploration programs subsequently completed in 2013, 2014, 2015 and 2016 have delineated localized strong stream sediment gold anomalies.

#### **Recent Activity**

On November 21, 2017 the Company entered into an option agreement with privately owned ZP Mining Inc. ("ZP") to advance its Carbonate Hosted Gold Project (the "Project"). Terms of the agreement will allow ZP to earn a 60% interest in the Project, currently 100% owned by Cariboo, by completing \$1,500,000 in work and making \$300,000 in payments over a 5<sup>1/2</sup> year term.

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Following earning a 60% interest, ZP may earn an additional 15% interest in the Project by paying Cariboo an additional \$100,000 and completing a feasibility study within a further 36 months. An initial option payment of \$20,000 has been made.

The Project was initiated by Cariboo in 2013 to explore for carbonate hosted gold in south-central British Columbia, such as occurs in Carlin, Nevada, Muddy Lake, British Columbia (Wheaton River Minerals-now Goldcorp), and at the Rackla gold project in the Yukon Territory (Atac Resources Ltd.). The claims overlie a sequence of Paleozoic and Mesozoic aged carbonate rocks located near the community of Clinton, BC. Rationale for the Project includes historical Geologic Survey of Canada reference to high-grade gold values being obtained in jasperoid float samples in the area (silicified carbonate).

Beginning in 2013, Cariboo began a program of silt sampling east trending water courses in the Marble Range. Significant gold anomalies were obtained in three drainages trending eastward and spanning a north-south distance of approximately three kilometers. All of the stream anomalies abruptly cut-off on their western (upslope) edge indicating a discrete source. Since 2013, Cariboo has collected and analyzed a total of 324 stream sediment samples, 895 soil samples and 132 rock (float or rubble) samples.

The 2018 program is anticipated to include an airborne geophysical survey and further ground surveys.

#### **6. Pat Claims, Cariboo Mining Division, British Columbia**

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.

#### **Quality Control**

Information in this Annual MD&A is being prepared under the direction of J. William Morton, P. Geo., President and CEO, and Glen L. Garratt, P. Geo., Vice President and Qualified Persons as defined by National Instrument (NI) 43-101. They are responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

#### **RISKS AND UNCERTAINTIES**

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Some of the Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The mineral industry is intensely competitive in all its phases. Cariboo Rose competes with many other mineral exploration companies who have greater financial resources and technical capacity.

It is difficult at this stage to quantify the effect of increased demand for the goods and services used in the Company's exploration programs, but cost increases during the upcoming field season could be higher than the rate of inflation prevailing in other sectors of the economy. Exploration companies can also expect to experience difficulty in scheduling drilling contracts, airborne geophysical surveys and other services that are key components of early stage exploration programs.

Mineral exploration is a speculative venture. There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body. There is no assurance that the Company's exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be related to the success of its exploration programs, which may be affected by a number of factors that are beyond the control of the Company.

## **CARIBOO ROSE RESOURCES LTD.**

### **Management Discussion and Analysis**

Containing Information up to and Including June 27, 2018

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The market price of precious metals and other minerals is volatile and cannot be controlled.

The purchase of securities of the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of the Company should not constitute a major portion of an investor's portfolio.

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on the TSX Venture Exchange may be affected by such volatility.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests. Its claims, permits or tenures may be subject to prior unregistered agreements or transfers or native land claims. Title to the claims, permits or tenures comprising the Company's properties may also be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the property to which such defect relates.

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent.

The Company's directors and officers serve as directors or officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (British Columbia) dealing with conflicts of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his interest and refrain from voting on the matter unless otherwise permitted by the Business Corporations Act (British Columbia). The directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

### **FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet management's expectations. All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur in the future, are forward looking statements. Forward looking statements are not guarantees of future performance and actual results may differ materially. Forward-looking statements included or incorporated by reference in this document include, without limitation, statements with respect to:

- The Company's assumptions and estimates used in its drill results, as well as the potential resource estimates and interpretations from those results;
- The progress, potential and uncertainties of the Company's drill programs;
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties; and

## CARIBOO ROSE RESOURCES LTD.

### Management Discussion and Analysis

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Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to:

- fluctuations in the currency markets;
- fluctuations in the prices of minerals and other commodities;
- changes in government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which the Company may carry on business in the future;
- risks associated with mining activities;
- the speculative nature of exploration, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues; and
- the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programs.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance.

### SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of Cariboo Rose and is derived from unaudited quarterly financial statements prepared by management. Cariboo Rose's interim financial statements are prepared in accordance with IFRS.

	Revenue	Net Loss (Income)	Loss (Income) per share
February 28, 2018	\$ Nil	\$ 56,639	\$ 0.002
November 30, 2017	Nil	23,603	0.000
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

Quarterly results will vary in accordance with the Company's exploration and financing activities.

Mineral exploration is typically a seasonal business, and accordingly, the Company's administrative expenses and cash requirements will fluctuate depending upon the season. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favourable terms subsequent activity levels will increase.

Another factor that affects the Company's reported quarterly results are write-downs of capitalized mineral property interests. At the end of each reporting period, the Company reviews the carrying amounts of its mineral property costs to determine whether those assets have suffered an impairment. The size and timing of these impairments cannot typically be predicted.

### LIQUIDITY

The Company had working capital of \$158,254 on February 28, 2018.

## **CARIBOO ROSE RESOURCES LTD.**

### **Management Discussion and Analysis**

Containing Information up to and Including June 27, 2018

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#### **Non Brokered Private Placement**

In September 2018 the Company completed a private placement of 1,053,400 units at \$0.12 for flow through units and \$0.10 for non flow-through units for gross proceeds of \$105,800. Each unit consisted of one common share and one warrant for the purchase of one additional non flow-through common share at a price of \$0.14 per share for a term of one year.

#### **Proceeds from investments**

During the year ended February 28, 2018 the Company received net proceeds of \$503,430 from the sale of investments.

#### **CAPITAL RESOURCES**

The Company has no operations that generate cash flow and its long term financial success is dependent on management's ability to discover and develop economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration and development programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the company's track record and the experience and calibre of its management.

#### **TRANSACTIONS WITH RELATED PARTIES**

Related party transactions are recorded at the exchange amount as agreed to by the parties.

In the normal course of business, the Company will enter into transactions with a related company, Eastfield Resources Ltd. ("Eastfield"), for the use of equipment, services and rental of office space. The Company is related to Eastfield through common key management personnel. During the year, amounts payable for rent, salaries, telephone, office, consulting, convention and travel costs to Eastfield amounted to \$76,638 (2017 - \$74,957). At February 28, 2018, payable to related parties included \$5,370 (2017 - \$5,040) payable to Eastfield.

During the year, geological services totaling \$876,790 (2017 - \$336,868) were provided to the Company 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 Mincord 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 payments for services on properties managed by the Company on behalf of joint venturers. At February 28, 2018, payable to related parties included \$6,338 (2017 - \$20,929) payable to Mincord.

During the year ended February 29, 2012, the Company transferred reclamation bonds totaling \$12,000, which had been released by the Ministry of Energy, Mines and Petroleum Resources, to Lorraine Copper Corp., a company with directors in common. This amount remains a receivable from Lorraine Copper Corp. at February 28, 2018.

Remuneration for key management personnel included \$46,894 (2017 - \$57,026) in share-based compensation.

#### **FINANCIAL AND OTHER INSTRUMENTS**

At present, the Company's most significant financial instruments are cash, accounts receivable, marketable securities and accounts payable. The recorded amount of these financial instruments approximate their fair value. The Company does not consider its financial instruments exposed to significant liquidity, credit, or price risks.

**CARIBOO ROSE RESOURCES LTD.**  
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**Marketable Securities/ Investments**

As at February 28, 2018 the Company has the following investments.

	2018			2017	
	Number of Shares	Cost	Fair Value	Cost	Fair Value
Consolidated Woodjam Copper Corp.	49,772	\$ 19,478	\$ 2,738	\$ 19,478	\$ 3,484
Western Copper and Gold Corp	150,000	172,500	162,000	575,000	965,000
		\$ 191,978	\$ 164,738	\$ 594,478	\$ 968,484

During the three months ended February 28, 2017, the Company received 500,000 shares of Western Copper and Gold Corp. in exchange for nine of the 55 Casino B claims which were acquired by the Company and then transferred to Western Copper.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning Cariboo Rose's general and administrative expenses are provided in the Company's Financial Statements for the years ended February 28, 2018 and 2017 that is available on Company's website at [www.cariboorose.com](http://www.cariboorose.com) or on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

**Outstanding Share Data**

The Company is authorized to issue an unlimited number of common shares without nominal or par value. As at June 27, 2018, there were 45,796,888 common shares issued and outstanding.

**Share Purchase Options**

The following common share purchase options are outstanding at June 27, 2018:

Expiry Date	Options Outstanding		Weighted Average Remaining Life	Options Exercisable	
	Number of shares	Exercise price		Number of shares	Exercise price
December 13, 2021	2,300,000	\$ 0.10	3.46	2,300,000	\$ 0.10
August 29, 2026	550,000	0.11	8.17	550,000	0.11
January 17, 2027	100,000	0.20	8.56	100,000	0.20
October 5, 2027	500,000	0.11	9.29	500,000	0.11
	3,450,000	0.11	5.24	3,450,000	0.11

**Share Purchase Warrants**

The following common share purchase warrants are outstanding at June 27, 2018:

Expiry Date	Warrants Outstanding		Weighted Average Remaining Life
	Number of shares	Exercise price	
December 29, 2018	10,000,000	\$ 0.12	0.50
December 29, 2018	574,200	0.07	0.50
September 5, 2018	1,030,000	0.14	0.19
	11,604,200	\$ 0.12	0.47

**Dividends, Off Balance Sheet Arrangements or Proposed Transactions**

As of June 27, 2018, the Company has no off balance sheet arrangements or proposed transactions which require disclosure. The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future.

**APPROVAL**

The Board of Directors of Cariboo Rose has approved the disclosure contained in this Annual MD&A. A copy of this Annual MD&A will be provided to anyone who requests it.

**ADDITIONAL INFORMATION**

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](http://www.sedar.com) or by visiting the Company's website at [www.cariboorose.com](http://www.cariboorose.com).