

CARUBE COPPER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended August 31, 2018 and 2017
(Information as at December 6, 2018 unless otherwise noted)

INTRODUCTION

The following provides management's discussion and analysis of results of operations and financial condition for the years ended August 31, 2018 and 2017. Management's discussion and analysis ("MD&A") was prepared by Carube Copper Corp. management and approved by the Board of Directors on December 6, 2018.

On June 18, 2015, Miocene Resources Limited ("Miocene"), now renamed Carube Copper Corp. (referred to herein collectively with its subsidiaries as "Carube" or the "Company"), completed a reverse takeover with Carube Resources Inc. ("CRI"). On July 7, 2015, the Company commenced trading on the TSX Venture Exchange ("TSX-V") under the ticker symbol CUC.

The consolidated financial statements include all of the assets, liabilities and expenses of Carube Copper Corp. and its wholly-owned subsidiaries, Carube Resources Inc., Carube Resources Jamaica Limited ("CRJL") and Rodinia Jamaica Limited ("RJL").

This MD&A should be read in conjunction with the Company's consolidated annual financial statements for the periods ended August 31, 2018 and 2017 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are presented in Canadian dollars unless otherwise indicated.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain or refer to certain forward-looking statements relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Carube

undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS

Carube is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of mineral properties in the Caribbean region, focused on Jamaica and in British Columbia, Canada. The Company has not determined whether its properties contain mineral resources that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

Jamaica

The Company's primary focus is on properties that are prospective for copper and gold in Jamaica where the Company now has 100% ownership of 11 licenses covering 535 square kilometres in area.

The most advanced property is the Bellas Gate Project ("BGP") which is comprised of the Bellas Gate and Browns Hall Special Exclusive Prospecting Licenses ("SEPLs" or the "licenses"). The BGP is subject to net smelter royalties ("NSR"). It covers 84 square kilometres of highly prospective deformed, altered and mineralized Cretaceous rocks, primarily volcanics that have been intruded by younger igneous rocks within Jamaica's Central Inlier.

The Company also holds a 100% interest in the four Rodinia Jamaica licenses known as Belvedere, Hungry Gully, Main Ridge and Mount Royal, jointly the "Rodinia Licenses", within the Cretaceous Inliers of east-central Jamaica. The Company's interest is subject to a 2% NSR. The Belvedere and Mount Royal licenses are adjacent and are considered one project, the Above Rocks Project.

The Company initiated a drill program in May 2017 on the Bellas Gate copper-gold project in Jamaica. The 1,900 metre program was focused on high-priority drill targets that have been delineated based on results from previous drilling, ground exploration, soil geochemistry and airborne geophysics. The drilling followed up on hole PVT-16-002 at the Provost prospect that intersected 339m of 0.34% CuEq (0.28% Cu, 0.12 g/t Au), including 10m of 1.79% CuEq (1.28% Cu, 0.90 g/t Au) as well as investigated other target areas which included Provost South East and Hendley. Highlights of the 2017 drill program include a 340m intersection of 0.25% CuEq (0.20% Cu, 0.09 g/t Au) which includes 55m of 0.51% CuEq (0.35% Cu, 0.27 g/t Au) in Hole PVT-17-004. Hole PVT-17-005 drilled in this campaign intersected 191m of 0.30% CuEq (0.22% Cu, 0.13 g/t Au) which included 74m of 0.50% CuEq (0.35% Cu, 0.24 g/t Au).

British Columbia

The Rogers Creek, Mackenzie and Salal properties located in British Columbia, Canada were acquired with the reverse takeover of Miocene and are prospective for copper, gold and molybdenum. Together these properties consist of a total of 119 claims and cover 492 square kilometres in area.

During May 2018, the Company entered into an option earn-in agreement with Tocvan Ventures Corp. ("Tocvan") who will have a right to earn an 80% interest in the Rogers Creek project by spending \$1,900,000 on exploration; payment of \$25,000 cash; and the issuance of 1,300,000 Tocvan common shares

over the initial four year earn-in period. Initial payments of \$25,000 cash and 500,000 common shares are payable following the Canadian Securities Exchange's approval of Tocvan's going public transaction. Following the successful completion of the earn-in, an 80% / 20% joint venture will be formed where the Company would retain a 20% interest in the project subject to funding future pro-rata expenditures. A 3% NSR royalty is payable by Tocvan to the Company with advance royalty payments of \$50,000 per year after Tocvan has earned its 80% interest.

Quebec

The Company had an option to earn a 100% interest in the Fiedmont Project (“Fiedmont”), which is comprised of 54 mining claims covering 23 square kilometres in Quebec and is considered prospective for platinum, palladium and lithium. An exploration program focused on trenching was initiated at the Fiedmont Project in October of 2017. As at August 31, 2018, the Company had recorded a full impairment charge with respect to the Fiedmont Project and the project was returned to the vendors in November 2018.

Details with respect to the Company’s property interests and exploration programs are described in the section *Overall Performance and Results of Operations*.

ACTIVITY HIGHLIGHTS FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Significant Company activities during the year ended August 31, 2018 and to date include:

On March 12, 2018 the Company announced corporate changes and a rescheduled annual and special meeting date. Effective March 12, 2018, the Board of Directors appointed Tony Houston as interim Chief Executive Officer and President. Jeffrey Ackert, incumbent CEO and President became Vice-President of Business Development. The Board of Directors also proposed a slate of directors for the annual and special meeting which was held on May 24, 2018. The slate of directors approved by shareholders at the Company's annual meeting in May consisted of the following: Antony Manini, Yale Simpson, Alar Soever, Zimi Meka, T. Sean Harvey and Stephen Hughes. The last three directors were new to the Board of Directors. Former directors Greg LeBlanc, Jeffrey Ackert, Vern Rampton and Mark Pfau ceased to be directors in May. Tony Manini has been confirmed as the new Chair of the Board of Directors.

During late March of 2018, the Company completed its private placement financing. The private placement financing was fully subscribed. Including the first tranche closed during February 2018, and the second and third tranches both closed during late March 2018, the Company raised total gross proceeds of \$3,000,000 with the issuance of 50,000,000 units. A total of 25,000,000 warrants exercisable at \$0.10 per share were issued with this placement. In connection with the closings during March 2018, the Company paid a total of \$122,130 in cash finder fees and issued a total of 2,035,500 compensation options exercisable for units.

During March 2018, the Company settled promissory notes payable and accrued interest in a total amount of \$464,115 with the issuance of 8,220,754 common shares. Also, during March 2018, the Company made cash payments of \$99,972 with respect to promissory notes and \$33,363 with respect to the bridge loan. Following these share settlements and cash payments the Company had fully extinguished all promissory note and bridge loan liabilities.

During May 2018, the Company entered into an option earn-in agreement with Tocvan Ventures Corp. who will have a right to earn an 80% interest in the Rogers Creek project by spending \$1,900,000 on exploration; payment of \$25,000 cash; and the issuance of 1,300,000 Tocvan common shares over the initial four year earn-in period.

During August 2018, the Company released high-grade gold assays from soil and rock-chip sampling at the Company's 100 percent owned Main Ridge project in Jamaica. The Company undertook a mapping and sampling program to follow up results of exploration conducted by BHP in the early 1990s, which subsequently led to development of a small open-pit gold mine at the adjacent Pennants gold mine.

During October 2018, the Company provided new results from its continuing surface exploration program at the Main Ridge project in Jamaica. Further high-grade gold rock chip results were received from the continuing detailed mapping and sampling program at Main Ridge, which is focused on a coherent zone of strong gold in soils. At this time the gold-in-soil anomaly was interpreted to have a minimum strike length of two kilometres and is located along trend of the former Pennants gold mine.

During November 2018, the Company announced additional positive results from its continuing surface exploration program at the Main Ridge project. A grid-based soil sampling program extended the strike length of the coherent zone of strong gold in soils to 5,500 metres, parallel to the trend of the Bennet Gold Zone (BGZ). Results to date validate the exploration team's interpretation that the gold-bearing quartz-adularia-rhodochrosite veins extend northwest and southeast of the former Pennants gold mine. Mapping, sampling and trenching will continue west and east of the former Pennants mine, to define the structural controls on gold mineralization and define the source of high copper in soils within the project area.

SELECTED ANNUAL INFORMATION

The following tables contain selected annual financial information for the fiscal years ended August 31, 2018, 2017 and 2016.

	Year Ended August 31, 2018 \$	Year Ended August 31, 2017 \$	Year Ended August 31, 2016 \$
Revenue	Nil	Nil	Nil
Total expenses	(1,698,984)	(1,270,187)	(940,682)
Other income (expense)	(28,987)	(102,131)	72,914
Net loss for the year	(1,727,971)	(1,372,318)	(867,768)
Basic and diluted loss per common share	(0.01)	(0.02)	(0.01)
Cash dividend per common share	Nil	Nil	Nil

For the year ended August 31, 2018, total expenses (before other income and expenses) were \$1,698,984 and were comprised of: \$306,593 related to promotion and investor relations; \$41,453 related to regulatory authority and transfer agent fees; \$83,877 with respect to professional fees for legal, accounting and audit services; \$522,599 with respect to office, general and administrative costs; \$90,833 related to project generation and evaluation; \$228,015 with respect to share based compensation for stock options, restricted share units ("RSUs") and deferred share units ("DSUs"); and, impairment of mineral exploration property and deferred exploration expenditures of \$425,614.

Total expenses (before other income and expenses) were \$428,797 higher during fiscal 2018 when compared to fiscal 2017. Promotion and investor relations costs were higher by \$70,158. Costs related to promotional campaigns and trade show attendance focused on raising the Company's on-line profile and

investor awareness were higher; additionally, costs associated with the annual shareholders meeting in May 2018 were higher. Regulatory authority and transfer agent fees were \$14,839 higher primarily due to exchange filing fees relating to the Company's debt settlements with shares and its annual stock option plan submission. Additionally, transfer agent costs were incurred related to the issuance of warrants in the private placement financing of March 2018. Professional fees for legal, accounting and audit were \$3,306 higher during fiscal 2018 primarily due to legal costs associated with the Company's annual meeting, debt settlements and management and board changes. Office, general and administrative costs were \$21,698 higher during fiscal 2018 when compared to 2017. Several factors contributed to this increase: compensation and travel costs for the Company's Interim Chief Executive Officer appointed in March 2018 were a significant component of this increase; Chief Financial Officer compensation was higher due to increased activity with respect to corporate transactions for debt settlements; equity financing; and, annual meeting materials; additionally, general and administrative costs for administration of the Company's subsidiaries and exploration programs in Jamaica were higher. Project generation and evaluation costs were \$88,733 higher during fiscal 2018 as the Company initiated various efforts to evaluate new mineral projects for addition to the Company's portfolio. Share based compensation expense was \$195,551 lower during fiscal 2018 relating to lower charges for each of stock options, RSUs and DSUs. An impairment charge of \$425,614 related to the mineral property and deferred exploration costs for the Fiedmont, Quebec project was recorded during fiscal 2018 while there were no impairment charges recorded in fiscal 2017.

Other expenses for the year ended August 31, 2018 totaled a net amount of \$28,987 (fiscal 2017 - \$102,131). The overall decrease of \$73,144 related primarily to lower interest expense of \$90,145 on bridge loans and promissory notes following the settlement and repayment of all debt during March 2018. Interest income earned on cash equivalents was \$7,439 higher. Other income was \$14,897 lower and related to a decrease in the drawdown of the flow-through premium liability which was recognized pro-rata to incurring the qualified exploration expenditures mainly during 2017.

	As at August 31, 2018 \$	As at August 31, 2017 \$
Total assets	13,471,441	12,734,961
Cash	1,220,668	665,096
Accounts payable and accrued liabilities	154,375	491,786
Bridge loans payable – current	Nil	104,500
Promissory notes payable – current	Nil	255,976
Promissory notes payable – long-term	Nil	277,571
Cash dividends per common share	Nil	Nil

During the year ended August 31, 2018, the Company utilized cash of \$1,326,290 with respect to operating activities and \$755,184 with respect to investing activities primarily for exploration programs and property costs. During February and March 2018, the Company raised gross proceeds of \$3,000,000 from its private placement financing. Cash payments with respect to bridge loans and promissory notes totalled \$209,335 during the year ended August 31, 2018. Promissory notes and accrued interest totalling \$464,115 were settled with the issuance of common shares during March 2018. Following these share settlements and cash payments the Company had fully extinguished all promissory note and bridge loan liabilities.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Mineral Exploration Properties and Deferred Exploration Expenditures

The Bellas Gate Project, Jamaica

Overview

The BGP is comprised of the Bellas Gate and Browns Hall SEPLs located within deformed, altered and mineralized Cretaceous rocks, primarily volcanics, within the Central Inlier of Jamaica. The licenses are contiguous and cover 84 square kilometres in area. The Spaniards placer mined gold in the 16th century within the Central Inlier and high-grade copper veins were mined at two sites there in the mid-1800s. Subsequently, no significant exploration or development was undertaken until the 20th century when exploration was focused on copper.

The BGP is subject to a 2% net smelter royalty (NSR) in favour of Clarendon Consolidated Minerals Ltd., the original vendor of the property.

The Company's exploration programs are focused on defining copper and gold porphyry resources.

OZ Minerals Term Sheet and Definitive Agreement

During May 2013, the Company entered into a term sheet with OZ Minerals, with a definitive joint venture agreement concluded during May 2015. Significant terms included that OZ Minerals was required to incur staged exploration expenditures of \$6.5 million and staged cash payments to the Company of \$475,000 over a maximum period of 3.5 years to earn a 70% interest in the BGP. After completing the expenditures to earn a 70% interest, in February 2016, OZ Minerals elected to earn a further 10% interest by financing all work to the end of a feasibility study. In September 2016, OZ Minerals, for corporate reasons, elected to withdraw from the Bellas Gate Joint Venture.

Bellas Gate Project Property Costs

As at August 31, 2018, the Company had a capitalized balance of \$1,730,188 (August 31, 2017 - \$1,729,838) with respect to property costs for the BGP. License renewal fees of \$1,111 were incurred by the Company during the year ended August 31, 2018.

Bellas Gate Project Exploration Activity; 2011 to 2016

Year	Operator	Geophysics	Soil Sampling	Trenching	Drilling	Highlights
2011 and 2012	Carube			800m	3,500m	Camel Hill: 170m of 0.32% Cu in drill hole CH12-01 and 207m of 0.27% Cu and 0.15 g/t Au in drill hole CH12-07
2013	Carube		5,865 samples			15 new target areas defined by copper in soil anomalies including Provost, Hendley, MAB, Geo Hill and Coffee.

2014	OZ Minerals	1,867 line kms airborne mag and radiometrics.	1,887 samples		3,964m	Connors: 294m of 0.56% CuEq; including 96m of 1.00% CuEq, in drill hole DDH-CON-14-005
2015	OZ Minerals		1,095 samples		6,911m	Hendley: 261m @ 0.26% CuEq in drill hole HEN-15-003
2016	OZ Minerals	46 km of IP			728m	Provost: 339m of 0.34% CuEq, including 10m of 1.79% CuEq in drill hole PVT-16-002

Table 1: Summary of exploration activity from 2011 to 2016

2017/2018 Exploration: Carube initiated its own drill program in May of 2017. The program focused on the high priority target areas at Provost, Provost SE and Hendley. The first hole was collared at the Provost prospect close to PVT-16-002 and drilled to the SW. The hole was drilled to a depth of 385.4m and intersected copper mineralization starting at 45.3m. Results include 340.1m of 0.09 g/t Au and 0.20% Cu or 0.25% CuEq. Within that zone of mineralization, a higher grade zone returned 55.0m of 0.27 g/t Au and 0.35% Cu or 0.51% CuEq. The 1,900m drill program was completed in September during the first quarter of fiscal 2018.

Bellas Gate Project Exploration Expenditures

As at August 31, 2018, exploration expenditures incurred directly by the Company for the BGP have a total carrying value of \$4,189,043 (August 31, 2017 - \$3,807,399). These costs are comprised of the Company's direct exploration expenditures and exclude any exploration funded previously by OZ Minerals. Costs incurred directly by the Company during the year ended August 31, 2018 total \$476,332 and related to geology of \$181,905; geochemical analysis costs of \$9,793; drilling related costs of \$240,120; environmental costs of \$1,384; community and social development costs of \$41,757; and, health and safety costs of \$1,373.

Total exploration costs incurred by OZ Minerals on the BGP during fiscal 2016 were approximately \$4.2 million bringing OZ Minerals' cumulative expenditures on the BGP to approximately \$12.5 million.

In September 2016, OZ Minerals, for corporate reasons, elected to withdraw from the Bellas Gate Joint Venture. Also, during September 2016, the Company announced it had finalized a heads of agreement with OZ Minerals to acquire a 100% interest in OZ Minerals' holdings in Jamaica which include the 70% interest that OZ Minerals had earned in the BGP. OZ Minerals continued to cover all maintenance costs for the BGP until the end of December 2016.

Rodinia and Other Licenses, Jamaica

Overview

On March 31, 2012, the Company completed the acquisition of a 100% interest in Rodinia Jamaica Limited ("RJL") from Tigers Realm Metals Pty Limited ("TRM") and Rodinia Resources Pty Limited ("Rodinia"). RJL holds a 100% interest in four Special Exploration Prospecting Licenses ("SEPLs" or "Rodinia

Licenses”), which total 184 sq. km. in area and which are known as Belvedere, Hungry Gully, Main Ridge and Mount Royal. The Belvedere and Mount Royal SEPLs are contiguous and are considered one project area known as the Above Rocks Project. Rodinia retains a 2% NSR in respect of the four licenses.

OZ Minerals definitive agreement for the Rodinia Licenses

Under the terms of the joint venture agreement for the BGP, OZ Minerals also had rights to complete airborne geophysics over the four Rodinia Licenses within 18 months of initiation of their earn-in on the BGP. On December 7, 2015, OZ Minerals provided the Company notice of its election to initiate an earn-in and potential joint venture with respect to Above Rocks, which totals 104 sq. km. in area. The Company received the initial cash payment of \$50,000 during December 2015. During September 2016, OZ Minerals elected not to proceed with the joint venture earn-in for Above Rocks. The Company retains a 100% interest in the Above Rocks Project subject to the 2% NSR in favor of Rodinia.

Above Rocks Project Activity 2015 to Date

Five prospects were initially investigated by OZ Minerals at Above Rocks during late 2015 and early 2016 with the aim of defining drill targets at Jobs Hill, Sue River/Glengoffe, Border, Kingsweston and Lucky Hill. Jobs Hill received the majority of the work with three holes drilled. The first hole was drilled for 237 metres and included 5m of 0.87% CuEq and 3m of 0.48% CuEq. The second hole was abandoned before the mineralization was intersected and a third hole was drilled beneath the surface mineralized zone and intersected a high-grade zone of 3.3m of 1.60% CuEq.

Main Ridge and Hungry Gully Exploration Activity 2015 to Date

Soil geochemistry surveys were completed on the two licenses during 2014 and 2015. At Main Ridge, a one kilometre long segment in the southwestern part of the license was characterized by anomalous copper values of 250 to 664 ppm copper and gold values of up to 33 ppb.

There are two highly prospective targets at Main Ridge, including:

- the Main Ridge Gold Zone (MRGZ) as defined by gold in soils, an airborne potassium anomaly and distinct structures extends over two kilometres to the west-northwest of the former Pennants gold mine.
- the Orange Hill Copper Prospect (OHCP) is located on the western part of Main Ridge and is characterized by a large magnetic feature coincident with the copper-gold in soil anomalies.

During 2018, additional mapping and sampling focused on the Main Ridge Gold Zone where recent results show gold mineralization associated with structural trends hosting quartz, carbonate and adularia veins. Gold mineralization is associated with the low angle northwest striking structure, along dilational jogs developed at the intersection of the low angle northwest structures and cross cutting steeply dipping northeast structures. The width of mapped low angle structures is variable, but locally up to 10 metres in apparent thickness. Results include: 19.3 g/t gold at Mango Valley, 12.0 g/t gold at Donkey Hill and 1.7 g/t gold at Silver Fish which are three newly identified showings within the MRGZ.

Other Jamaica Projects

During September 2016, the Company announced it had finalized a heads of agreement with OZ Minerals to acquire a 100% interest in OZ Minerals' holdings in Jamaica which, in addition to the 70% interest that OZ Minerals had earned in the BGP, includes five licenses covering 276 square kilometres which OZ Minerals had acquired directly in 2014. In April 2017, Carube received the official transfer documents from the Jamaican Ministry of Transportation and Mines for these five additional Special Exploration and

Prospecting Licenses. The licenses include Arthurs Seat, Windsor Castle, Berkshire Hall, Mount Ogle and Shirley Castle. All licenses have previously had airborne geophysics, which includes magnetics and radiometrics, flown over them by OZ Minerals. OZ Minerals undertook reconnaissance work at the Mammee Hill prospect on the Shirley Castle license, conducting reconnaissance mapping, rock chip sampling and ridge and spur soil sampling for 298 samples. The sampling indicates a 700m x 250m copper in soil anomaly which has yet to be evaluated.

Other Jamaica Projects Acquisition Costs

The Company's 100% interest in the five licenses is subject to a single potential future payment to OZ Minerals of \$1.5 million within one year of commencement of commercial production on any of the five licenses. Each of the licenses are subject to a 2% NSR with a buyback of one-half of the NSR for \$500,000.

Rodinia and Other Licenses Acquisition Costs

As at August 31, 2018, total property costs for the Rodinia and other licenses have a carrying value of \$1,995,545 (August 31, 2017 - \$1,993,425) and include the value of common shares issued to Rodinia and TRM for the acquisition in a total amount of \$2,017,322. During December 2015, the cash option payment of \$50,000 received from OZ Minerals related to the Above Rocks project was recorded as a reduction of property costs.

Rodinia and Other Licenses Exploration Expenditures

As at August 31, 2018, the carrying value of exploration costs for the Rodinia and Other Licenses totals \$521,234 (August 31, 2017 - \$336,043). During the year ended August 31, 2018, the Company incurred geology costs of \$120,845; geochemical costs of \$10,945; drilling related costs of \$36,288; environmental costs of \$490; community and social development costs of \$19,123; and, health and safety costs of \$1,721.

The Fiedmont Project, Canada

Overview

During September 2010, the Company entered into a property option letter agreement to acquire a potential 100% interest in the Fiedmont property ("Fiedmont") comprised of 54 claims covering 23 sq. km. in Fiedmont Township, Quebec. A definitive option agreement was entered into on October 22, 2010 whereby the Company acted as operator of the property

Fiedmont is highway accessible and located 30 km north of Val d'Or, Quebec. Three large altered differentiated mafic-ultramafic intrusions lie within Fiedmont's boundaries. Previous investigation in two areas within the northern intrusion had located two zones showing palladium (Pd) and platinum (Pt) values of note. Previous drilling on one zone intercepted 1.9g Pt+Pd/t over 2 metres, 2.3g Pt+Pd/t over 4 metres and 5.7g Pt+Pd/t over 1 metre. Multiple platinum and palladium soil geochemistry zones remain untested. Pegmatite dikes within a large Li-Mo-Bi soil anomaly were also located.

As at August 31, 2018, the Company recorded a full impairment charge totalling \$425,614 with respect to the Fiedmont project as it had been determined that exploration would not continue in order that Company efforts could be focused on its core assets in Jamaica. The Company has returned the project to the optionors.

Fiedmont Acquisition Costs

Total consideration payable under the terms of the option agreement included: \$10,000 cash upon execution of the definitive option agreement and a balance totalling \$160,000 in cash; 490,000 common shares; and,

exploration expenditures of \$700,000 staged in annual installments over four years following the Company going public in July 2015.

During September 2016, the Company issued a total of 238,148 common shares to the vendors of the Fiedmont property in satisfaction of the first anniversary payments due under the terms of the property option agreement. This payment comprised 90,000 common shares and 148,148 common shares provided in lieu of the \$20,000 cash payment. During August 2017, the Company issued 100,000 common shares valued at \$7,000 in satisfaction of the second anniversary share payment and during September 2017 the cash option payment of \$30,000 was made.

As at August 31, 2018, a full impairment charge of \$221,251 was recorded with respect to the property acquisition costs for the Fiedmont project.

Fiedmont Exploration Expenditures

In August 2017, the Company announced an exploration program including stripping and systematic sampling of the exposed mineralized zones in six areas showing anomalous humus and grab samples. A broad area around the Highway Showing; a northeast trending soil anomaly zone to the southwest of the Lynx showing; and a NE-trending zone, some 250m northwest of the Tower Zone were the focus of this work. This field program was completed during December 2017.

During the year ended August 31, 2018, the Company incurred net exploration costs of \$73,838 for the Fiedmont project. These costs were comprised of \$1,260 for geology and \$107,640 for trenching. The Company has recorded Quebec exploration tax credits totaling \$35,062 relating to these expenditures.

As at August 31, 2018, a full impairment charge of \$204,363 was recorded with respect to deferred exploration expenditures for the Fiedmont project.

British Columbia, Canada Properties – Rogers Creek, Mackenzie and Salal

The Rogers Creek, Mackenzie and Salal Projects were acquired with the reverse takeover of Miocene. As at August 31, 2018 property costs total \$3,303,943 (August 31, 2017 - \$3,303,943). A total value of \$3,300,719 was allocated to the value of the Rogers Creek and Mackenzie properties in the RTO. A full impairment charge with respect to prior property and exploration costs associated with the Salal property was recorded by Miocene during 2013. No additional expenditures have been incurred for Salal since this time.

During the year ended August 31, 2018, the Company incurred geology costs of \$21,144 and geochemical costs of \$3,935 for the Rogers Creek and Mackenzie Projects.

Rogers Creek

The Rogers Creek copper-gold property is located in southwestern British Columbia, near the town of Pemberton. The property consists of 47 mining claims covering 212 square kilometres. The property is currently 100% owned subject to an underlying 2.5% NSR, which is payable upon production, half of which could be purchased for \$1.25 million. Sufficient assessment work has been filed to keep the Company's interest in the key parts of the property to dates ranging from December 22, 2019 to December 31, 2021. The property is located in an easily accessible area with excellent infrastructure including a major power line, which crosses the western side of the property, and an extensive logging road network.

During May 2018, the Company entered into an option earn-in agreement with Tocvan Ventures Corp. who will have a right to earn an 80% interest in the Rogers Creek project by spending \$1,900,000 on exploration; payment of \$25,000 cash; and the issuance of 1,300,000 Tocvan common shares over the initial four year earn-in period. Initial payments of \$25,000 cash and 500,000 common shares are payable following the Canadian Securities Exchange's approval of Tocvan's going public transaction. Following the successful completion of the earn-in, an 80% / 20% joint venture will be formed where the Company would retain a 20% interest in the project subject to funding future pro-rata expenditures. A 3% NSR royalty is payable by Tocvan to the Company with advance royalty payments of \$50,000 per year after Tocvan has earned its 80% interest.

Four target areas within the Miocene age Rogers Creek Pluton have been identified on Rogers Creek, based on geophysics, geochemistry, and the presence of alteration and/or mineralization. Exploration work has identified a six by two kilometre area of widespread propylitic alteration, localized copper-gold mineralization and multi-element soil anomalies, including copper, gold and molybdenum.

During 2015 and 2016, re-examination of existing drill core was completed as well as an IP survey and 3d modelling of the geology and geophysics.

Mackenzie

The Mackenzie copper-gold property is located in southwestern British Columbia, approximately 100 kilometres west of Lillooet, the nearest population centre, a railhead, source of high-tension power and major roads. Forest service access roads cross the northern and southern claim boundaries and link the property with the town of Gold Bridge, which is located about 40 kilometres to the east.

Mackenzie consists of 38 mining claims covering 156 square kilometres. Assessment work has been filed to keep the key parts of the property to dates ranging from August 1, 2019 to December 31, 2019. The property is contiguous with the Salal molybdenum property.

Thirteen of the 38 claims that make up the Mackenzie Project are subject to a 2% NSR in favour of the original vendor of the claims. This royalty does not extend to the western half of the Mackenzie property that includes the Bornite Trend where narrow quartz-chalcopyrite-bornite veins were found over a broad area. The Company has the right to buy-back 62.5% of the NSR for the purchase price of \$1,000,000 (adjusted for CPI) with an additional right of first refusal for the remaining 37.5% of the NSR should the original vendor decide to sell all or any part of his interest in the NSR. Additionally, a 1.75% NSR royalty on the Mackenzie property was granted to Wallbridge Mining Company Ltd. ("Wallbridge") in connection with Miocene's prior line of credit arrangements with Wallbridge. The Wallbridge NSR on the Mackenzie and Salal properties can be repurchased for \$750,000 up until December 31, 2018, or for \$1,750,000 at any time thereafter.

From 2012 to 2015, work included mapping and sampling at the Tillworth Trend, Bornite Trend and the Breccia Trend. At the Bornite Trend, copper values ranged up to a maximum of 4.34% Cu with Au ranged from 0.001 to 0.445 g/t; and Ag from 3.34 to 4,170 g/t. Mineralization is located approximately 10 kilometres south of Amarc Resource's recently discovered IKE deposit.

During September 2015, a high resolution airborne magnetic and radiometric survey, which covered a 57 square kilometre area and included the Bornite Trend, was completed on the Mackenzie Project.

Several important characteristics of the area are revealed from interpretation of the airborne magnetic and radiometric data:

- Elevated values in the potassium radiometrics suggesting a potassic alteration zone associated with porphyry mineralization occurs over an area at least 6km long by 3km at its widest point within and parallel to the contact of the Bridge River Pluton.
- A large magnetic body — about 2,000m long by 500m wide and 150m below surface — lies directly beneath high copper values on surface in grab samples. Previous mapping and sampling indicate a strong association between copper mineralization and magnetite.
- Interpreted structural zones coincide well with surface exposures of mineralization that parallel the Bridge River Pluton contact. Cross structures also show magnetic enhancement and correlation with copper in grab samples.

In September 2016, a sampling program was focussed on the higher magnetic zones identified at the Bornite Trend. These sample results indicate three zones of anomalous copper in soil along the edge of the potassic altered intrusive.

Salal

The Salal molybdenum-rhenium-silver property is located about 150 kilometres due north of Vancouver, 65 km northwest of Pemberton and 100 km west of Lillooet and is comprised of 34 claims covering 124 square kilometres. The Company holds a 100% undivided interest in the property subject to (i) a 2% NSR on seven of 34 claims, half of which can be purchased for \$500,000 and (ii) a 1.5% NSR in favour of another party on a single claim, 50% of which can be purchased for \$500,000 with an additional right of first refusal on the remaining 50% should the claim vendor decide to sell all or any part of their interest in the NSR. Additionally, a 1.75% NSR royalty on the Salal property was granted to Wallbridge in connection with Miocene's prior line of credit arrangements with Wallbridge. The Wallbridge NSR on the Mackenzie and Salal properties can be repurchased as described above under the Mackenzie property description. Sufficient assessment work has been filed to hold the claims until August 1, 2019.

The property has a 50-year exploration history during which a 15-kilometre trend of molybdenum occurrences was defined. This mineralization is reflected by the strongest molybdenum stream sediment anomaly in British Columbia when compared to the BC Geological Survey database. Channel sampling returned significant grades of molybdenum including 85 metres of 0.077% Mo, 55 metres of 0.191% Mo and 30 metres of 0.084% Mo.

All technical information within this document has been reviewed and approved by Shannon Baird, P. Geo. the Company's exploration manager in his capacity as a qualified person as defined under National Instrument 43-101.

Results of Operations

Expenses

For the year ended August 31, 2018, total expenses (before other income and expenses) were \$1,698,984 (fiscal 2017 – \$1,270,187) and were comprised of: \$306,593 related to promotion and investor relations; \$41,453 related to regulatory authority and transfer agent fees; \$83,877 with respect to professional fees for legal, accounting and audit services; \$522,599 with respect to office, general and administrative costs; \$90,833 related to project generation and evaluation; \$228,015 with respect to share based compensation

for stock options, RSUs and DSUs; and, impairment of mineral exploration property and deferred exploration expenditures of \$425,614.

Total expenses (before other income and expenses) were \$428,797 higher during fiscal 2018 when compared to fiscal 2017. Promotion and investor relations costs were higher by \$70,158. Costs related to promotional campaigns and trade show attendance focused on raising the Company's on-line profile and investor awareness were higher; additionally, costs associated with the annual shareholders meeting in May 2018 were higher. Regulatory authority and transfer agent fees were \$14,839 higher primarily due to exchange filing fees relating to the Company's debt settlements with shares and its annual stock option plan submission. Additionally, transfer agent costs were incurred related to the issuance of warrants in the private placement financing of March 2018. Professional fees for legal, accounting and audit were \$3,306 higher during fiscal 2018 primarily due to legal costs associated with the Company's annual meeting, debt settlements and management and board changes. Office, general and administrative costs were \$21,698 higher during fiscal 2018 when compared to 2017. Several factors contributed to this increase: compensation and travel costs for the Company's Interim Chief Executive Officer appointed in March 2018 were a significant component of this increase; Chief Financial Officer compensation was higher due to increased activity with respect to corporate transactions for debt settlements; equity financing; and, annual meeting materials; additionally, general and administrative costs for administration of the Company's subsidiaries and exploration programs in Jamaica were higher. Project generation and evaluation costs were \$88,733 higher during fiscal 2018 as the Company initiated various efforts to evaluate new mineral projects for addition to the Company's portfolio. Share based compensation expense was \$195,551 lower during fiscal 2018 relating to lower charges for each of stock options, RSUs and DSUs. An impairment charge of \$425,614 related to the mineral property and deferred exploration costs for the Fiedmont, Quebec project was recorded during fiscal 2018 while there were no impairment charges recorded in fiscal 2017.

Other Income and Expense

Other expenses for the year ended August 31, 2018 totaled a net amount of \$28,987 (fiscal 2017 – \$102,131). The overall decrease of \$73,144 related primarily to lower interest expense of \$90,145 on bridge loans and promissory notes following the settlement and repayment of all debt during March 2018. Interest income earned on cash equivalents was \$7,439 higher. Other income was \$14,897 lower and related to a decrease in the drawdown of the flow-through premium liability which was recognized pro-rata to incurring the qualified exploration expenditures mainly during 2017.

Net Loss and Loss per Common Share

For the year ended August 31, 2018, net loss was \$1,727,971 (fiscal 2017 – \$1,372,318). Basic and diluted loss per common share was \$0.01 (fiscal 2017 – \$0.02). As the Company incurred a net loss for each of these years, the diluted number of common shares outstanding excludes all contingently issuable shares as they have an anti-dilutive effect for the years presented.

Other Comprehensive Loss

Upon consolidation, the financial statements of the Jamaican subsidiaries (CRJL and RJL) are translated into Canadian dollars as follows: assets and liabilities - at the closing rate at the date of the statement of financial position, and income and expenses - at the average rate for the period. All resulting foreign exchange translation adjustments are recognized in other comprehensive income (loss). During the year ended August 31, 2018 a foreign currency translation loss of \$96,689 (fiscal 2017 – \$137,685) was recorded in other comprehensive loss.

SUMMARY OF INTERIM FINANCIAL INFORMATION AND FOURTH QUARTER EVENTS

The following table contains a summary of unaudited quarterly information for the eight quarters ended August 31, 2018.

	Fiscal 2018				Fiscal 2017			
	Q1 \$	Q2 \$	Q3 \$	Q4 \$	Q1 \$	Q2 \$	Q3 \$	Q4 \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses:								
Promotion and investor relations	64,232	92,925	97,881	51,555	35,671	46,064	116,220	38,480
Regulatory authority and transfer agent fees	3,372	4,854	20,635	12,592	4,565	4,400	4,785	12,864
Legal, accounting, audit & advisory	9,375	21,612	44,017	8,873	18,489	13,860	12,934	35,288
Office, general and administrative	145,243	98,605	171,801	106,950	79,405	78,327	89,287	253,882
Project generation and evaluation	Nil	Nil	58,271	32,562	Nil	Nil	2,100	Nil
Share based compensation	110,491	77,111	25,602	14,811	80,388	99,680	57,026	186,472
Impairment of mineral property and deferred exploration expenditures	Nil	Nil	Nil	425,614	Nil	Nil	Nil	Nil
Other expenses (income) total	15,579	16,039	3,892	(6,523)	20,876	35,217	32,491	13,547
Net loss	348,292	311,146	422,099	646,434	239,394	277,548	314,843	540,533
Basic and diluted loss per common share	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)

Significant fluctuations in quarterly expenses are summarized as follows.

Office, general and administrative expense during the fourth quarter of fiscal 2017 included a cost \$152,400 with respect to a contract termination payment relating to the Company's former Manager of Administration. During the third and further quarters of fiscal 2018, the Company became active in evaluating potential new mineral properties incurring consulting fees and salaries and related travel and accommodation costs. Share based compensation expenses were higher during the fourth quarter of fiscal 2016 related primarily to charges for new stock options granted during the quarter and due to higher RSU expense as RSUs with the Company's former Manager of Administration became fully vested upon termination. During the fourth quarter of fiscal 2018, the Company recorded a full impairment charge relating to the Fiedmont project of \$425,614. Other expenses related to interest on debt decreased during the third quarter of fiscal 2018 with the full repayment and settlement of bridge loans and promissory notes.

There were no significant unusual fourth quarter events during either fiscal 2018 or 2017.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2018, the Company held cash and cash equivalents of \$1,220,668 (August 31, 2017 – \$665,096) and had working capital of \$1,193,651 (August 31, 2017 – deficiency of \$19,605). The

Company has financed its operations primarily with equity financing but has in the past financed components of operating expenses, property costs and exploration costs with accounts payable, bridge loans and promissory notes payable.

During March 2018, the balance of all outstanding promissory note and bridge loan liabilities were extinguished with the issuance of 8,220,754 common shares valued at \$464,115 and cash payments of \$133,335.

During February and March of 2018, the Company closed a private placement in three tranches raising total gross proceeds of \$3,000,000. A total of 50,000,000 units were issued at \$0.06 per unit.

The Company will require additional funding to be able to acquire, advance and retain mineral exploration property interests and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on its ability to raise required financing whether through equity or debt financing; through joint ventures; the generation of profits from operations; or, the sale of property assets in the future.

The Company continues to seek joint venture funding for its exploration projects and has ongoing discussions with a number of companies that are interested in the Jamaica mineral properties.

Financing activity during fiscal 2017

On December 1, 2017, the Company announced it would raise up to \$1,200,000 by way of a non-brokered private placement offering of up to 20,000,000 units of the Company at a price of \$0.06 per unit. On March 9, 2018, the Company announced an increase in this private placement to raise up to \$3,000,000 in proceeds for up to 50,000,000 units. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.10 per common share for a period of two years from the closing dates of the offering. Eligible finders who sourced funds earned a cash commission of up to 6% of the gross proceeds raised by the finder and received compensation options entitling the finder to purchase that number of units at \$0.06 per unit equal to 6% of the number of units sold by the finder.

This private placement was fully subscribed and closed in three tranches during February and March 2018. In total, for all tranches of this placement, gross proceeds of \$3,000,000 were raised with the issuance of 50,000,000 units. A total of 25,000,000 warrants exercisable at \$0.10 per share were issued in connection with this placement. These warrants were recorded at a value of \$382,287. In connection with the closings during March 2018, the Company paid a total of \$122,130 in cash finder fees and issued a total of 2,035,500 compensation options exercisable for units. These compensation options were recorded at a value of \$85,850.

During March 2018, the Company settled promissory notes payable and accrued interest in a total amount of \$464,115 with the issuance of 8,220,754 common shares.

Financing activity during fiscal 2017

On March 2, 2017, the Company closed a non-brokered private placement financing raising gross proceeds of \$1,600,000 with the issuance of 20,000,000 units at a price of \$0.08 per unit. Each unit was comprised of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.15 per common share and has a two year term to expiry on March 3, 2019.

On March 8, 2017, the Company paid a total of \$64,936 to Wallbridge in payment of the outstanding interest on the promissory note and an outstanding account payable balance as at February 28, 2017. On March 14, 2017, the Company amended the promissory note with Wallbridge to extend the repayment date from December 31, 2017 to December 31, 2019. In connection with this extension of the repayment date Wallbridge was granted a right to participate in any future financings of the Company such that they can obtain up to a 15.5% equity interest in the Company's outstanding common shares. Wallbridge has also been given a right to convert any of the remaining promissory note indebtedness, at any time, into common shares of the Company at a price equal to the 4-day volume weighted average price of the Company's common shares preceding the date of any conversion. This conversion right was exercised during March 2018 with the full settlement of the Wallbridge note in the amount of \$293,204 in exchange for 5,367,266 common shares.

On April 28, 2017, the Company entered into a Promissory Note Extension Agreement with respect to the \$180,000 principal value note and accrued interest of \$70,057 (interest accrued to April 30, 2017) which was previously due on January 31, 2017. Under the terms of this agreement a partial cash payment of \$100,057 (comprised of \$30,000 of principal and all accrued interest) was made during May 2017. The balance of \$150,000 in principal is due on January 30, 2018 and remains subject to 12% interest per annum. In the event that the Company proposes an offering of its common shares or securities convertible into common shares to raise funds for the Company on or before January 30, 2018, the promissory note holder retains a right to subscribe for such offered securities having a value of up to \$150,000 with the same terms as those offered to other investors. During March 2018, a balance of \$119,438 was settled with the issue of 1,990,634 common shares. The balance due of \$59,972 was repaid in cash.

On April 30, 2017, the Company entered into an amended agreement with respect to the \$95,000 principal value note and accrued interest of \$21,270 which was previously due on December 31, 2016. Under the terms of this agreement, the promissory note holder agreed to accept 500,000 common shares of the Company valued at \$60,000 as partial payment (see below). The balance due of \$56,270 is due December 15, 2017 and remains subject to 12% interest per annum. During March 2018, a balance of \$22,202 was settled with the issue of 375,000 common shares. The balance of \$40,000 was repaid in cash.

On May 18, 2017, the Company closed a non-brokered private placement financing raising gross proceeds of \$1,365,000 with the issuance of 13,000,000 units at a price of \$0.105 per unit. Each unit was comprised of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.15 per common share and has a two year term to expiry on May 19, 2019.

On June 22, 2017, the Company issued a total of 3,108,696 common shares as partial settlement of three promissory notes with a total value of \$360,000. Wallbridge Mining Company Ltd. was provided 2,173,913 common shares in settlement of \$250,000 with respect to the promissory note due December 31, 2019. An amount of \$50,000 was settled with the issuance of 434,783 common shares with respect to the promissory note which had a principal value of \$150,000 due January 31, 2018. Additionally, an amount of \$60,000 was settled with the issuance of 500,000 common shares with respect to the promissory note which had a principal value of \$95,000 due December 31, 2017.

On August 30, 2017, the Company closed a non-brokered private placement financing raising gross proceeds of \$100,000 with the issuance of 1,250,000 units at a price of \$0.08 per unit. Each unit was comprised of one common share of the Company and one half of one common share purchase warrant.

Each whole warrant is exercisable into one common share at a price of \$0.13 per common share and has a two year term to expiry on August 31, 2019.

Contractual Obligations

The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments except for those related to its corporate office rental agreement. Any commitments under exploration option agreements are cancellable at the Company's option but would result in forfeiture of rights under such agreements.

Under the terms of a cost sharing agreement with Rampton Resource Group Inc. ("RRG"), the Company had been committed to paying \$975 per month for office rental costs. Effective August 31, 2017, six months advance notice of termination of this agreement was provided such that the obligation for monthly rent terminated on February 28, 2018.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants, stock options, restricted share units and deferred share units as at December 6, 2018, August 31, 2018 and August 31, 2017 is as follows:

	December 6, 2018	August 31, 2018	August 31, 2017
Common shares	170,491,652	169,074,126	109,503,475
Warrants	42,900,000	42,900,000	21,900,000
Compensation options	2,748,453	2,748,453	756,624
Compensation option warrants	1,374,227	1,374,227	378,313
Stock options	8,935,000	8,935,000	6,735,000
Restricted share units (RSUs)	153,333	239,583	1,134,897
Deferred share units (DSUs)	1,713,638	3,044,914	1,433,510
Fully diluted shares outstanding	228,316,303	228,316,303	141,841,819

Subsequent to year end, during September 2018, a total of 1,331,276 DSUs were settled with the issuance of 1,331,276 common shares. During October 2018, a total of 86,250 RSUs were settled with the issuance of 86,250 common shares valued at \$6,900.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted deposits, exploration advances, accounts payable and accrued liabilities, bridge loan and promissory notes payable. Details relating to financial instruments and risk management associated with credit risk, liquidity risk, currency risk and interest rate risk are disclosed in note 14 to the annual consolidated financial statements for the years ended August 31, 2018 and 2017.

PROPOSED TRANSACTIONS

The Company periodically reviews potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. With the withdrawal of OZ Minerals from the Jamaican joint venture and the subsequent return of 100% of the Bellas Gate project and the purchase from OZ Minerals of their other Jamaican assets, the Company has the flexibility to prioritize organic growth or the potential for joint venture funding on a project by project basis. The Company continues to speak with a number of companies that are interested in the Jamaica mineral properties.

RELATED PARTY TRANSACTIONS AND COMPENSATION OF KEY MANAGEMENT

The Company has contracts for management and geological services with its officers, directors and companies controlled by its officers and directors. Key management includes all persons named or performing the duties of Chief Executive Officer and President, Chief Financial Officer, Vice President, Business Development and Director. Compensation awarded to key management for the fiscal years ended August 31, 2018 and 2017 is set out in the note 13 to the annual consolidated financial statements.

The Company has management service agreements with each of its President and Chief Executive Officer, Vice President, Business Development and Chief Financial Officer which provide for a payment upon termination without cause. These payments are equivalent to 3 months' compensation for each of these individuals. The service agreements also provide that under certain conditions, including a change in control of the Company, that each of these individuals would be entitled to a lump sum payment equivalent to 6 months' compensation irrespective of whether their services were retained subsequent to the change in control.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the valuation of equity instruments including warrants, compensation options and stock options; and, the ability of the Company to continue as a going concern.

Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 3 to the annual consolidated financial statements for the years ended August 31, 2018 and 2017.

NEW ACCOUNTING STANDARDS

New and revised accounting standards, the timing of their adoption and the impact of these new standards on the Company's financial statements is discussed in note 2 to the annual consolidated financial statements for the years ended August 31, 2018 and 2017.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. The following factors should be considered.

Exploration Stage Company

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits, with the discovery of copper and gold deposits being the Company's focus. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that the deposit can be commercially mined. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time with which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current business relationships or exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of exploration programs on its properties which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Economic Risk

The prices of copper, gold, silver and other metals fluctuate. The future direction of the price of any metal or mineral will depend on numerous factors beyond the Company's control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of commodities, and therefore on the economic viability of the Company's properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of the commodities for which it explores.

Management; Dependence on Key Personnel, Contractors and Service Providers

Shareholders of the Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to

supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Industry Conditions

The exploration and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company or its joint venture partners will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as commodity prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Value of Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed

projects and a heightened degree of responsibility for companies and their officers, directors and employees. The Company has not been subject to any adverse consequences of such developments to date. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Title to Property

Although the Company has taken reasonable measures to ensure proper title to its property mineral rights, there is no guarantee that the mineral rights to all of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Uninsured Hazards

The Company may not always be able or may choose not to obtain insurance for many of the risks that it faces. In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the Company's securities. The Company is currently not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Given the Company remains in the exploration stage its exposure to environmental risks is considered to be limited. The Company may periodically evaluate the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the available funds that the Company has and result in bankruptcy. Should the Company be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors or officers of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Foreign Political Risk

The Company's properties or business operations may be exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of governmental orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on foreign ownership, inability to obtain or delays in obtaining necessary exploration or mining permits, opposition to exploration and mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and

changes in laws, regulations or policies as well as bylaws and policies of Canada affecting foreign trade, investment and taxation.

Repatriation of Earnings

There is no assurance that any countries, other than Canada, in which the Company carries on business or may carry on business in the future, will not impose restrictions on the repatriation of earnings to foreign entities.

Permits, Licences and Approvals

The operations of the Company may require licences and permits from various governmental authorities or permits from surface right landowners. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its exploration activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Community Risks

In addition to mineral tenure and environmental permitting, the Company attempts to engage local communities where it explores. Communities may respond differently to exploration and mineral development activities from region to region. Increasingly the exploration sector is required to engage in social contracts with local residents, communities and surface land owners. Factors affecting social acceptance of exploration are variable and can be unpredictable over time. Local opinions can change rapidly about exploration activities and opinions may not be related to the activity of the Company although its ability to enter an area and conduct its programs may be affected by shifts in perception.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial, state and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

Mineral Price Fluctuations

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include, but are not limited to, demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

CORPORATE INFORMATION

Officers and Directors

Stephen Hughes, B.Sc. (Hons.), APGNS (P. Geo.), MAIG, FSEG – Chief Executive Officer and President and Director

Jeffrey Ackert, B.Sc. – Vice President, Business Development

John McNeice, B. Comm. (Hons.), CA, CPA – Chief Financial Officer

Chris Irwin, BA, LLB – Corporate Secretary

Antony Manini, B.Sc., FAusIMM, FSEG – Director and Chairman of the Board

T. Sean Harvey, MA Econ, LLB and MBA – Director

Zimi Meka, B. Eng. (Mech) Hons, FAusIMM, MAICD, FIEAust – Director

Yale Simpson, BApSc. – Director

Alar Soever, B.Sc., P. Geo. – Director

Corporate Web-site

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Independent Auditor

PricewaterhouseCoopers LLP, Ottawa, Canada

Corporate Legal Counsel

Irwin Lowy LLP, Toronto, Canada

Corporate Banker

The Bank of Nova Scotia, Ottawa, Canada