

**CARUBE COPPER CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Three Month Period Ended November 30, 2018
(Information as at January 24, 2019 unless otherwise noted)**

INTRODUCTION

The following provides management’s discussion and analysis of results of operations and financial condition for the three month periods ended November 30, 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 January 24, 2019.

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 condensed consolidated interim financial statements for the periods ended November 30, 2018 and 2017 which are prepared in accordance with International Financial Reporting Standards (“IFRS”). The following discussion and analysis should also be read in conjunction with the Company’s consolidated annual financial statements for the years ended August 31, 2018 and 2017, which are prepared in accordance with IFRS for annual financial statements. 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 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.

Recent exploration in Jamaica has focused on the Main Ridge project with mapping and prospecting, a grid-based soil sampling program and follow-up rock channel sampling over the eastern area of the Main Ridge project.

Additionally, 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 had 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.

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 Q1 FISCAL 2019

Company activity highlights during the three month period ended November 30, 2018 and to date include:

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 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.

During January 2019, the Company announced assay results from recent soil and rock sampling over the eastern area of the Main Ridge project. The mapping and prospecting, grid-based soil sampling program and follow-up rock channel sampling have identified high-grade copper-silver mineralization along the Rio Minho Valley, located immediately northeast of and parallel to the BGZ. Highlights of rock channel sampling results include:

- Channel sampling at the Cobre Verde prospect returned:
 - 16.0 metres at 1.22 percent copper plus 7.8 grams per tonne silver;
 - Including 8.0 m at 1.61 percent copper plus 10.5 g/t silver;
 - Including 4.0 m at 2.21 percent copper plus 15.8 g/t silver;
- Channel sampling at the Lime Valley prospect returned:
 - 2.0 m at 6.07 percent copper plus 19.4 g/t silver;
 - 2.0 m at 1.92 percent copper plus 8.1 g/t silver;

- Channel sampling at the Trout Hall prospect returned:
 - 6.0 m at 2.0 percent copper
 - 6.0 m at 1.6 per cent copper.

SELECTED INTERIM INFORMATION

The following table contains selected interim financial information for the three month periods ended November 30, 2018 and 2017.

| | Three months ended November 30, 2018 \$ (unaudited) | Three months ended November 30, 2017 \$ (unaudited) |
|--|--|--|
| Revenue | Nil | Nil |
| Total expenses | (304,722) | (332,713) |
| Other income (expense) | 4,163 | (15,579) |
| Net loss for the period | (300,559) | (348,292) |
| Currency translation differences | 318,815 | 117,032 |
| Total comprehensive income (loss) for the period | 18,256 | (231,260) |
| Basic and diluted loss per common share | (0.00) | (0.00) |
| Cash dividends per common share | Nil | Nil |

For the three month period ended November 30, 2018, total expenses before interest, other income and foreign exchange loss were \$304,722 and were comprised of: \$32,768 related to promotion and investor relations; \$4,809 related to regulatory authority and transfer agent fees; \$13,182 with respect to professional fees for legal, accounting and audit services; \$130,743 with respect to office, general and administrative costs; \$93,268 with respect to project generation and evaluation; and, \$29,952 with respect to share based compensation relating to stock options and restricted share units (“RSUs”).

Total expenses (before other income and expenses) were \$27,991 lower during the first quarter of fiscal 2019 when compared to the same quarter of fiscal 2018. Promotion and investor relations costs were lower by \$31,464. Costs related to promotional campaigns related to the Company’s on-line profile and investor awareness were reduced; additionally, promotional costs related to travel and accommodation were lower. Office, general and administrative costs were lower by \$14,134. Several factors contributed to this decrease: corporate office rent, utility costs and general administration costs were lower following a change in location of the Company’s administrative office and personnel. Additionally, a significant portion of CEO and VP Business Development wages were charged to project generation and evaluation expense during the quarter. Project generation and evaluation costs were \$93,268 higher as the Company continued various efforts to evaluate new mineral projects for addition to the Company’s portfolio. Project evaluation costs were comprised of executive and geology staff wages, consulting fees and travel related costs. Share based compensation expense was lower by \$80,539 relating to lower charges for each of stock options, RSUs and DSUs.

Other income during the quarter totaled a net amount of \$4,163 (Q1 fiscal 2018 expense of \$15,579). The overall decrease of \$19,742 related primarily to lower interest expense of \$17,697 on bridge loans and

promissory notes following the settlement and repayment of all debt during March 2018. Interest income earned on cash equivalents was \$3,805 higher.

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.

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.

Bellas Gate Project Property Costs

As at November 30, 2018, the Company had a capitalized balance of \$1,732,534 (August 31, 2017 - \$1,730,188) with respect to property costs for the BGP. License renewal fees of \$796 were incurred by the Company during the three month period ended November 30, 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 November 30, 2018, exploration expenditures incurred directly by the Company for the BGP have a total carrying value of \$4,529,651 (August 31, 2017 - \$4,189,043). 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 three month period ended November 30, 2018 total \$46,059 and related to geology of \$10,201; drilling related costs of \$31,208; community and social development costs of \$3,850; and, health and safety costs of \$800.

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.

During January 2019, the Company announced assay results from recent soil and rock sampling over the eastern area of the Main Ridge project (see page 3 – *Activity Highlight for Q1 Fiscal 2019*).

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 November 30, 2018, total property costs for the Rodinia and other licenses have a carrying value of \$1,997,979 (August 31, 2018 - \$1,995,545) and include the value of common shares issued to Rodinia and TRM for the acquisition.

Rodinia and Other Licenses Exploration Expenditures

As at November 30, 2018, the carrying value of exploration costs for the Rodinia and Other Licenses totals \$670,676 (August 31, 2018 - \$521,234). During the three month period ended November 30, 2018, the Company incurred total costs of \$133,581 primarily related to the work at Main Ridge. This was comprised of geology costs of \$82,887; geochemical costs of \$20,616; drilling related costs of \$21,902; environmental costs of \$11; community and social development costs of \$6,117; and, health and safety costs of \$2,048.

The Fiedmont Project, Canada

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. The Fiedmont property is prospective for platinum, palladium and lithium.

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.

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 November 30, 2018 property costs total \$3,303,943 (August 31, 2018 - \$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 three month period ended November 30, 2018, the Company incurred geology costs of \$600 and geochemical costs of \$550 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 \$1,750,000.

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 three month period ended November 30, 2018, total expenses (before other income and expenses) were \$304,722 (Q1 fiscal 2018 - \$332,713). Total expenses were \$27,991 lower during the first quarter of fiscal 2019 when compared to the same quarter of fiscal 2018. Promotion and investor relations costs were lower by \$31,464. Costs related to promotional campaigns related to the Company's on-line profile and investor awareness were reduced; additionally, promotional costs related to travel and accommodation were lower. Office, general and administrative costs were lower by \$14,134. Several factors contributed to this decrease: corporate office rent, utility costs and general administration costs were lower following a change in location of the Company's administrative office and personnel. Additionally, a significant portion of CEO and VP Business Development wages were charged to project generation and evaluation expense during the quarter. Project generation and evaluation costs were \$93,268 higher as the Company continued various efforts to evaluate new mineral projects for addition to the Company's portfolio. Project evaluation costs were comprised of executive and geology staff wages, consulting fees and travel related costs. Share based compensation expense was lower by \$80,539 relating to lower charges for each of stock options, RSUs and DSUs.

Other Income and Expense

Other income during the quarter totaled a net amount of \$4,163 (Q1 fiscal 2018 expense of \$15,579). The overall decrease of \$19,742 related primarily to lower interest expense of \$17,697 on bridge loans and promissory notes following the settlement and repayment of all debt during March 2018. Interest income earned on cash equivalents was \$3,805 higher.

Net Loss and Loss per Common Share

For the three month period ended November 30, 2018, net loss was \$300,559 (Q1 fiscal 2018 - \$348,292). Basic and diluted loss per common share was \$0.00 (Q1 fiscal 2018 - \$0.00). As the Company incurred a net loss for each of these periods, the diluted number of common shares outstanding excludes all contingently issuable shares as they have an anti-dilutive effect for the periods 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 three month period ended November 30, 2018 a foreign currency translation gain of \$318,815 (Q1 fiscal 2018 - \$117,032) was recorded in other comprehensive income.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2018, the Company held cash and cash equivalents of \$785,268 (August 31, 2018 – \$1,220,668) and had working capital of \$748,729 (August 31, 2018 – \$1,193,651). 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 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 2018

During February and March 2018, the Company completed a private placement financing raising total gross proceeds of \$3,000,000 with the issuance of 50,000,000 units. Each unit was comprised of one common share of the Company and one-half of one common share purchase warrant. A total of 25,000,000 warrants exercisable at \$0.10 per share for a period of two years from the closing dates of the offering were issued in connection 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.

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. Any commitments under exploration option agreements are cancellable at the Company's option but would result in forfeiture of rights under such agreements.

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 January 24, 2019, November 30, 2018 and August 31, 2018 is as follows:

| | January 24, 2019 | November 30, 2018 | August 31, 2018 |
|-------------------------------------|-----------------------------|------------------------------|----------------------------|
| Common shares | 170,491,652 | 170,491,652 | 169,074,126 |
| Warrants | 42,900,000 | 42,900,000 | 42,900,000 |
| Compensation options | 2,748,453 | 2,748,453 | 2,748,453 |
| Compensation option warrants | 1,374,227 | 1,374,227 | 1,374,227 |
| Stock options | 8,935,000 | 8,935,000 | 8,935,000 |
| Restricted share units (RSUs) | 153,333 | 153,333 | 239,583 |
| Deferred share units (DSUs) | 1,713,638 | 1,713,638 | 3,044,914 |
| Fully diluted shares outstanding | 228,316,303 | 228,316,303 | 228,316,303 |

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.

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. 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 three month periods ended November 30, 2018 and 2017 is set out in the note 10 to the unaudited interim condensed 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 3 to the unaudited interim condensed consolidated financial statements for the three month periods ended November 30, 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. Investment in the natural resource industry in general, and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved. These factors are discussed more fully in the annual Management's Discussion and Analysis dated December 6, 2018 which is filed on SEDAR.

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

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Phone: (647) 953-5924

Independent Auditor

PricewaterhouseCoopers LLP, Ottawa, Canada

Corporate Legal Counsel

Irwin Lowy LLP, Toronto, Canada

Corporate Banker

The Bank of Nova Scotia, Ottawa, Canada