

**CARUBE COPPER CORP.**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For the Three and Nine Month Periods Ended May 31, 2019**  
**(Information as at July 25, 2019 unless otherwise noted)**

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**INTRODUCTION**

The following provides management’s discussion and analysis of results of operations and financial condition for the three and nine month periods ended May 31, 2019 and 2018. Management’s discussion and analysis (“MD&A”) was prepared by Carube Copper Corp. management and approved by the Board of Directors on July 25, 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 May 31, 2019 and 2018 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 focused on Jamaica and in British Columbia and Nova Scotia in 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 currently 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.

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).

## **Nova Scotia**

During April, 2019, the Company acquired, through staking, a 100% interest in 300 mineral claims covering the Stewart Brook Gold ("SBG") project area comprising over 46 sq. km. in Guysborough County, Nova Scotia.

## **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 has 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 were received during March 2019 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 FISCAL 2019 TO DATE**

Company activity highlights during the nine month period ended May 31, 2019 and to date include:

On July 18, 2019, the Company announced till sampling results from the initial exploration program at the 100% owned Stewart Brook Gold project in Nova Scotia. Highlights of this program include:

- Anomalous gold values in 13 of the 22 samples collected;
- Confirmed the historic 8,000m by 4,000m gold anomaly with up to 222ppb Au in till;
- Sampling to the south and west identified a new 1,240ppb Au in till anomalous sample; and,
- Completed north-south till sample lines for gold grain analysis and determined potential travel distance.

On June 19, 2019, the Company announced an agreement with Geophysx Jamaica Ltd. ("Geophysx"), pursuant to which Geophysx has agreed to acquire six of the Company's special exclusive prospecting licences (SEPLs) located in Jamaica, West Indies. The SEPLs contain early-stage copper-gold exploration projects and include the Belvedere, Mount Royal, Mount Ogle, Berkshire Hall, Windsor Castle and Shirley Castle SEPLs.

Pursuant to this agreement, Geophysx will acquire a 100% interest in each of the projects, subject to the following: payment of US\$5,000 upon execution of the initial letter of intent (received during May 2019); and, payment of US\$205,000 from trust upon transfer of title of the SEPLs to Geophysx. The Company retains a net smelter return (NSR) royalty of 1% on four of these SEPLs. Geophysx will have the right to buy down the first half of the NSR for US\$50,000 per each 0.1% of the NSR (total of US\$250,000) and the second half of the NSR for US\$70,000 per each 0.1% of the NSR (total of US\$350,000). Geophysx would

make future cash payments to the Company at milestones following commencement of commercial production that could total \$240,000.

During May 2019, the Company concluded an amendment to the royalty deed with Oz Minerals with respect to Carube's five 100% owned SEPLs including Arthurs Seat, Mount Ogle, Windsor Castle, Berkshire Hall and Shirley Castle which Carube Copper acquired from Oz Minerals in 2016. Previously, the Company was obligated to provide OZ Minerals a single payment of \$1.5 million within one year of commencement of commercial production on any of the five licenses. Each of the licenses was subject to a 2% NSR with a buyback of one-half of the NSR for \$500,000. These terms were amended to: (i) waive the \$1.5 million payment within one year of commencement of commercial production if the mineral product is less than 10,000 tonnes per annum; and, (ii) reduce the 2% NSR to a 1% NSR with a buyback of one-half for \$250,000 on any of the SEPLs.

During April 2019, the Company announced it had acquired, through staking directly from the government, a 100% interest in 300 mineral claims covering the Stewart Brook Gold project area ("SBG"), totalling over 46 square kilometres. The claims are located in Guysborough county, Nova Scotia. The SBG project area was staked because it shows district-scale exploration potential for saddle reef and vein-style gold mineralization. Property highlights include:

- Located along strike of Atlantic Gold's Cochrane Hill deposit;
- Large gold-in-till anomaly defined, measuring 8,000 metres by 4,000 metres;
- Three historical gold districts located within five kilometres;
- Mapped anticline and synclines with cross-cutting faults; and,
- Excellent infrastructure, access and investor-friendly jurisdiction.

During March 2019, the Company received the initial consideration payable under the terms of the option agreement for the Rogers Creek, BC property following Tocvan's going public transaction and commencement of trading on the Canadian Securities Exchange. This initial consideration included cash of \$25,000 and 500,000 common shares of Tocvan.

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.

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 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.

### SELECTED INTERIM INFORMATION

The following tables contain selected interim financial information for the three and nine month periods ended May 31, 2019 and 2018.

	Three month period ended		Nine month period ended	
	May 31, 2019 \$	May 31, 2018 \$	May 31, 2019 \$	May 31, 2018 \$
Revenue	Nil	Nil	Nil	Nil
Total expenses	(392,715)	(418,207)	(981,643)	(1,046,027)
Other income (expense)	1,669	(3,892)	7,400	(35,510)
Net loss for the period	(391,046)	(422,099)	(974,243)	(1,081,537)
Basic and diluted loss per common share	(0.00)	(0.00)	(0.01)	(0.01)
Cash dividends per common share	Nil	Nil	Nil	Nil

For the three month period ended May 31, 2019, total expenses before interest income and foreign exchange loss were \$392,715 and were comprised of: \$21,050 related to promotion and investor relations including annual shareholder meeting costs; \$6,199 related to regulatory authority and transfer agent fees; \$19,571 with respect to professional fees for legal, accounting and audit services; \$95,008 with respect to office, general and administrative costs; \$95,706 with respect to project generation and evaluation; and, \$155,181 with respect to share based compensation relating to stock options and restricted share units ("RSUs").

Total expenses (before other income and expenses) were \$25,492 lower during the third quarter of fiscal 2019 when compared to the same quarter of fiscal 2018. Promotion and investor relations costs were lower by \$76,831. Costs related to promotional campaigns related to the Company's on-line profile and investor awareness were reduced; additionally, annual shareholder meeting costs related to travel and accommodation were lower. Professional fees were lower by \$24,446 primarily due to lower legal fees. Office, general and administrative costs were lower by \$76,793. A significant portion of CEO and VP Business Development wages were charged to project generation and evaluation expense during the quarter. Additionally, administrative travel costs decreased by \$10,460. Project generation and evaluation costs were \$37,435 higher as the Company continued various initiatives 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 higher by \$129,579 relating to higher charges for stock options associated with a new grant of options during May 2019.

For the nine month period ended May 31, 2019, total expenses (before other income and expenses) were \$64,384 lower when compared to the same period during fiscal 2018. This decrease related primarily to lower promotion costs of \$150,709, lower legal costs of \$31,846 and lower office, general and administrative costs of \$86,531 which were offset by a significant increase in project generation and evaluation costs of \$216,202.

Other income during the three month period ended May 31, 2019 totaled a net amount of \$1,669 (Q3 fiscal 2018 expense of \$3,892). Other income relates primarily to interest earned on cash balances. The Company has not incurred interest expense on debt following the settlement of all remaining debt in March 2018.

Other income during the nine month period ended May 31, 2019 totalled a net amount of \$7,400 (2018 – net expense of \$35,510). The overall decrease of \$42,910 related primarily to lower interest cost on prior debt and increased interest earned on cash balances during fiscal 2019.

## **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 16<sup>th</sup> 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 20<sup>th</sup> 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 purchase 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 May 31, 2019, the Company had a capitalized balance of \$1,732,274 (August 31, 2017 - \$1,730,188) with respect to property costs for the BGP. License renewal fees of \$1,421 were incurred by the Company during the nine month period ended May 31, 2019.

### Bellas Gate Project Summary of Past 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 May 31, 2019, exploration expenditures incurred directly by the Company for the BGP have a total carrying value of \$4,421,589 (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 nine month period ended May 31, 2019 total \$99,992 and related to geology of \$26,728; geochemical of \$2,459; drilling related costs of \$54,198; environmental costs of \$3,157; community and social development costs of \$12,413; and, health and safety costs of \$1,037.

## **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 Fiscal 2019 to Date*).

### **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 was 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 were subject to a 2% NSR with a buyback of one-half of the NSR for \$500,000.

During May 2019, the Company completed amendments to the agreement with OZ Minerals to: (i) waive the \$1.5 million payment within one year of commencement of commercial production if the mineral product is less than 10,000 tonnes per annum; and, (ii) reduce the 2% NSR to a 1% NSR with a buyback of one-half for \$250,000 on any of the SEPLs.

### **Agreement for Sale of Six Jamaican Exploration Licences**

Subsequent to quarter end, on June 19, 2019, the Company announced an agreement with Geophysx Jamaica Ltd., pursuant to which Geophysx has agreed to acquire six of the Company's SEPLs located in Jamaica including the Belvedere, Mount Royal, Mount Ogle, Berkshire Hall, Windsor Castle and Shirley Castle SEPLs. See *Activity Highlights for Fiscal 2019 to Date* at page 3 of this MD&A for details.

### **Rodinia and Other Licenses Acquisition Costs**

As at May 31, 2019, total property costs for the Rodinia and other licenses have a carrying value of \$1,991,285 (August 31, 2018 - \$1,995,545) and include the value of common shares issued to Rodinia and TRM for the acquisition. During May 2019, the Company received an initial deposit \$6,718 (US\$5,000) from Geophysx for the acquisition noted above. License renewal fees were \$1,321 during the nine month period ended May 31, 2019.

### **Rodinia and Other Licenses Exploration Expenditures**

As at May 31, 2019, the carrying value of exploration costs for the Rodinia and Other Licenses totals \$734,266 (August 31, 2018 - \$521,234). During the nine month period ended May 31, 2019, the Company

incurred total costs of \$205,722 primarily related to the work at Main Ridge. This was comprised of geology costs of \$138,498; geochemical costs of \$23,397; drilling related costs of \$29,685; environmental costs of \$1,888; community and social development costs of \$10,206; and, health and safety costs of \$2,048.

### **Stewart Brook Gold, Nova Scotia, Canada**

During April, 2019, the Company acquired, through staking, a 100% interest in 300 mineral claims covering the Stewart Brook Gold (“SBG”) project area comprising over 46 sq. km. in Guysborough County, Nova Scotia. The SBG project area was staked because it shows district-scale exploration potential for saddle reef and vein-style gold mineralization.

During May 2019, the Company commenced a till sampling program at SBG. The results of this initial exploration program were announced on July 18, 2019. Highlights of these results include: (i) anomalous gold values in 13 of the 22 samples collected; (ii) confirmation of the 8,000-metre by 4,000-metre gold-in-till anomaly defined by historic work conducted in the 1980s with up to 222ppb Au in till; (iii) sampling to the south and west identified a new 1,240ppb Au in till anomalous sample; and (iv) completed north-to-south till sample lines for gold grain analysis and determined potential travel distance.

The historic till and soil geochemical surveys over the SBG area was undertaken by Seabright Resources Inc. in the late 1980's, which defined an 8,000m by 4,000m gold in till anomaly. Seabright's till sampling program was very successful in defining highly anomalous gold in the Stewart Brook area. Of the 169 historic samples taken in the vicinity of the Stewart Brook Gold project, gold in till values ranged from nil to 7,000ppb Au, with a mean value of 195.6ppb Au and a median value of 7ppb Au. These historic results have now been verified by the Company's recent till sampling program, which yielded 13 till samples with visible gold that assayed from 4 to 222 calculated ppb Au in Heavy Mineral Concentrate (HMC).

A new gold in till anomaly was also identified in a single isolated sample (with no samples within one kilometre) along the southwestern border of the SBG project. The lone till sample returned 1,240 calculated ppb gold and was collected less than a kilometre east-northeast from the Country Harbour Gold District. Anticline and syncline structures mapped to the west of Country Harbour are interpreted to extend onto the SBG project area based on the early mapping work of geologist E.R. Faribault.

In total, 22 till samples were extracted, inspected and analyzed. Till samples were sent to Overburden Drilling Management located in Ottawa Ontario, where gold grains were separated from the heavy mineral concentrates and counted, measured and classified. Till data provided important information regarding potential distance of glacial transport, and more importantly proximity to bedrock.

During the quarter ended May 31, 2019, the Company incurred initial claim staking costs of \$2,602 for SBG. Exploration expenditures of \$9,371 for geology and \$2,354 for geochemical work were incurred.

The next phases of exploration work will focus on the "up-ice" priority areas and will include ground geophysics, prospecting and mapping, and drilling, if warranted. Expansion and refinement of the gold target will occur as new results and interpretations are completed over the coming months.

### **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 May 31, 2019 property costs total \$3,229,385 (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 March 2019, the Company received a cash payment of \$25,000 and a share payment valued at \$50,000 from Tocvan Ventures Corp. related to the option agreement for the Rogers Creek property (see below). These amounts were offset against prior project acquisition costs. Additionally, during the three month period ended May 31, 2019, the Company incurred \$442 in claim renewal fees for the Mackenzie project.

During the nine month period ended May 31, 2019, the Company incurred geology costs of \$4,073 and geochemical costs of \$2,200 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 previously 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 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 were received during March 2019 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.

Additional exploration work is underway during July 2019 which will be filed to maintain the key property claims.

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 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.

Prior assessment work has been filed to hold the claims until August 1, 2019. The Company does not plan further exploration work at Salal and the project claims will be allowed to lapse.

### **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.

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**

Total expenses (before interest income and foreign exchange loss) for the three month period ended May 31, 2019 were \$392,715 (Q3 fiscal 2018 - \$418,207). Total expenses were \$25,492 lower during the third quarter of fiscal 2019 when compared to the same quarter of fiscal 2018. Promotion and investor relations costs were lower by \$76,831. Costs related to promotional campaigns related to the Company’s on-line profile and investor awareness were reduced; additionally, annual shareholder meeting costs related to travel and accommodation were lower. Professional fees were lower by \$24,446 primarily due to lower legal fees. Office, general and administrative costs were lower by \$76,793. A significant portion of CEO and VP Business Development wages were charged to project generation and evaluation expense during the quarter. Additionally, administrative travel costs decreased by \$10,460. Project generation and evaluation costs were \$37,435 higher as the Company continued various initiatives 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 higher by \$129,579 relating to higher charges for stock options associated with a new grant of options during May 2019.

Total expenses (before interest income and foreign exchange loss) for the nine month period ended May 31, 2019 were \$981,643 (fiscal 2018 - \$1,046,027). Total expenses were \$64,384 lower when compared to the same period during fiscal 2018. This decrease related primarily to lower promotion costs of \$150,709, lower legal costs of \$31,846 and lower office, general and administrative costs of \$86,531 which were offset by a significant increase in project generation and evaluation costs of \$216,202.

#### **Other Income and Expense**

Other income during the three month period ended May 31, 2019 totaled a net amount of \$1,669 (Q3 fiscal 2018 expense of \$3,892). Other income relates primarily to interest earned on cash balances. The Company has not incurred interest expense on debt following the settlement of all remaining debt in March 2018.

Other income during the nine month period ended May 31, 2019 totalled a net amount of \$7,400 (2018 – net expense of \$35,510). The overall decrease of \$42,910 related primarily to lower interest cost on prior debt and increased interest earned on cash balances during fiscal 2019.

### **Net Loss and Loss per Common Share**

For the three month period ended May 31, 2019, net loss was \$391,046 (Q3 fiscal 2018 - \$422,099). Basic and diluted loss per common share was \$0.00 (Q3 fiscal 2018 - \$0.00). For the nine month period ended May 31, 2019, net loss was \$974,243 (fiscal 2018 - \$1,081,537). Basic and diluted loss per common share was \$0.01 (fiscal 2018 - \$0.01). 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 nine month period ended May 31, 2019 a foreign currency translation gain of \$144,432 (fiscal 2018 – \$112,519) was recorded in other comprehensive income.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at May 31, 2019, the Company held cash and cash equivalents of \$243,439 (August 31, 2018 – \$1,220,668) and had working capital of \$212,320 (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.

On July 15, 2019, the Company announced a private placement financing intended to raise an aggregate of \$225,000 with the issue of 4,500,000 units at \$0.05 per unit. Each unit comprises one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at \$0.08 for a period of three years from the closing of the placement.

Under the terms of the Geophysx sale agreement for six non-core SEPLs in Jamaica, the Company anticipates receipt of US\$205,000 upon closing following conclusion of transfer of title of the SEPLs to Geophysx.

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 July 15, 2019, May 31, 2019 and August 31, 2018 is as follows:

	<b>July 15, 2019</b>	<b>May 31, 2019</b>	<b>August 31, 2018</b>
Common shares	170,806,929	170,806,929	169,074,126
Warrants	26,400,000	26,400,000	42,900,000
Compensation options	2,035,500	2,035,500	2,748,453
Compensation option warrants	1,017,750	1,017,750	1,374,227
Stock options	15,135,000	15,135,000	8,935,000
Restricted share units (RSUs)	-	-	239,583
Deferred share units (DSUs)	1,551,694	1,551,694	3,044,914
Fully diluted shares outstanding	216,946,872	216,946,872	228,316,303

During March and May 2019, a total of 16,500,000 warrants, 712,953 compensation options and 356,477 compensation option warrants expired.

During September 2018 and February 2019, a total of 1,493,220 DSUs were settled with the issuance of 1,493,220 common shares. During October 2018 and May 2019, a total of 239,583 RSUs were settled with the issuance of 239,583 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 and nine month periods ended May 31, 2019 and 2018 is set out in the note 11 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 and nine month periods ended May 31, 2019 and 2018.

## **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

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

Yale Simpson, BApSc. – Director

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

### **Corporate Web-site**

[www.carubecopper.com](http://www.carubecopper.com)

### **Corporate Office**

133 Richmond Street West,

Suite 501

Toronto, ON M5H 2L3

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