CARUBE COPPER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three and Six Month Periods Ended February 28, 2018
(Information as at April 24, 2018 unless otherwise noted)

INTRODUCTION

The following provides management's discussion and analysis of results of operations and financial condition for the three and six month periods ended February 28, 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 April 24, 2018.

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

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

This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the periods ended February 28, 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, 2017 and 2016, 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; in British Columbia, Canada; and in Quebec, Canada. The Company has not determined whether its properties contain mineral resources that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

Jamaica

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

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

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

During September 2016, the Company acquired five licenses covering 276 square kilometres from OZ Minerals Ltd., an Australian copper-gold producer listed on the Australian Securities Exchange ("OZ Minerals") as further described below.

During May 2013, the Company previously entered into a term sheet with OZ Exploration Pty Limited, a wholly-owned subsidiary of OZ Minerals Ltd. that lead to a farm-in joint venture agreement relating to the BGP. The term sheet provided that upon certain conditions being met, that OZ Minerals and the Company would enter into an agreement which would potentially lead to a joint venture with respect to the BGP and the Company would grant OZ Minerals a right to enter into separate agreements on each of the Company's other projects in Jamaica, the four Rodinia SEPLs.

OZ Minerals was provided the option to fly airborne geophysics over the Company's other three Jamaican projects, comprised of the four Rodinia SEPLs, in return for the right to enter into joint ventures on any or all of the projects on terms similar to those described with respect to the BGP. A definitive agreement incorporating the terms contained in the term sheet and other conditions that are customary for mining exploration project joint venture agreements was completed during May 2015. During September 2015, the Company and OZ Minerals entered into a definitive agreement with respect to the earn-in and potential joint venture on the Above Rocks Project. OZ Minerals did not elect to proceed with joint ventures on the Hungry Gully and Main Ridge Projects.

The Company has completed a compilation and re-interpretation of previous work completed on the 104 square kilometre Main Ridge and the 48 square kilometre Hungry Gully projects, including the airborne geophysics flown by OZ Minerals. The Company has also completed prospecting and soil sampling on both projects during which it has confirmed or identified at least three copper ± gold prospects at Hungry Gully and one epithermal gold prospect plus numerous copper ± gold prospects at Main Ridge. The Company further explored the Main Ridge Gold Anomaly, a 2 kilometre-long soil anomaly adjacent to the former Pennants Gold Mine, which had a historic resource grading 13.58g Au/t, and the Orange Hill Anomaly, a highly magnetic body of significant size that is associated with a Cu in soil anomaly. Soil sampling and target mapping was completed before the end of fiscal 2016. These results have been utilized to guide the selection of drill targets.

Between January 2014 and September 2016, OZ Minerals spent approximately $12.5 million on exploration at the BGP which included over 14,000 metres of drilling on 11 of the more than 20 prospects at Bellas Gate. Additional work was completed, including: high-resolution airborne magnetic and radiometric surveys, 46 line kilometres of Induced Polarization (IP) surveying, geochemical soil sampling which included analysis of 4,000 soil samples and geological mapping which included assaying of over 400 rock samples. Between January 2016 and September 2016, OZ Minerals spent $500,000 on the Above Rocks Project which consisted of mapping, rock chip sampling, trench sampling and drilling of 3 diamond holes for a total of 595 metres.

During September 2016, the Company announced it had finalized a heads of agreement ("HoA") 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 and five licenses covering 276 square kilometres which OZ Minerals had acquired directly in 2014. Additionally, the Company will retain a 100% interest in the Above Rocks Project (subject to a 2% NSR) as OZ Minerals elected not to proceed with the joint venture earn-in.

The Company initiated a drill program in May 2017 on the Bellas Gate copper-gold project in Jamaica. The 1,900 metre program was focused on high-priority drill targets that have been delineated based on results from previous drilling, ground exploration, soil geochemistry and airborne geophysics. The drilling followed up on hole PVT-16-002 at the Provost prospect that intersected 339m of 0.34% CuEq (0.28% Cu, 0.12 g/t Au), including 10m of 1.79% CuEq (1.28% Cu, 0.90 g/t Au) as well as investigated other target areas which included Provost South East and Hendley. Highlights of the 2017 drill program include a 340m intersection of 0.25% CuEq (0.20% Cu, 0.09 g/t Au) which includes 55m of 0.51% CuEq (0.35% Cu, 0.27 g/t Au) in Hole PVT-17-004. Hole PVT-17-005 drilled in this campaign intersected 191.0m of 0.30% CuEq (0.22% Cu, 0.13 g/t Au) which included 74.0m 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. These properties are being explored and upgraded to make them more attractive to major mining companies for joint venturing.

At Mackenzie, airborne geophysics was flown over an area covering a highly prospective 7.5 kilometre-long zone of copper showings, the Bornite Trend. The results from the airborne geophysical survey plus re-examination of data from two other trends at Mackenzie have identified targets for future exploration and drilling. At Rogers Creek, an Induced Polarization survey completed during 2015 confirmed the high mineral potential of a previously identified prospective area marked by copper showings and soil anomalies. The Company intends to drill one or more of these targets subject to funding.

Quebec

The Company also has an option to earn a 100% interest in the Fiedmont Project ("Fiedmont"), which is comprised of 54 mining claims covering 23 square kilometres in Quebec and is prospective for platinum, palladium and lithium. An exploration program focused on trenching was initiated at the Fiedmont Project in October of 2017.

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

ACTIVITY HIGHLIGHTS FOR THE QUARTER

Significant activities during the quarter ended February 28, 2018 and to date include:

On March 12, 2018 the Company announced corporate changes and a rescheduled annual and special meeting date. Effective March 12, 2018, the Board of Directors appointed Tony Houston as interim Chief Executive Officer and President. Jeffrey Ackert, incumbent CEO and President, became Vice-President of Business Development. The Board of Directors has also proposed a slate of directors for the upcoming annual and special meeting on May 24, 2018. The proposed slate of directors to be voted on at the Company's annual meeting in May will consist of the following: Antony Manini, Yale Simpson, Alar Soever, Zimi Meka, T. Sean Harvey and Stephen Hughes. The last three directors will be new to the Board of Directors. Existing directors Greg LeBlanc, Jeffrey Ackert, Vern Rampton and Mark Pfau will be stepping down from the board in May. Tony Manini is proposed as the new Chair of the Board of Directors.

On December 1, 2017, the Company announced it would raise up to $1,200,000 by way of a non-brokered private placement offering of up to 20,000,000 units of the Company at a price of $0.06 per unit. On March 9, 2018, the Company announced an increase in this private placement to raise up to $3,000,000 in proceeds for up to 50,000,000 units. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.10 per common share for a period of two years from the closing dates of the offering.

This private placement financing was fully subscribed. Including the first tranche closed during February 2018, and the second and third tranches both closed during March 2018, the Company raised total gross proceeds of $3,000,000 with the issuance of 50,000,000 units. A total of 25,000,000 warrants exercisable at $0.10 per share were issued 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. Also, during March 2018, the Company made cash payments of $99,972 with respect to promissory notes and $33,363 with respect to the bridge loan. Following these share settlements and cash payments the Company had fully extinguished all promissory note and bridge loan liabilities.

SELECTED INTERIM INFORMATION

The following tables contain selected interim financial information for the three and six month periods ended February 28, 2018 and February 29, 2017.

	Three month period ended		Six month period ended	
	February 28, 2018 $	**February 29, 2017 $**	**February 28, 2018 $**	**February 29, 2017 $**
Revenue	Nil	Nil	Nil	Nil
Total expenses	(295,107)	(242,331)	(627,849)	(460,849)
Other income (expense)	(16,039)	(35,217)	(31,806)	(56,093)
Net loss for the period	(311,146)	(277,548)	(659,438)	(516,942)
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 February 28, 2018, total expenses before interest, other income and foreign exchange loss were $295,107 and were comprised of: $92,925 related to promotion and investor relations; $4,854 related to regulatory authority and transfer agent fees; $21,612 with respect to professional fees for legal, accounting and audit services; $98,605 with respect to office, general and administrative costs; and, $77,111 with respect to share based compensation relating to stock options, restricted share units ("RSUs") and deferred share units ("DSUs").

Total expenses (before other income and expenses) were $52,776 higher during the second quarter of fiscal 2018 when compared to the same quarter of fiscal 2017. Higher promotion and investor relations costs of $46,861 accounted for the majority of this increase and related to several new promotional campaigns initiated during fiscal 2017 and during the quarter which are focused on raising the Company's on-line profile and investor awareness. Regulatory authority and transfer agent fees were $454 higher being relatively consistent with the second quarter of fiscal 2017. Legal and audit fees were $7,752 higher during the quarter due to primarily to higher legal costs. Office, general and administrative costs were $20,278 higher during the second quarter of fiscal 2018. Chief Executive Officer compensation allocated to corporate administration increased by $11,010 during the quarter (versus being allocated to project exploration costs during the second quarter of fiscal 2017). Additionally, Chief Financial Officer compensation was $16,639 higher during the quarter relating to increased activity related to preparation of the first quarter interim financials; management's information circular; transition of bookkeeping function; and, the private placement financing. These increases in administrative costs were partially offset by cost savings of $15,947 as no costs were incurred related to the Company's former Executive VP, Corporate Development and former manager of corporate administration. Share based compensation expense was $22,569 lower during the quarter primarily relating to lower RSU charges of $43,967 offset by increased DSU charges of $18,000.

For the six month period ended February 28, 2018, total expenses (before other income and expenses) were $166,971 higher when compared to the same period during fiscal 2017. This increase related primarily to higher promotion costs of $75,422 (see above) and due to higher general and administrative costs of $86,116. A significant component of increased administrative costs related to an accrued payment of $42,000 subject to a resignation agreement with respect to the Company's former Executive VP, Corporate Development. Chief Executive Officer compensation allocated to corporate administration increased by

$25,847 during the quarter (versus being allocated to project exploration costs during fiscal 2017). Chief Financial Officer costs were higher by $24,502. These increases in administrative costs were partially offset by cost savings of $31,477 as no costs were incurred related to the Company's former Executive VP, Corporate Development and former manager of corporate administration.

Other expenses during the second quarter totalled a net amount of $16,039 (Q2 fiscal 2017 - $35,217). Interest expense related primarily to bridge loans and promissory notes payable totalled $16,109 during the quarter and was $19,686 lower than in the second quarter of fiscal 2017 following the repayment of certain bridge loans and promissory notes over the past year. During the six month period ended February 28, 2018 other expenses totalled a net amount of $31,618 (fiscal 2017 - $56,093). Lower expenses of $24,475 related to reduced interest expense on debt of $37,987 offset by a decrease in other income of $12,813 related to a decrease in the drawdown of the flow-through premium liability which was recognized pro-rata to incurring the qualified exploration expenditures.

	As at February 28, 2018 $ (unaudited)	**As at August 31, 2017 $**
Total assets	12,765,315	12,734,961
Cash	162,632	665,096
Accounts payable and accrued liabilities	722,891	491,786
Bridge loans payable – current	33,038	104,500
Promissory notes payable – current	269,515	255,976
Promissory notes payable – long-term	292,620	277,571
Cash dividends per common share	Nil	Nil

During the six month period ended February 28, 2018, the Company utilized cash of $490,281 with respect to operating activities and $185,933 with respect to investing activities primarily for exploration programs and property costs. During February 2018, the Company closed the first tranche of its private placement raising proceeds of $116,430. During the second quarter, share subscriptions of $139,200 were received related to the second tranche of the private placement financing. During October and November 2017, the Company made principal and interest payments totalling $76,000 with respect to the outstanding bridge loan payable.

Subsequent to quarter end, during March 2018 the Company closed the second and third tranches of the private placement financing representing gross proceeds of $2,883,570. Also, during March 2018, promissory notes totalling $464,115 were settled with the issuance of 8,220,754 common shares. Cash payments of $99,972 with respect to promissory notes and $33,363 with respect to the bridge loan were also made. Following these share settlements and cash payments the Company had fully extinguished all promissory note and bridge loan liabilities.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Mineral Exploration Properties and Deferred Exploration Expenditures

The Bellas Gate Project, Jamaica

Overview

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

The BGP is subject to a 2% net smelter royalty (NSR) in favour of Clarendon Consolidated Minerals Ltd., the original vendor of the property. The Company's former right to purchase one half (1%) of the NSR lapsed during January 2017.

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, which stated that upon the Company meeting certain conditions precedent, including completing payments to Clarendon Consolidated Minerals Ltd. (the original vendor of the BGP), OZ Minerals and the Company would enter into a farm-in joint venture agreement ("JVA") with respect to the BGP. Subject to the Company meeting the conditions precedent, OZ Minerals agreed to make a US$900,000 equity investment in the Company which was concluded during January of 2014.

During January 2014, OZ Minerals confirmed the satisfactory completion of their due diligence, such that the terms of the May 2013 term sheet became binding on the parties. The definitive JVA agreement was 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, with an initial work phase consisting of $500,000 of exploration expenditures. OZ Minerals completed sole funding and required cash payments to the Company by late 2015 to earn a 70% interest in the BGP. OZ Minerals incurred total exploration expenditures of approximately $8.3 million, well in excess of the required $6.5 million. In February 2016, OZ Minerals elected to earn a further 10% interest by financing all work to the end of a feasibility study. In September 2016, OZ Minerals, for corporate reasons, elected to withdraw from the Bellas Gate Joint Venture.

Bellas Gate Project Property Costs

As at February 28, 2018, the Company had a capitalized balance of $1,730,724 (August 31, 2017 - $1,729,838) with respect to property costs for the BGP. License renewal fees of $942 were incurred by the Company during the six month period ended February 28, 2018.

Bellas Gate Project Exploration Activity; 2011 to Date

From March 2011 to September 2014, Carube Resources Inc. performed mapping, soil sampling, trenching and over 3,500 metres of core drilling at the BGP. It was successful in expanding the Camel Hill porphyry as well as uncovering narrow, high grade copper mineralization in several areas. The soil geochemistry indicated several highly copper mineralized zones.

During 2014 and 2015, mapping, prospecting, and soil sampling was conducted over several prospects by OZ Minerals and a 1,200 metre by 500 metre copper±gold soil geochemical anomaly was identified at the Hendley Prospect ("Hendley") with peak values in soils exceeding 1,000 ppm copper. It was also noted that robust copper plus gold and silver mineralization has been identified that extended well beyond the Hendley soil sampling grid. Work at the Porphyry Alley prospects ("Porphyry Alley"), located 3 kilometres southeast of Hendley, also defined three copper in soil anomalies coincident with the surface expression of the previously identified Camel Hill ("Camel"), Mab Hill ("Mab") and Geo Hill ("Geo") copper±gold porphyries. Hendley and Porphyry Alley form part of the 5.5 kilometre long Southern Alteration Zone (SAZ) or Greater Porphyry Alley. Helicopter magnetic and radiometric surveys were completed over the entire property.

Beginning in June 2014 and ending in January 2015, OZ Minerals completed drilling at the Connors Prospect ("Connors") on the south-central part of the BGP to define the limits of the copper-gold porphyry mineralization and to increase the understanding of its geometry and potential. Drilling of 12 holes for a total of 3,964 metres defined significant copper-gold mineralization with a surface footprint of approximately 300 metres by 260 metres and to a depth of 225 metres. The mineralization is characterized by multiphase potassium alteration with several episodes of copper mineralization. Copper mineralization is chalcopyrite, finely disseminated within the rock and associated with quartz and magnetite veining. Highlights include significant intersections of copper and gold porphyry mineralization within a quartz-poor porphyry intrusion with biotite rich potassic alteration and substantial hydrothermal magnetite content. A typically good mineralized intersection returned 294m of 0.56% CuEq; including 96m of 1.00% CuEq, in diamond drill hole DDH-CON-14-005.

Additional drilling during late 2014 and during 2015 was completed on other high priority targets including the Hendley, Geo Hill, Mab Hill, Charing Cross, Congo Hill and Kola Prospects. New mineralization was discovered where scout drilling intersected 261 m of 0.26% CuEq, including 24 m of 0.45% CuEq and 30 m of 0.36% CuEq, in DDH-HEN-15-003. Here, porphyritic dykes and intrusion are in contact with andesitic rock and show magnetite and biotite alteration.

OZ Minerals continued with prospecting, detailed mapping and soil sampling during late 2015 and into 2016 in order to identify and prioritize targets. Drilling restarted at the BGP in April 2016 with a focus on the Provost, Calabash Ridge and Lucky Valley prospects. Five holes, totalling more than 1000m in length, were drilled at these targets, which are located on parallel alteration zones. These alteration zones are approximately 5km long and are notable for the presence of copper-gold porphyries along them. Drill targeting was enhanced with the completion of a 46 line-kilometre ground Induced Polarization (IP) geophysical survey in early June of 2016.

A new discovery was made at the Provost Prospect where drilling of 728 metres in 3 holes has been completed. Provost is a copper-gold porphyry target. It is located on the 5.5 kilometre long prospective SAZ (Greater Porphyry Alley trend), which hosts numerous copper±gold porphyry systems. Soil geochemistry has defined a 400m by 400m copper in soil anomaly where strong to intense density of stockwork veining in volcanic rocks including quartz "A-veins" in malachite-mineralized outcrop are present. An IP chargeability anomaly is also coincident with the mapped alteration and copper in soil anomaly. Hole PVT-16-001 intersected copper mineralization from 29m downhole to the end of the hole at 111m - 82m of 0.46% CuEq, including 29m of 0.63% CuEq; it was stopped in mineralization and abandoned due to drilling difficulties. Hole PVT-16-002 intersected copper mineralization from 29m downhole to the end of the hole at 368.15m with anomalous copper values to the end of the hole - 339m of 0.34% CuEq, including 10m of 1.79% CuEq. A third hole PVT-16-003 was drilled to investigate the high chargeability anomaly east of PVT-16-002, but no significant intersections were encountered.

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 February 28, 2018, exploration expenditures incurred directly by the Company for the BGP have a total carrying value of $4,205,829 (August 31, 2016 - $3,807,399). These costs are comprised of the Company's direct exploration expenditures and exclude any exploration funded previously by OZ Minerals. Costs incurred directly by the Company during the six month period ended February 28, 2018 total $349,058 and related to geology of $120,042; geochemical analysis costs of $4,938; drilling related costs of $192,421; community and social development costs of $31,472; and, health and safety costs of $185.

Total exploration costs incurred by OZ Minerals on the BGP during fiscal 2016 were approximately $4.2 million bringing OZ Minerals' cumulative expenditures on the BGP to approximately $12.5 million. Total expenditures incurred by OZ Minerals during fiscal 2015 were approximately $5.4 million exceeding the phase 4 requirement and bringing cumulative exploration expenditures to approximately $8.3 million.

OZ Minerals incurred $8.3 million in cumulative exploration expenditures to complete the phase 4 earn-in by late 2015 and had a 70% interest in the BGP. Exploration at the BGP during the first four phases of work conducted by OZ Minerals included diamond drilling of 40 holes totaling 11,028 metres, assaying of 10,537 metres of drill core and 353 rock chip samples, analysis of 2,892 soil samples, geological mapping of 20 prospects, of which 13 were high priority, and a heliborne magnetic and radiometric survey totaling 1,867 line kilometres.

During early February 2016, OZ Minerals elected to solely finance expenditures at the BGP, during phase 5 of the earn-in which required the completion of a feasibility study to earn an additional 10% interest in the BGP.

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

Rodinia and Other Licenses, Jamaica

Overview

On March 31, 2012, the Company completed the acquisition of a 100% interest in Rodinia Jamaica Limited ("RJL") from Tigers Realm Metals Pty Limited ("TRM") and Rodinia Resources Pty Limited ("Rodinia").

RJL held a 100% interest in four Special Exploration Prospecting Licenses (“SEPLs” or “Rodinia Licenses”), which totalled 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 Above Rocks Project. Rodinia retains a 2% NSR in respect of the four licenses. The acquisition agreement for the SEPLs included certain commitments to conduct exploration work on the Rodinia Licenses within specified time periods as amended during December 2013. A series of common share issuances were completed during calendar 2014 and 2015 in lieu of completing the exploration work commitments within specified time periods. No further commitments remain.

OZ Minerals definitive agreement for the Rodinia Licenses

OZ Minerals completed airborne geophysics over the four Rodinia Licenses, which comprise three projects, within 18 months of initiation of their earn-in on the BGP, as required by the OZ Minerals Term Sheet, in return for the option to enter into farm-in joint ventures (JVs) on each project on terms similar to those described above with respect to the BGP. During September 2015, the Company entered into a definitive joint venture agreement with OZ Minerals related to the Rodinia Licenses. Terms of the agreement were as follows: OZ Minerals had to elect on which Rodinia projects it wished to farm-in on before December 20, 2015, and subsequently pay $50,000 to the Company within 30 days and spend $500,000 on exploration within one year of the election date to earn a 40% interest in each elected project. After the first anniversary of the agreement OZ Minerals had the right to increase their interest in the elected project in increments to earn up to a 70% interest by advancing a total of $275,000 in cash payments and incurring a total of $6.5 million of exploration costs on any project. Following that, OZ Minerals could have advanced their interest to 80% by solely funding all costs associated with a feasibility study.

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, 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 and five licenses covering 276 square kilometres which OZ Minerals had acquired directly in 2014. Additionally, the Company will retain a 100% interest in the Above Rocks Project as OZ Minerals elected not to proceed with the joint venture earn-in. The Rodinia Licenses remain subject to a 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 bulk 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 of a sampling transected 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.

Re-examination of old data in 2016 in conjunction with interpretation of soils data and the airborne geophysics flown by OZ Minerals has resulted in the identification of numerous 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. This mine produced 95,725 tonnes of ore grading 9.01 grams per tonne gold; and

- the Orange Hill Copper Prospect (OHCP) on the western part of Main Ridge where recent modelling of low-level airborne geophysics has identified a highly magnetic body of significant size in association with copper-in-soil and gold-in-soil anomalies. Rocks examined during prospecting of the OHCP were highly altered and grab samples yielded copper values up to 2.3 %, suggesting the presence of a buried porphyry-style body.

The detailed mapping, soil sampling and rock sampling at Main Ridge that focused on the above two described anomalies was completed in the fall of 2016. Review and interpretation of all data results at MRGZ and OHCP has identified drilling targets at both prospects. IP survey lines have also been proposed at the OHCP to refine and detail the recommended drilling.

At Hungry Gully, the Company has also completed prospecting and soil sampling during which it has confirmed or identified at least three copper ± gold prospects. At one prospect a 300 by 500 metre plus area defined by anomalous Cu in soil values (>225 ppm) and associated anomalous Au and Mo values appears to define subsurface copper-gold porphyry style mineralization.

Other Jamaica Projects

In April 2017, Carube received the official transfer documents from the Jamaican Ministry of Transportation and Mines for five additional Special Exploration and Prospecting Licenses previously held by OZ Minerals. Carube now has 100% ownership of these licenses, which cover an additional 276 square kilometres. The licenses include Arthurs Seat, Windsor Castle, Berkshire Hall, Above Rocks 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 250 m copper in soil anomaly which has yet to be mapped and ground truthed. More work will be done at Shirley Castle to follow up on this area. Work is also planned on the other former OZ Minerals licenses. It will include researching of historic reports and data, interpretation of airborne geophysics and reconnaissance mapping and sampling of various media.

Other Jamaica Projects Acquisition Costs

The five licenses comprising the other Jamaican projects were acquired in conjunction with the Company's acquisition of OZ Minerals' 70% interest in the BGP. 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 February 28, 2018, total property costs for the Rodinia and other licenses have a carrying value of $1,994,425 (August 31, 2017 - $1,993,425) and include the value of common shares issued to Rodinia and

TRM as discussed in the following paragraph. During December 2015, the cash option payment of $50,000 received from OZ Minerals related to the Above Rocks project was recorded as a reduction of property costs.

Consideration paid by the Company during 2012 for the acquisition of RJL consisted of 2,700,000 common shares provided to TRM and 1,800,000 common shares provided to Rodinia for total consideration of 4,500,000 common shares of the Company. These common shares were recorded at their fair value of $1,575,000. Of this total consideration, $1,573,922 was allocated to mineral exploration property assets and $1,078 to net current assets.

Rodinia and Other Licenses Exploration Expenditures

As at February 28, 2018, the carrying value of exploration costs for the Rodinia and Other Licenses totals $348,442 (August 31, 2017 - $336,043). During the six month period ended February 28, 2018, the Company incurred geology costs of $7,809 and geochemical costs of $680.

<u>The Fiedmont Project, Canada</u>

Overview

During September 2010, the Company entered into a property option letter agreement to acquire a potential 100% interest in the Fiedmont property ("Fiedmont") comprised of 54 claims covering 23 sq. km. in Fiedmont Township, Quebec. A definitive option agreement was entered into on October 22, 2010 whereby the Company will act as operator of the property. Fiedmont is subject to a 2% NSR retained by the vendors, with the Company having the right to purchase up to half of the NSR by paying $500,000 for each 0.5%. The Company will also have the right of first refusal to purchase the remaining 1% of the NSR.

Prior exploration programs included compilation and re-interpretation of new and earlier data and a 2011 soil (humus) sampling program including 1,500 samples, which was completed over highly prospective areas located in the north part of the property. During 2012, prospecting on the south part of the property was conducted and uncovered a new silica altered and brecciated ultramafic intrusive with disseminated chalcopyrite.

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

In August 2017, the Company announced an exploration program including stripping and systematic sampling of the exposed mineralized zones of up to 6 areas showing highly anomalous humus and grab samples. A broad area around the Highway Showing; a NE trending soil anomaly zone to the southwest of the Lynx showing; and a NE-trending Zone, some 250m northwest of the Tower Zone will be the focus of the work. This field program was completed during December 2017.

Fiedmont Acquisition Costs

Consideration payable under the terms of the option agreement included a $10,000 cash payment upon execution of the definitive option agreement and a total of $160,000 in cash; up to 490,000 common shares;

and, exploration expenditures of $700,000 all staged over a four-year period following the Company going public in July 2015. A total of 125,000 common shares valued at $25,000 were issued upon completion of the reverse takeover in June 2015. During September 2016, the Company issued a total of 238,148 common shares to the vendors of the Fiedmont property in satisfaction of the first anniversary payments due under the terms of the property option agreement. This payment comprised 90,000 common shares and 148,148 common shares provided in lieu of the $20,000 cash payment. During August 2017, the Company issued 100,000 common shares valued at $7,000 in satisfaction of the second anniversary share payment and during September 2017 the cash option payment of $30,000 was made.

On July 6, 2017, the Company entered into an amending agreement with respect to the Fiedmont property option agreement. Under the terms of the amending agreement, the requirement to incur cumulative exploration expenditures of $250,000 prior to the second anniversary of going public was extended to December 31, 2017. All other terms with respect to the option agreement remain unchanged.

Fiedmont Exploration Expenditures
As at February 28, 2018, the carrying value of exploration costs for Fiedmont was $239,271 (August 31, 2017 - $130,525). During the six month period ended February 28, 2018, the Company incurred geology costs of $940 and trenching and related costs of $107,806. The Company has therefore incurred cumulative exploration expenses of $297,649 (gross of Quebec exploration tax credits of $58,378 recorded as a reduction of deferred exploration expenditures during 2012) for Fiedmont which exceeds the December 31, 2017 requirement for expenditures.

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 February 28, 2018 property costs total $3,303,943 (August 31, 2017 - $3,303,943). A total value of $3,300,719 was allocated to the value of these acquired properties in the RTO.

During the six month period ended February 28, 2018, the Company incurred geology costs of $10,048 and geochemical costs of $2,010 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 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 until December 31, 2018 and 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.

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. Most of the work to date has focused on two areas, which are centred on two magnetic lows within a circular magnetic feature located over the northwestern part of the intrusion. Exploration work on these areas has identified a six by two kilometre area of widespread propylitic alteration, scattered copper-gold mineralization and multi-element soil anomalies, including copper, gold and molybdenum, all suggesting the presence of subsurface Cu ± Au ± Mo porphyry mineralization and structurally-controlled mineralization.

During 2015, a detailed re-examination of all existing drill core collected during 2013 was completed. This included detailed re-logging, vein categorization and integration/interpretation of physical rock property data (magnetic susceptibility and induced polarization ("IP")). An IP survey completed during September 2015 delineated a large chargeability anomaly (minimum isoshell size of 400m x 400m x 300m) with nearby outcropping disseminated pyrite-chalcopyrite mineralization, quartz-pyrite-chalcopyrite veins and chlorite-sericite alteration. This new data was used to produce constrained 3D inversions of the geophysical data, which was merged with the geologic data and results from previous drill holes to produce an integrated 3D geology model to define drill targets. The last holes drilled in this area, MRC-006 and MRC-007, intersected porphyry style alteration and mineralization. MRC-006 intersected 9.0 metres of 0.155% Cu and MRC-007, intersected 150.9 metres of 380ppm Cu including 12.1 metres of 0.172% Cu. The mineralization intersected by drilling is consistent with intersections from the periphery of a porphyry system.

In 2016, work started at Rogers Creek in August and consisted of mapping and sampling several prospects that were highlighted by the exploration done in 2015. Results from that program were positive. To enable drilling at Rogers Creek, more surface work is required to fully define the extent and geometry of what appears to be a very large mineralized system, including the possible location of its potassic core.

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 from 2018 to 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 1.5% NSR on the Mackenzie and Salal properties was initially granted to Wallbridge in connection with Miocene's prior line of credit arrangements with Wallbridge. The Company's promissory note payable to Wallbridge is also secured through a first charge on the Mackenzie property. On March 31, 2016, the Company and Wallbridge entered into an amended promissory note agreement which extended the maturity date of the Wallbridge note to December 31, 2017. Consideration provided for this extension included an increase in the NSR held by Wallbridge on the Mackenzie and Salal properties from 1.5% to 1.75%. In addition, the terms of the NSR buyback clause was amended such that the NSR can be repurchased provided that the amended promissory note and any accrued interest have been repaid in full, as follows: (i) for $350,000 at any time on or before December 31, 2017; (ii) for $750,000 during the one year period following December 31, 2017; or (iii) for $1,750,000 at any time thereafter. The Wallbridge promissory note was settled in full during March 2018.

Until the summer of 2012, all work was focused on the original discovery (the Tillworth Trend) where copper mineralization is hosted by a brittle structure which is exposed in a continuous zone for a distance of more than 1.0 kilometre on a near-vertical rock face at the head of a glacial cirque. The copper-gold-molybdenum-rhenium geochemical fingerprint of the fracture controlled mineralization and the identification of weakly mineralized, fine-grained granodiorite dykes that are intimately associated with mineralization and with patchy and vein-related potassic (potassium feldspar) alteration, strongly suggests a porphyry origin for the mineralization.

During the 2012 exploration program, the Bornite Trend was discovered. It has an open-ended strike length of 7.5 kilometres and consists of scattered quartz-bornite-chalcocite-magnetite-plus-or-minus-chalcopyrite-plus-or-minus-tetrahedrite veins and stringers up to 20 centimetres wide. These veins and stringers occur along the edge of the Miocene-age Bridge River pluton, which is hosted within the Coast Plutonic complex. Fourteen of the 27 grab samples collected along the Bornite trend during the initial reconnaissance of this area in 2012 had Cu ranging up to a maximum of 4.34% Cu; Au ranging from 0.001 to 0.445 g/t; and Ag from 3.34 to 4,170 g/t. The presence of magnetite in the quartz-bornite-chalcocite veins possibly makes this a target that can be readily identifiable by airborne magnetics. Mineralization is located approximately 10 kilometres south of Amarc Resource's recently discovered IKE deposit.

The 2013 work program on the Mackenzie property consisted of two weeks of follow-up mapping and sampling to better delineate the extent and character of the Bornite Trend copper mineralization. A total of 25 rock samples were collected there during the 2013 program including 10 grab samples of mineralized material. Values in the mineralized material show elevated copper and gold values, with values up to 32.2% Cu and 8.55 g/t Au. Assay values for the mineralized samples collected during 2013 are tabulated below. Values show a clear copper-gold-silver-bismuth association typical of gold bearing porphyry deposits. In addition to the mapping and sampling, approximately 30 line kilometres of reconnaissance ground magnetic surveying was carried out at Mackenzie. Results show a good correlation with known geology.

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. The survey identified a large magnetic target below the surface copper-magnetite mineralization on the western part of the property.

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 indicates 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.

It is believed that the copper rich samples found along the Bornite Trend may represent a halo to a more significant copper mineralized system represented by the large magnetic body at depth (interpreted from the airborne magnetics) and the associated large potassium alteration anomaly at surface.

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 1.5% NSR on the Salal property was granted to Wallbridge in connection with Miocene's prior line of credit arrangements with Wallbridge. The Company's promissory note payable to Wallbridge is secured through a first charge on the Salal property. On March 31, 2016, the Wallbridge NSR was increased to 1.75% in connection with the amended promissory note agreement (see details above in 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. Historically, no sustained effort has been made to drill the widespread occurrence of molybdenum on the property; in spite of chip samples, which returned potentially economic grades of molybdenum mineralization over potentially minable widths (e.g. 85 metres of 0.077% Mo, 55 metres of 0.191% Mo and 30 metres of 0.084% Mo), numerous high-grade grab and float samples, and molybdenum mineralization exposed in creek valleys over vertical distances of up to 150 metres.

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 February 28, 2018, total expenses (before other income and expenses) were $295,107 (Q2 fiscal 2017 - $242,331). Total expenses (before other income and expenses) were $52,776 higher during the second quarter of fiscal 2018 when compared to the same quarter of fiscal 2017. Higher promotion and investor relations costs of $46,861 accounted for the majority of this increase and related to several new promotional campaigns initiated during fiscal 2017 and during the quarter which are focused on raising the Company's on-line profile and investor awareness. Regulatory authority and transfer agent fees were $454 higher being relatively consistent with the second quarter of fiscal 2017. Legal and audit fees were $7,752 higher during the quarter due to primarily to higher legal costs. Office, general and administrative costs were $20,278 higher during the second quarter of fiscal 2018. Chief Executive Officer compensation allocated to corporate administration increased by $11,010 during the quarter (versus being allocated to project exploration costs during the second quarter of fiscal 2017). Additionally, Chief Financial Officer compensation was $16,639 higher during the quarter relating to increased activity related to preparation of the first quarter interim financials; management's information circular; transition of bookkeeping function; and, the private placement financing. These increases in administrative costs were partially offset by cost savings of $15,947 as no costs were incurred related to the Company's former Executive VP, Corporate Development and former manager of corporate administration. Share based compensation expense was $22,569 lower during the quarter primarily relating to lower RSU charges of $43,967 offset by increased DSU charges of $18,000.

Other Income and Expense

Other expenses during the second quarter totalled a net amount of $16,039 (Q2 fiscal 2017 - $35,217). Interest expense related primarily to bridge loans and promissory notes payable totalled $16,109 during the quarter and was $19,686 lower than in the second quarter of fiscal 2017 following the repayment of certain bridge loans and promissory notes over the past year.

Net Loss and Loss per Common Share

For the three month period ended February 28, 2018, net loss was $311,146 (Q2 fiscal 2017 - $277,548). Basic and diluted loss per common share was $0.00 (Q2 fiscal 2017 - $0.00). For the six month period ended February 28, 2018, net loss was $659,438 (fiscal 2017 - $516,942). Basic and diluted loss per common share was $0.01 (fiscal 2017 - $0.01). 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 February 28, 2018 a foreign currency translation gain of $66,122 (fiscal 2017 – loss of $19,863) was recorded in other comprehensive loss.

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2018, the Company held cash of $162,632 (August 31, 2017 - $665,096) and had a working capital deficiency of $715,556 (August 31, 2017 – $19,605). The Company has financed its operations primarily with equity financing but has also financed components of operating expenses, property costs and exploration costs with accounts payable, bridge loans and promissory notes payable.

Subsequent to quarter end, during March 2018, all outstanding promissory note and bridge loan liabilities were extinguished with common shares valued at $464,115 and cash payments of $133,335.

On September 30, 2017, an amending agreement with respect to the outstanding bridge loan was entered into. This amending agreement set out requirements for principal and interest payments as follows: (i) principal of $35,000 and interest of $6,000 during October 2017 (paid); (ii) principal of $35,000 on November 15, 2017 (paid); and, (iii) principal of $30,000 and interest of $2,138 on December 31, 2017 (paid during March 2018).

During the quarter ended February 28, 2018, the Company closed the first tranche of its private placement financing for gross proceeds of $116,430. Second and third tranches of this placement were closed during March 2018 for additional proceeds of $2,883,570. In total $3,000,000 was raised in all three tranches of the placement.

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

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

Financing activity during fiscal 2017

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

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

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

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

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

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

On August 30, 2017, the Company closed a non-brokered private placement financing raising gross proceeds of $100,000 with the issuance of 1,250,000 units at a price of $0.08 per unit. Each unit was comprised of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.13 per common share and has a two year term to expiry on August 31, 2019.

Contractual Obligations

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

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

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants, stock options, restricted share units and deferred share units as at April 24, 2018, February 28, 2018 and August 31, 2017 is as follows:

	April 24, 2018	**February 28, 2018**	**August 31, 2017**
Common shares	167,724,229	111,443,975	109,503,475
Warrants	45,400,000	22,870,250	21,900,000
Compensation options	2,642,124	756,624	756,624
Compensation option warrants	1,321,063	378,313	378,313
Stock options	6,485,000	6,485,000	6,735,000
Restricted share units (RSUs)	1,371,147	1,371,147	1,134,897
Deferred share units (DSUs)	1,433,510	1,433,510	1,433,510
Fully diluted shares outstanding	226,377,073	144,738,819	141,841,819

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, exploration advances, accounts payable and accrued liabilities, bridge loan and promissory notes payable. Details relating to financial instruments and risk management associated with credit risk, liquidity risk, currency risk and interest rate risk are disclosed in note 14 to the annual consolidated financial statements for the years ended August 31, 2017 and 2016.

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 and Director. Compensation awarded to key management for the three and six month periods ended February 28, 2018 and 2017 is set out in the note 11 to the unaudited interim condensed consolidated financial statements.

The Company has management service agreements with each of the following: its former Chief Executive Officer and President and its Chief Financial Officer which provide for a payment upon termination without cause. These payments are equivalent to 18 months' compensation for each of these two individuals. The service agreements also provide that, should a change in control event occur that each of these individuals would be entitled to a lump sum payment equivalent to 24 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, 2017 and 2016.

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 six month periods ended February 28, 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, 2017 which is filed on SEDAR.

CORPORATE INFORMATION

Officers and Directors
Anthony Houston, B.Sc., MAIG – Interim Chief Executive Officer and President
Jeffrey Ackert, BSc. – Vice President, Business Development and Director
John McNeice, CA, CPA – Chief Financial Officer
Chris Irwin, BA, LL.B – Corporate Secretary
Alar Soever, P. Geo. – Director and Chairman of the Board
Gregory LeBlanc, B.A, M.A. – Independent Director
Antony Manini, B.Sc., FAusIMM, FSEG – Independent Director
Mark Pfau, M.Sc. (Geology), Economic Geologist – Independent Director
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