K92 MINING INC.

("K92" or "the Company")

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

Introduction

This Management's Discussion and Analysis ("**MD&A**") of K92 Mining Inc. (including its wholly owned subsidiaries, K92 Holdings International Limited (incorporated in British Virgin Islands), K92 Mining (Australia) Pty Ltd. (incorporated in Australia), and K92 Mining Ltd. (incorporated in Papua New Guinea)) is the responsibility of management and covers the six months ended June 30, 2023. The MD&A takes into account information available up to and including August 9, 2023 and should be read together with the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2023, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") applicable to the preparation of interim financial statement, including IAS 34, Interim Financial Reporting, and is presented in thousands of United States dollars, except share and per share amounts, or unless otherwise indicated.

Throughout this document the terms *we, us, our, the Company* and *K92* refer to K92 Mining Inc.

Additional information related to the Company is available for view on SEDAR and on the Company's website at www.k92mining.com.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements." Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Please refer to "Risk Factors" section in this document.

Description of Business

K92 Mining Inc. (the "**Company**") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on March 22, 2010. The Company's shares are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "KNT" and quoted on the OTCQX under the symbol "KNTNF". The Company is currently engaged in the production of gold, copper and silver at the Kainantu Gold Mine as well as exploration and development of mineral deposits in the immediate vicinity of the mine, including Blue Lake, in Papua New Guinea.

Summary of Key Operating and Financial Results

(in thousands of United States Dollars, except per share amounts)		Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Operating data					
Ore mined	t	109,155	114,471	227,020	214,596
Ore processed	t	112,471	108,853	230,375	208,463
Feed grade	g/t	8.2	7.2	6.7	7.7
Gold produced	Oz	27,405	22,934	44,998	47,085
Gold equivalent produced[1]	Oz	30,794	26,085	52,282	54,273
Gold sold	Oz	28,141	23,674	45,743	50,146
Cash costs per gold ounce sold[2]	$/Oz	597	617	659	574
All-in sustaining costs per gold ounce sold[2]	$/Oz	975	893	1,180	838
Financial data					
Revenue	$	51,759	37,356	92,125	89,768
Cost of sales	$	29,198	23,169	52,936	45,704
Net earnings	$	8,793	5,136	13,802	19,218
Cash flow from operating activities	$	28,868	13,145	31,815	40,475
Cash, ending balance	$	95,557	81,728	95,557	81,728
Basic earnings per share	$/sh	0.04	0.02	0.06	0.09
Diluted earnings per share	$/sh	0.04	0.02	0.06	0.08

Performance Summary

Operational – Six Months Ended June 30, 2023 ("YTD Q2 2023")

- **Gold Production:** 44,998 oz of gold or 52,282 oz of gold equivalent ("**AuEq**") produced in YTD Q2 2023, compared to 47,085 oz of gold or 54,273 oz of AuEq produced during the six months ended June 30, 2023 ("**YTD Q2 2022**"). [1] This represents a decrease in gold production primarily due to lower head grades, offset by higher ore tonnes processed. During the three months ended June 30, 2023 ("**Q2 2023**"), the Company also achieved strong gold production of 27,405 gold oz or 30,794 AuEq oz, representing an 18% increase from the three months ended June 30, 2022 ("**Q2 2022**") and a 43% increase from the three months ended March 31, 2023.

- **Ore Mined:** 227,020 tonnes of ore mined in YTD Q2 2023, representing a 6% increase compared to 214,596 tonnes mined in YTD Q2 2022.

- **Ore Processed:** 230,375 tonnes of ore processed in YTD Q2 2023, representing an 11% increase compared to the 208,463 tonnes processed in YTD Q2 2022.

- **Metallurgical Recoveries:** 90.6% gold and 91.9% copper recoveries in YTD Q2 2023. Following the completion of the Stage 2A Plant Expansion in May, metallurgical recoveries have improved with recoveries in June of 93.0% for gold and 92.9% for copper. For Q2 2023, recoveries averaged 92.4% for gold and 92.8% for copper, significantly higher than the 2022 average of 90.4% for gold and 90.5% for copper.

- **Mill Throughput:** Record monthly average daily throughput of 1,490 tonnes per day ("**tpd**") achieved in March, 9% above the Stage 2A Expansion run-rate of 1,370 tpd, including multiple new daily records set during the period. With the Stage 2A Plant Expansion now commissioned, optimization efforts are underway, including to increase throughput with the potential to be materially greater than its nameplate design.

[1] Gold equivalent calculated based on gold $1,942 per ounce (2022 - $1,875), silver $23.39 per ounce (2022 - $23.53) and copper $3.95 per pound (2022 - $4.44).

- **Mine Development:** 4,451 metres in YTD Q2 2023, with 2,173 metres achieved in Q2 2023, an increase of 19% from Q2 2022. The twin incline was significantly advanced during the period, with incline #2 (6m x 6.5m) advanced to 2,447 meters and incline #3 (5m x 5.5m) advanced to 2,506 meters as of June 30, 2023.

- **Cash Costs:** $659 per gold ounce in YTD Q2 2023 versus $574 per gold ounce in YTD Q2 2022. The increase was primarily due to the processing of lower head grade material versus the comparative period, resulting in a 9% decrease in gold oz sold from 50,146 oz gold in YTD Q2 2023 to 45,743 oz gold in YTD Q2 2023. Cash costs in Q2 2023 improved to $597 per gold ounce versus $617 per gold ounce in Q2 2022.[2]

- **All-in Sustaining Costs:** $1,180 per gold ounce in YTD Q2 2023 versus $838 per gold ounce in YTD Q2 2022. The increase can be attributed both to the lower grades referenced earlier and to a rise in sustaining capital expenditures. Sustaining capital expenditures totaled $19.5 million in YTD Q2 2023, compared to $9.8 million in YTD Q2 2022, primarily driven by an increase in capital development expenditures from $7.4 million in YTD Q2 2022 to $11.5M in YTD Q2 2023. Additionally, supply chain delays caused some sustaining capital items originally scheduled for delivery in 2022 to arrive in 2023, further contributing to the increase in sustaining capital costs.[2]

Financial – YTD Q2 2023

- **Revenue:** The company generated $93.3 million in revenue in YTD Q2 2023, a decrease of $3.0 million from YTD Q2 2022 ($96.3 million) before pricing and quantity adjustments. Net revenue, which includes fair value adjustments to settlement receivables, was $92.1 million in YTD Q2 2023 compared to $89.8 million in YTD Q2 2022. Sales of gold in concentrate and doré decreased by 9% to 45,743 oz in YTD Q2 2023 from 50,146 oz in YTD Q2 2022, resulting in $7.8 million in lower revenues. The decrease was partially offset by higher by-product revenue of $1.4 million, primarily from the sale of 3.2 million copper pounds in YTD Q2 2023 (versus 2.6 million copper pounds in YTD Q2 2022) and a 4.5% increase in the average payable gold price (from $1,766/oz in YTD Q2 2022 to $1,856/oz in YTD Q2 2023), which contributed $1.4 million in additional revenue.[3]

- **Cash Position:** $95.6 million as of June 30, 2023, compared to $109.9 million as of December 31, 2022. During the period, the Company spent $28.6 million in expansion capital. [4]

- **Operating Cash Flow:** $32.7 million in operating cash flow (prior to working capital adjustments) in YTD Q2 2023 compared to $33.2 million in YTD Q2 2023.[5]

- **Gross Margins:** 43% and 43% (before and after pricing adjustments, respectively), in YTD Q2 2023, down from 53% and 49%, respectively, in YTD Q2 2023, mainly due to lower gold sales.[6]

- **EBITDA:** $36.4 million in YTD Q2 2023, compared to $40.5 million in YTD Q2 2022.[2]

- **Income Tax Payments:** $3.6 million in YTD Q2 2023 compared to $8.2 million in YTD Q2 2022. Subsequent to June 30, 2023, the Company paid an additional tax installment of $4.7 million to the Papua New Guinea government for a total of $8.3 million.

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[2] Non-IFRS – the definition and reconciliation of these measures are included in the non-IFRS performance measures section of this MD&A.

[3] Average payable gold price is calculated by the average finalized gold price during the period multiplied by the payable percentage under the off-take agreement.

[4] Expansion capital is calculated as the costs associated with the twin incline expansion and other expansion costs where these projects are anticipated to increase future production.

[5] Non-IFRS performance measure. Operating cash flow (prior to working capital adjustments) is calculated as the net cash provided by operating activities less the changes in non-cash working capital items.

[6] Non-IFRS performance measure. Gross margin before pricing adjustments is calculated using earnings from operations excluding pricing adjustments divided by revenue excluding pricing adjustments.

Expansion

- In May 2023, the Company achieved completion of the Stage 2A Expansion following commissioning of the final upgrade, the rougher flotation expansion. The Stage 2A Expansion is expected to increase throughput to 500,000 tonnes per annum ("**tpa**") from 400,000 tpa and strengthen the Company's ability to self-fund the Stage 3 Expansion.

- On July 24, 2023, the Company announced the achievement of a significant de-risking milestone with the award of a $81 million lump sum fixed price contract for the design and construction of the 1.2 million-tonnes-per-annum ("**mtpa**") Stage 3 Expansion Process Plant. This contract, along with previously awarded fixed-price contracts for process plant long-lead items, mitigates approximately 94% of the forecast capital cost for the Stage 3 Expansion, substantially reducing inflation risk. The Company's ability to self-fund the expansion has been notably strengthened by this development. The commissioning of the 1.2 mtpa plant is targeted for Q1 2025, with the construction contractor's mobilization scheduled for early 2024. A detailed multi-year growth capital estimate is expected at the end of the 3rd Quarter.

- Exploration is almost entirely focused on resource growth, with up to 11 drill rigs operating at Kora, Kora South, Judd and Judd South.

- On December 6, 2022, the Government of Papua New Guinea granted an extension of Mining Lease 150 for the Kainantu Gold Mine in Papua New Guinea for a period of 10 years to June 13, 2034. In conjunction with this announcement, the board of directors of the Company approved the Stage 3 and Stage 4 expansions, which will increase the annual processing throughput to 1.2 mtpa and 1.7 mtpa, respectively. This represents a 140% increase and 240% increase, respectively, from the Stage 2A processing capacity of 500,000 metric tpa.

Corporate

- Reduced exposure to gold price fluctuations during the provisional pricing period (the "**Quotational Period**") by entering into short-term commodity contracts with a total of 26,638 gold oz hedged at June 30, 2023. The Company currently hedges out three months to cover fluctuations during the Quotational Period, resulting in a $0.9 million loss on derivative instruments recognized during YTD Q2 2023.

Last 4 Quarters of Production Data

		2022		2023		
		Quarter 3	Quarter 4	Quarter 1	Quarter 2	Total
Tonnes processed	t	117,938	121,686	117,903	112,471	469,998
Feed grade Au	g/t	8.7	8.8	5.2	8.2	7.7
Feed grade Cu	%	0.72	0.74	0.70	0.66	0.71
Recovery (%) Au	%	88.9	91.2	89.1	92.4	90.4
Recovery (%) Cu	%	88.4	91.8	91.3	92.8	91.1
Metal in concentrate produced Au	oz	29,256	31,204	17,593	27,405	105,458
Metal in concentrate produced Cu	t	756	829	749	692	3,026
Metal in concentrate produced Ag	oz	32,161	40,517	29,859	34,001	136,538
Gold equivalent oz produced	oz	32,995	35,538	21,488	30,794	120,815

2023 Operational Outlook

- Gold equivalent production between 120,000 and 140,000 ounces, a range that incorporates a contingency for supply chain related delays.

- Cash costs between $620 - $680 per ounce gold and all-in sustaining costs between $1,180 - $1,300 per ounce gold. The increase from 2022 is driven predominantly by increased capital development expenditures, in addition to sustaining capital items originally scheduled for 2022 arriving in 2023 due to supply chain delays.

- Exploration expenditures between $13 - $16 million, including the total number of operating drill rigs increasing from the current 11 to 13 rigs. Exploration will predominantly focus on resource growth with surface drilling to focus on Kora South, Judd South, Judd, and the A1 copper-gold porphyry targets, with underground drilling focusing on Kora, Kora South, Kora Deeps, Judd, Judd South, Judd Deeps and Northern Deeps targets.

- Tender process underway for growth capital items for the Stage 3 and 4 Expansions. Upon completion of the tender process, timing of the growth capital items will be established to provide its 2023 forecast.

Operations

The Company holds the mining rights to Mining Lease 150 that is due to be renewed on June 13, 2034.

During Q2 2023, the Company produced 27,405 ounces of gold, 1,526,547 pounds of copper and 34,001 ounces of silver, or 30,794 AuEq oz.

Underground mine performance strengthened significantly after early April, which was impacted by an area of localized challenging ground conditions. Long hole stoping performed to design, with mining focusing on Kora's K1 and K2 veins, and Judd's J1 Vein. During Q2 2023, 10 levels were mined for a total of 109,155 ore tonnes mined, and the mill head grade averaged 9.23 g/t AuEq or 8.20 g/t gold, 0.66% copper and 11.56 g/t silver. Mining on Kora was conducted on the 1130, 1150, 1170, 1205, 1265, 1285, 1305 and 1325 levels, and Judd on the 1235 and 1325 levels.

In May, a major milestone was achieved; the commissioning of the final component of the Stage 2A Plant Expansion resulting in the doubling of rougher flotation circuit capacity. After commissioning, the process plant recorded a significant increase in metallurgical recoveries for gold and copper. In June, the first full month of the Stage 2A Expansion being fully commissioned, recoveries averaged 93.0% for gold and 92.9% for copper. Recoveries for Q2 2023 averaged 92.4% for gold and 92.8% for copper, the highest since Q4 2021 for both gold and copper, and significantly higher than the 2022 average of 90.4% for gold and 90.5% for copper. Total ore processed during the quarter was 112,471 tonnes. With the Stage 2A Plant Expansion now commissioned, optimization efforts are underway, including to increase throughput that the Company believes has the potential to be materially greater than its nameplate design.

As previously reported, underground mining operations were briefly suspended on June 28 following an underground vehicular incident (*see June 28, 2023 press release - K92 Mining Reports Mine Accident Resulting in Two Fatalities*). There was limited impact to surface activities and surface stockpiles were treated during the suspension. Underground mining operations resumed on July 6 (*see July 6, 2023 press release - K92 Mining Resumes Mining Operations at Kainantu Gold Mine*).

Notably, production and cost guidance for 2023 remain unchanged, with the second half of 2023 expected to be our strongest in terms of production, and 2023 production being within the lower half of the guidance range (as previously disclosed). The anticipated stronger production for the second half of 2023 is based on an expected significant increase to our operational flexibility and stope sequencing.

Capital Expenditure

Stage 2A Expansion

During Q2 2023, the Company completed the Stage 2A Expansion, which is designed to increase throughput from 400,000 tpa (1,100 tpd) to a nameplate of 500,000 tpa (1,370 tpd). After commissioning, the process plant recorded a significant increase in metallurgical recoveries for gold and copper.

Twin Incline

Twin incline development continues to make significant progress with incline #2 (6m x 6.5m) advanced to 2,447 metres and incline #3 (5m x 5.5m) advanced to 2,506 metres as of June 30, 2023.

This large capital project will provide the major mine access infrastructure for increased production capability required for a Stage 3 and 4 Expansions and potentially beyond to further expansions.

Exploration

Underground grade control and exploration

Kora Vein System

The Company continued its exploration diamond drilling program from underground using six Company owned drill rigs at the Kora and Judd deposits. A total of 394 drill holes have been completed into the Kora and Judd Vein System since those used in the Mineral Resource Estimates ("**MRE**") *(MRE effective date of October 31, 2021*). Additionally, from surface drilling, multiple new intercepts into several of the Kora and Judd lodes continue to be encountered. Drilling density is suitable for both resource definition and expansion. The MRE (both for Kora and Judd) formed the basis for the Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea.

Please see the Company's news release dated October 28, 2022, '*K92 Mining Announces Filing of Technical Report for Kainantu Gold Mine Integrated Development Plan*'.

Please see the Company's news release dated February 23, 2022, '*K92 Mining Reports Significant Resource Upgrade at High-Grade Kora Deposit and Maiden Judd Resource Estimate*' for the latest resource estimate update at the Kora and Judd deposits.

Please see the Company's news release, dated May 24, 2023, '*K92 Mining Announces Discovery of High-Grade Zone at the J2 Vein to the South and High Grade Intersections at Kora-Kora South and Judd-Judd South Vein Systems*' for the most recent results from the underground and surface diamond drilling programs.

Judd Vein System

The Judd Vein System at the Kainantu gold mine continues to be explored. The System is sub-parallel in orientation to the Kora Vein System and is located approximately 90 to 150m east of Kora within Mining Lease 150 ("**ML 150**"). The mineralization style is similar to that of the Kora Vein System, comprising mainly gold-copper-silver sulphide veins (akin to an Intrusion Related Gold Copper (IRGC) deposit type). To date, four known veins have been recognized within the Judd Vein System. The veins remain open at depth, up-dip and laterally along strike in both directions with only a partial extent of the +2,500m strike length (inclusive of Judd South) having been drill tested. Additionally, surface drilling continues to delineate and expand several of the Judd and Kora veins.

The Company continued its underground drill program to test the extents of the Judd Vein System. The primary focus of drilling has been to drill out the J1 vein, with some longer holes continuing on to test the J2 to J4 vein targets. The latest drill results were included in the press release dated May 24, 2023, '*K92 Mining Announces Discovery of High-Grade Zone at the J2 Vein to the South and High Grade Intersections at Kora-Kora South and Judd-Judd South Vein Systems*'.

Development and production from J1, in the form of ore drives and long hole stoping, continues.

Surface Exploration

Exploration drilling was conducted at Kora South/Judd South (EL470), Judd (ML150) and A1 (EL470). A total of 19 drill holes (including three abandoned holes) for 7929.7m were completed, with five holes currently in progress.

Surface geochemical sampling and detailed geological mapping continued at Tuta (EL470) and Yarr Tree (EL2619 and EL470). A total of 1,800 soil and rock chip samples were collected for the period.

Kora South/Judd South (EL470)

Two diamond rigs continued operating throughout Q2 2023 to conduct infill and extension drilling (on approximately 100m centers) of the Kora/Judd Lodes, immediately SW and along strike of ML150. A total of 11 drill holes for 4749.8 metres were drilled. Drilling to date has extended the Kora/Judd Vein system by at least 600m beyond the limits of the current Mining Lease. Several of the step-out surface drill holes returned multiple mineralized intercepts for the J1, J2 and K2 Vein systems, including:

Drill Hole KUDD0040	22m at 5.14g/t AuEq or 2.05g/t Au, 21g/t Ag and 1.75% Cu within a substantial 57.80m at 2.73g/t Au Eq or 1.16g/t Au, 12g/t Ag and 0.89% Cu (J1 Vein Dilatant Zone)
Drill Hole KUDD0041	1.80m at 16.45g/t AuEq or 16.34g/t Au, 6g/t Ag and 0.03% Cu (J1 Vein)
Drill Hole KUDD0043	6.2m at 26.52g/t AuEq or 23.80g/tAu, 15g/t Ag and 1.58% Cu (J1 Vein)
Drill Hole KUDD0040	2.40m at 345.36g/t AuEq or 344.40g/t Au, 75g/t Ag and 0.02% Cu (J2 Vein)
Drill Hole KUDD0043	3.80m at 10.19g/t AuEq or 0.5g/t Au, 77g/t Ag and 5.43% Cu (J2 Vein)
Drill Hole KUDD0045	11.20m at 12.69g/t AuEq or 11.60g/t Au, 11g/t Ag and 0.59% Cu (J2 Vein)
Drill Hole KUDD0041	3.2m at 11.27g/t AuEq or 2.98g/t Au, 136g/t Ag and 4.1% Cu (K2 Vein)

Judd Vein [Upper] Expansion (ML150)

Two diamond drill rigs continued to explore the up-dip and lateral extensions of the Judd Vein System within ML150. A total of six diamond holes were completed for 2570.70m. The Judd surface step-out drilling recorded multiple intersections including a best J1 Vein intercept of 5.00m at 161.67g/t AuEq or 160.87g/t Au, 14g/t Ag and 0.33% Cu in drill hole KODD0036.

A1 (EL470)

Diamond drilling at A1 continued during the quarter and targeted Au/Cu porphyry style mineralization. Two holes (KADD0002, KADD0003) were completed during Q2 2023, for 1421.10m, with another core hole (KADD0004) still in progress. Pathfinder elements from the two scissors holes are to be evaluated to determine vectors towards the higher-grade mineralized portions of this potentially fertile porphyry system at depth.

A further two diamond holes, for 1428.00m, were drilled to test the interpolated transfer structure, linked to A1 and associated with shallow expressions of surface copper/gold anomalism. KNDD0003 intercepted a broad zone of low-grade Au/Cu mineralization from 484.6m to the end-of-hole (797.4m), whereas KNDD002 intersected several narrow low-grade Au/Cu mineralized zones up to 22m-wide. The geology and style of mineralization intersected is consistent with Au/Cu porphyry deposit types.

Tuta (EL470)

The Tuta soil program targets epithermal and porphyry style mineralization SW of ML150. Little previous exploration work has been completed in this area. New targets will be evaluated as results return.

Yarr Tree (EL2619)

Infill soil sampling is nearly complete at Yar Tree. Results returned to date highlight a large hydrothermal magmatic system with zoned As-Bi-W-Mo-Cu pathfinder elements coincident with a 2.5km by 1.5km zone of Zn depletion. This and several other targets within the Yarr Tree prospect area warrant further investigation.

Qualified Persons

K92 Mine Geology and Mine Exploration manager, Andrew Kohler, PGeo, a qualified person under the meaning of Canadian National Instrument 43-101 – Standards Disclosure for Mineral Projects ("**NI 43-101**"), has reviewed and is responsible for the technical content in the underground grade control and exploration section of the MD&A. Data verification by Mr. Kohler includes significant time onsite reviewing drill core, face sampling, underground workings, and discussing work programs and results with geology and mining personnel.

K92 Executive Vice President of Exploration Chris Muller, PGeo, a qualified person under the meaning of NI 43-101, has reviewed and is responsible for the technical content in the surface exploration sections of this MD&A. Data verification by Mr. Muller includes significant time on site reviewing drill core, soil and outcrop sampling, artisanal workings, as well as discussing work programs and results with geology personnel and external consultants.

Community Relations

Memorandum of Agreement ("MOA")

The Company continues to work towards completing the outstanding review of the existing MOA, which has suffered repeated delays outside of the control of the Company or the Bilimoia Interim Landowners Association (BILA), most recently due to the COVID-19 pandemic. The MOA underpins the relationship between the Company, the Community and Government and sets out commitments from the various parties. In July 2020, the Company had a formal MOA meeting involving the Bilimoian landowners, the State, and the Provincial Government. Attending the meeting were representatives from the 10 clans within ML150, the PNG Mining Minister, the Managing Director of the Mineral Resources Authority of PNG and the Provincial Governor. In principle, the parties agreed on a revised MOA, subject to final review, with the expectation that the revised MOA will be finalized in 2023.

Community Programs

The Company has been actively engaged in community programs aimed at improving the quality of life for local communities. The programs to support community development include freshwater systems, road maintenance, medical clinic funding, school refurbishment, adult literacy programs, and agricultural livelihood and training programs. The agricultural program has been successful, with the local community now providing fresh produce to the camp dining room and selling additional produce to a local catering company. The Company plans to expand this program to other larger tracts of land, scaling the benefits and providing a sustainable business for the local community. In 2022, the Company installed solar power at two local clinics, contributed to a youth spelling competition, advanced the agricultural program to eight locations including a demonstration farm, upgraded roads, and launched K92 FM radio broadcasting to provide a range of information to local communities. In November 2022, 160 adults graduated from K92 Mining's literacy program at the local community resource centre. The program, which was initiated by the Company in late 2019, offers three levels of English and Tok Pisin, the local language in Papua New Guinea, for those who cannot read or write. The graduation marked a significant milestone for the students, as 80% of the students had not previously completed any formal education.

Scholarship Program

The Company supports education and development of the mining industry in Papua New Guinea. As part of this support, the Company has established the K92 Mining Scholarship Program, which includes four tertiary scholarships for 2023 in the fields of mineral processing, mine engineering, geology, and agriculture. The Company has also partnered with a local company to award two scholarships for Women in Mining to students studying logistics, commercial, or business management. The K92 Mining Scholarship Program was established in 2019 and expanded in 2022 to include the Women in Mining Scholarship. In addition, the Company collaborates with the University of Technology in Lae, Papua New Guinea to support areas of mutual benefit. This partnership includes financial support for the university, work experience for students and undergraduates, technical cooperation, and project generation. The Company also provides annual prizes for the top third year students in Geology, Mining, and Metallurgy nationally, with the recipients receiving substantial scholarships covering their final year.

Additionally, during Q2 2023, the Company donated $140 thousand to the Kainantu District Tertiary Student School Fee Assistance Scheme. The Company's donation, along with other contributions, will be used to assist local students meet their tertiary institution fees for 2023, with 801 students having been assisted so far.

Local Business Opportunities

The Company has created multiple business opportunities for the local communities in the vicinity of the mine to benefit from its operation. These include four major joint venture contracts between local communities and PNG companies for the provision of services, as well as numerous smaller contracts with local businesses. The major contracts include catering and camp management, security, road transportation, and ancillary mobile services. During the six months ended June 30, 2023, these contracts generated $11.5 million in revenue, supporting the local community.

Sustainability

On July 31, 2023, the Company released its 2022 Sustainability Report, which outlined the environmental, social and governance ("**ESG**") practices and performance of the Company. See the "2022 Sustainability Report" filed on the Company's website.

The following summarizes the ESG highlights in the 2022 Sustainability Report:

- **~94% of total workforce (employees plus contractors)** are PNG Nationals with priority hiring from local communities.
- **1,477 employees and contractors employed in PNG.**
- **$81.3 million in procurement to PNG companies,** representing 59% of total procurement in PNG.
- **$31.8 million in taxes and royalties in PNG,** an over 19% increase from 2021.
- **$17.3 million in corporate taxes paid in PNG,** with K92 remaining the second-largest taxpayer in PNG's mining industry.
- **Lost-time injury ("LTI") frequency of 0.31.**
- **Zero significant environmental incidents or spills.**
- **~66% lower carbon intensity** per gold equivalent ounce produced compared to the global mining average.
- **43% of Board Directors are female**, surpassing the 30% target established in K92's Board Diversity Policy.
- **Sustainability Committee Charter refreshed** with updated mandate providing enhanced oversight of environmental management, climate change, community relations, human rights, and sustainability.
- **Continued alignment with TCFD recommendations** with additional disclosures related to climate change governance and risk management as well as setting K92's inaugural energy and greenhouse gas ("**GHG**") emissions reduction target.
- **$1.1 million in direct community investment** and progress on participating in the new Tax Credit Scheme enacted by the Government of PNG, through which up to two percent of the Company's assessable income can be allocated to community development projects, above and beyond our existing community investments.
- **Continued commitment to local skills development**, including $1.3 million invested in professional, training, and trades programs during the year; 38 total tertiary scholarships awarded; 200 graduates from the K92 Adult Literacy Program; and multiple Memoranda of Understanding implemented with PNG universities to help develop a robust pipeline of skilled mine workers in the country.
- **Sustainable Agriculture Livelihoods Program further expanded**, employing 180 people (~80% of whom are women) to provide them with active income and business skills.

The report also details the Company's inaugural energy and GHG emissions target to reduce GHG emissions by 25% by 2030 against a business-as-usual forecast. Please see the Company's news release dated June 21, 2023, '*K92 Mining Announces 2030 GHG Reduction Target*'.

Results of Operations for the six months ended June 30, 2023 as compared to June 30, 2022

In YTD Q2 2023, the Company had net earnings of $13.8 million (2022 – $19.2 million) and earnings before taxes of $22.1 million (2022 - $30.3 million). Significant items making up the income, and changes from the prior year, are as follows:

Revenue of $92.1 million (2022 - $89.8 million) from the sale of gold concentrate and doré in Papua New Guinea. The increase in revenue is primarily due to higher realized gold prices at $1,856 in YTD Q2 2023 compared to $1,776 in YTD Q2 2022, and higher by-product revenue from the sale of copper with 3,195,705 copper pounds in YTD Q2 2023 versus 2,597,783 copper pounds in YTD Q2 2022, offset by a decrease in gold ounces sold from 50,146 gold oz in YTD Q2 2022 to 45,743 gold oz in YTD Q2 2023.

Cost of sales of $52.9 million (2022 - $45.7 million) consists of mining, processing, mine technical services, maintenance, finance and administration at site, operational health and safety, share-based payments, depreciation and net smelter royalties. Cost of sales has increased versus the comparative period primarily due to increased costs associated with the Stage 2 Expansion, which during the period resulted in the Company increasing throughput from 208,463 tonnes ore processed in YTD Q2 2022 to 230,375 in YTD Q2 2023.

Earnings from mine operations of $39.2 million (2022 - $44.1 million), which is calculated by subtracting cost of sales from revenue.

General and administrative costs of $4.2 million (2022 – $3.4 million). The increase is primarily related to an increase in corporate hires and higher management fees and wages.

Exploration and evaluation expenditures of $10.1 million (2022 – $6.8 million) related to drilling, assaying, trenching, surveying and other related expenditures. The increase in exploration costs is related to additional exploration activity versus the comparative period as the Company has embarked on an aggressive exploration campaign.

Share-based payments of $2.6 million (2022 - $1.7 million) representing Restricted Share Unit ("**RSU**") and Performance Share Unit ("**PSU**") grants to directors, employees and consultants of the Company. The increase in share-based payments relates to the timing, valuation and the number of equity instruments granted during the period.

Interest and finance expenses of $2.0 million (2022 – $1.5 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The increase is primarily due to higher interest rates on concentrate sales.

Interest income of $1.5 million (2022 – $0.2 million) representing interest income earned on cash and cash equivalent balances. The increase in interest income is due to higher interest rates and a larger cash balance versus the comparative period.

Loss on derivative instruments of $0.9 million (2022 - $0.3 million) relates to realized and unrealized income on commodity contracts. The loss is primarily driven by the increase in gold prices from $1,812 per ounce at December 31, 2022, to $1,912 per ounce at June 30, 2023.

Income tax expense of $8.3 million (2022 – $11.1 million) relates to current taxes and the estimated use of the deferred income tax asset.

Summary of Quarterly Results

The following table summarizes the last 8 quarters of the Company.

(in thousands of United States Dollars, except per share amounts)	June 30, 2023 (Unaudited)	March 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)	September 30, 2022 (Unaudited)
Total assets	$ 388,107	$ 371,926	$ 370,715	$ 344,308
Working capital	112,510	117,306	125,171	120,064
Shareholders' equity	327,033	316,340	309,306	294,096
Revenue	51,759	40,366	61,980	36,438
Net earnings	8,793	5,009	13,251	3,054
Net earnings per share, basic	0.04	0.02	0.06	0.01
Net earnings per share, diluted	0.04	0.02	0.06	0.01

	June 30, 2022 (Unaudited)	March 31, 2022 (Unaudited)	December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)
Total assets	$ 302,583	$ 298,784	$ 273,023	$ 231,698
Working capital	94,007	92,086	88,502	80,602
Shareholders' equity	253,846	242,650	225,136	206,533
Revenue	37,356	52,412	53,925	35,370
Net earnings (loss)	5,136	14,082	15,785	4,865
Net earnings (loss) per share, basic	0.02	0.06	0.07	0.02
Net earnings (loss) per share, diluted	0.02	0.06	0.07	0.02

Total assets have increased over the past eight quarters, primarily driven by the construction and completion of the Stage 2 Expansion and the ongoing development of the Kainantu gold mine. Additionally, revenue has also grown during this period due to higher production resulting from the Stage 2 Expansion, as well as increased commodity prices.

Results of Operations for the three months ended June 30, 2023 as compared to June 30, 2022

During the three months ended June 30, 2023, the Company had net earnings of $8.8 million (2022 –$5.1 million) and earnings before taxes of $13.4 million (2022 - $8.1 million). Significant items making up the earnings, and changes from the comparative period, are as follows:

Revenue of $51.8 million (2022 - $37.4 million) from the sale of gold concentrate and doré. The increase in revenue is primarily due to an increase in the quantity of gold ounces sold and an increase in gold prices versus the comparative period.

Cost of sales of $29.2 million (2022 - $23.2 million) include costs associated with mining, processing, mine technical services, maintenance, finance and administration at site, operational health and safety, share-based payments, depreciation and net smelter royalties. Cost of sales has increased versus the comparative period primarily due to increased costs associated with the Stage 2 Expansion, which during the period resulted in the Company increasing throughput from 108,853 tonnes ore processed in Q2 2022 to 112,471 in Q2 2023.

Earnings from mine operations of $22.6 million (2022 - $14.2 million), which is calculated by subtracting cost of sales from revenue.

Exploration and evaluation expenditures of $6.3 million (2022 – $3.8 million) related to drilling, assaying, trenching, surveying and other related expenditures. The increase in exploration costs is related to additional exploration activity versus the comparative period as the Company has embarked on an aggressive exploration campaign.

Share-based payments of $1.4 million (2022 - $0.8 million) representing option, RSU and PSU grants to directors, employees and consultants of the Company. The increase in share-based payments relates to the timing, valuation and the number of equity instruments granted during the period.

Interest and finance expenses of $1.0 million (2022 – $0.7 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The increase is primarily due to higher interest rates on concentrate sales.

Interest income of $0.6 million (2022 – $0.1 million) representing interest income earned on cash and cash equivalent balances. The increase in interest income is due to higher interest rates and a larger cash balance versus the comparative period.

Gain on derivative instruments of $0.3 million (2022 – $1.1 million) relating to realized and unrealized losses on commodity contracts.

Income tax expense of $4.6 million (2022 – $3.0 million) relates to current taxes and the estimated use of the deferred income tax asset in Papua New Guinea.

Non-IFRS Performance Measures

This document includes certain non-IFRS performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used by other issuers, and may not be comparable to such measures as reported by other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis. The following tables below provide a reconciliation of these non-IFRS measures to the most directly comparable IFRS measure.

Cash Costs per Ounce

Cash costs of sales include all costs absorbed into concentrate inventory, treatment and refining costs, less non-cash items such as depreciation, and by-product credits. Total cash cost per ounce sold is calculated by dividing the aggregate of the applicable costs by gold ounces sold.

All-in Sustaining Cost per Ounce

All-in sustaining costs of sales include all cash costs above plus accretion costs of environmental provisions, corporate costs and sustaining capital expenditures. Total all-in sustaining cost per ounce sold is calculated by dividing the aggregate of the applicable costs by gold ounces sold.

(In thousands of United States Dollars, except as noted)	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Cost of Sales	$ 29,198	$ 23,169	$ 52,936	$ 45,704
Add: treatment and refining costs	1,905	1,651	3,498	3,213
Less: non-cash costs included into cost of sales	(325)	(246)	(579)	(727)
Less: depreciation	(7,882)	(4,626)	(13,796)	(8,928)
Less: by-product credits	(6,092)	(5,344)	(11,921)	(10,478)
Cash cost of sales	16,804	14,604	30,138	28,784
Add: accretion	150	29	301	58
Add: general and administrative costs	2,274	1,650	4,182	3,449
Add: sustaining capital expenditures[7]	8,295	4,877	19,511	9,831
Less: business development and non-sustaining costs	(72)	(12)	(165)	(118)
All-in sustaining costs	27,451	21,148	53,967	42,004
Gold ounces, sold	28,141	23,674	45,743	50,146
Cash cost per gold ounce, sold	$ 597	$ 617	$ 659	$ 574
All-in sustaining cost per gold ounce, sold	$ 975	$ 893	$ 1,180	$ 838

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

EBITDA is profit attributable to shareholders before net finance expense, provision for income taxes, and depreciation and amortization. EBITDA is used as a supplemental financial measure by management and by external users of our MD&A, such as investors, industry analysts, lenders and ratings agencies, to assess the Company's operating performance as compared with the operating performance of other companies in our industry, without regard to financing methods, historical cost basis or capital structure. The IFRS measure most directly comparable to EBITDA is Net Income. EBITDA should not be considered an alternative to net income or loss or any other measure of financial performance or liquidity presented in accordance with IFRS.

(In thousands of United States Dollars)	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Income for the period	$ 8,793	$ 5,136	$ 13,802	$ 19,218
Add: Income taxes	4,587	2,981	8,301	11,058
Add: Amortization of property, plant and equipment	7,882	4,626	13,796	8,928
Add: Interest and finance expense	960	683	1,984	1,487
Less: Interest income	(644)	(81)	(1,491)	(169)
EBITDA	$ 21,578	$ 13,345	$ 36,392	$ 40,522

Liquidity

As at June 30, 2023, the Company had a cash and cash equivalents balance of $95.6 million (December 31, 2022 - $109.9 million) and working capital of $112.5 million (December 31, 2022 - $125.2 million)[8], which consisted of current assets of $161.0 million (December 31, 2022 - $173.3 million) less current liabilities of $48.5 million (December 31, 2022 - $48.2 million).

[7] Sustaining capital expenditures for the three months ended June 30, 2023 is the purchase of property, plant and equipment ("PPE") from the statement of cash flows of $43.5 million (2022 - $30.6 million), plus other sustaining expenditures of $2.2 million (2022 - $Nil), plus net PPE amounts included in accounts payable related to expansion costs of $0.1 million (2022 – negative $0.4 million), plus net deposits for equipment $2.7 million (2022 – negative $0.7 million), less expansion costs of $28.6 million (2022 - $19.7 million).

[8] Non-IFRS performance measure. Working capital is calculated as current assets less current liabilities.

Operating Activities: In YTD Q2 2023, the Company generated $31.8 million from operating activities (2022 - $40.5 million).

Investing Activities: In YTD Q2 2023, the Company paid $43.5 million (2022 - $30.6 million) for property, plant, and equipment and $2.1 million for deposits on equipment (2022 – $4.0 million).

Financing Activities: In YTD Q2 2023, the Company received $0.9 million (2022 - $7.3 million) from the exercise of stock options. The Company paid $2.6 million (2022 - $2.3 million) in principal lease payments.

The Company's financial position at June 30, 2023, and the operating cash flows that are expected over the next twelve months, are expected to be sufficient to fund operational costs, capital requirements, debt repayments and other commitments.

Capital Resources

The Company manages its capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the Company's assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Related Party Transactions

Key management consists of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, President, and the Board of Directors. During the below period, compensation paid or accrued to key management or companies they controlled is presented in the table below:

(In thousands of United States Dollars)	Six months ended		June 30, 2023		June 30, 2022
Share-based compensation		$	2,534	$	995
Management, consulting and wages			2,242		1,246
Professional fees			114		6

Included in accounts payable and accrued liabilities is $0.9 million (December 31, 2022 - $0.9 million) due to key management of the Company, of which $0.3 million (December 31, 2022 - $0.3 million) is due to Mining, Processing and Project Consulting Pty Ltd. which is owned by the CEO and Director for management services and $0.1 million (December 31, 2022 - $0.2 million) is due to the law firm Gowling WLG (Canada) LLP, where one director of the Company is a partner, for professional fees in the normal course of business, non-interest bearing and due on demand.

Outstanding Share Data

As at the date of this report the Company had 234,322,462 common shares issued and outstanding.

The following incentive stock options were outstanding at the date of this report:

Range of exercise prices (in $CAD)	Number of outstanding options	Number of options exercisable	Weighted-average exercise price (in $CAD)	Weighted-average years to expiry
0.45 – 0.99	30,000	30,000	0.74	0.28
1.00 – 1.99	1,836,750	1,836,750	1.77	0.92
2.00 – 2.99	235,000	235,000	2.17	1.29
3.00 – 3.99	1,091,000	1,091,000	3.85	1.49
4.00 – 4.99	10,200	10,200	4.00	1.88
5.00 – 9.99	4,700,900	4,700,900	7.26	2.36
	7,903,850	7,903,850	5.34	1.86

Subsequent Events

Subsequent to June 30, 2023, the Company paid a $4.7 million income tax instalment to the Papua New Guinea government.

Off-Balance Sheet Arrangements

At June 30, 2023, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements requires management to make estimates about, and apply assumptions or judgment to, future events and other matters that affect the reported amounts of the Company's assets, liabilities, revenues, expenses and related disclosures. Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's consolidated financial statements are prepared.

The Company's significant accounting judgements, estimates and assumptions are the same as those disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2022.

Significant Accounting Policies

The Company's accounting policies are the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2022.

Financial Instruments and Risk Management

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The levels in the fair value hierarchy into which the Company's financial assets and liabilities that are measured and recognized at fair value were categorized as follows:

As at	June 30, 2023		December 31, 2022	
	Level 1	Level 2	Level 1	Level 2
Trade receivables	$ -	$ 9,903	$ -	$ 15,462
Derivative assets	-	138	-	-
Derivative liabilities	-	(589)	-	(1,747)
	$ -	$ 9,452	$ -	$ 13,715

The fair value of the Company's trade receivables and derivative liabilities were determined using observable market prices and market-derived inputs. There were no transfers between Level 1 and Level 2 during the period ended June 30, 2023.

As at June 30, 2023 and December 31, 2022, the carrying amounts of cash and cash equivalents, prepaids, other receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Concentration of Credit Risk

The Company's cash and cash equivalents are held with financial institutions in Canada, Papua New Guinea, and Australia. As of June 30, 2023, a single high-credit quality financial institution in Canada holds approximately 70% of the total cash and cash equivalents. Substantially all of the Company's cash and cash equivalents exceed government insured limits. The Company continually assesses and manages its exposure to credit risk of financial institutions.

Internal Control Over Financial Reporting and Disclosure Controls and Procedures

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"), to enable this information to be reviewed and discussed so that appropriate decisions can be made regarding the timely public disclosure of the information.

There were no changes to the Company's disclosure controls and procedures during the six months ended June 30, 2023, that have materially affected, or are likely to materially affect, the Company's disclosure controls and procedures and therefore these controls and procedures remain effective.

Internal Controls over Financial Reporting

The Company's management, including the CFO and CEO, are responsible for establishing adequate internal controls over financial reporting. The Company's internal controls over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS as issued by the IASB.

There were no changes to the Company's internal controls over financial reporting during the six months ended June 30, 2023, that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting and therefore these controls remain effective.

The Company's internal control over financial reporting may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

Cautionary Statement Regarding Certain Measures of Performance

This MD&A presents certain measures, including "cash costs", "all-in sustaining costs" "gold equivalent" and "EBITDA" that are not recognized measures under IFRS. This data may not be comparable to data presented by other gold producers. For a reconciliation of these measures to the most directly comparable financial information presented in the consolidated financial statements prepared in accordance with IFRS, see Non-IFRS Financial Performance Measures in this MD&A. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in performing year over year comparisons. However, these non-IFRS measures should be considered together with other data prepared in accordance with IFRS, and these measures taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Note Regarding Forward-Looking Statements

Except for historical information, this MD&A may contain forward-looking statements within the meaning of applicable Canadian securities legislation. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following:

General economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued production, exploration and development of the Company's properties.

This MD&A contains certain forward-looking statements inclusive of, but not limited to, timing of the mine development, twin incline construction, metals production, cash costs, all-in sustaining costs, exploration costs and growth capital costs. Although forward-looking statements and information contained in this MD&A are based on the beliefs of K92 management, which we consider to be reasonable, as well as assumptions made by and information currently available to K92 management, there is no assurance that the forward-looking statement or information will prove to be accurate. The assumptions made include assumptions about K92's ability to move forward with the development and mine expansion arrangements. The forward-looking statements and information contained in this MD&A are subject to current risks, uncertainties and assumptions related to certain factors including, without limitations, obtaining all necessary approvals, feasibility of the Company's mine and plant development in PNG, the accuracy of mineral reserve and mineral resources estimates, exploration and development risks, expenditure and financing requirements, title matters, the Company's dependency on the Kainantu Gold Mine for operating revenue and cash flows in the near term, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, the Company's ability to adequately account for potential mine closure and remediation costs, seasonality, technological change, industry practices, and one-time events as well as risks, uncertainties and other factors identified and described in more detail under the heading "Risk Factors" in the Company's most recent Annual Information Form, which may be viewed at www.sedar.com. Should any one or more of these risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements and information may vary materially from those described herein.

The list is not exhaustive and although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended that should be considered carefully, and reasons should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any person assumes responsibility for the accuracy and completeness of these forward-looking statements. We undertake no obligation to update forward-looking statements or information except as required by law.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources.

This discussion uses the terms "measured resources" and "indicated resources". The Company advises investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.