K92 MINING INC.

("K92" or "the Company")

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2021

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 three months ended March 31, 2021. The MD&A takes into account information available up to and including May 12, 2021 and should be read together with the condensed consolidated interim financial statements for the three months ended March 31, 2021 and the audited consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"), including IAS 34, *Interim Financial Reporting* for the quarterly interim financial statements, 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.

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 OTCQB under the symbol "KNTNF". The Company is currently engaged in the production of gold ("**Au**"), copper ("**Cu**") and silver ("**Ag**") 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 March 31, 2021	Three months ended March 31, 2020
Operating data			
Ore mined	t	55,883	54,900
Ore processed	t	73,221	47,421
Feed grade	g/t	8.5	13.6
Gold produced	Oz	17,774	19,240
Gold equivalent produced[1]	Oz	18,654	19,944
Gold sold	Oz	21,879	18,747
Cash costs per gold ounce sold[2]	$/Oz	745	752
All-in sustaining costs per gold ounce sold[2]	$/Oz	1,038	885
Financial data			
Revenue	$	29,513	27,633
Cost of sales	$	20,907	15,223
Net income	$	2,188	4,841
Cash flow from operating activities	$	28,731	7,493
Cash, ending balance	$	66,239	21,118
Basic earnings per share	$/sh	0.01	0.02
Diluted earnings per share	$/sh	0.01	0.02

Performance Summary

Operational – Three Months Ended March 31, 2021 ("Q1 2021")

- **Gold production** of 17,774 gold ounces or 18,654 gold equivalent ("**AuEq**") ounces in Q1 2021, compared to production of 19,240 gold ounces or 19,944 AuEq ounces in Q1 2020.[1] Production was impacted in Q1 2021 by an incident involving an underground loader, which interrupted stoping operations for approximately 3 weeks. Production from four high grade stopes were deferred to Q2 2021, resulting in the plant treating a larger amount of lower grade stockpile material during Q1 2021 and a decrease in feed grades to 8.5 g/t gold in Q1 2021 compared with 13.6 g/t gold in Q1 2020. Additionally, a shortage of bulk emulsion explosives impacted operations from mid-January to late-February. The shortage was a result of unforeseen COVID-19 international shipping logistical issues compounded by increasing global transport restrictions as a result of the explosion incident in Beirut.

- **Plant throughput** of 73,221 tonnes in Q1 2021, compared to 47,421 tonnes in Q1 2020. The Company achieved record plant throughput during the quarter including 6 consecutive weeks averaging ~1,000 tpd in January and February, with 18 days exceeding 1,100 tpd, 8 days exceeding 1,200 tpd, and a daily record of 1,315 tpd over this period.

- **Plant feed mined** of 55,883 tonnes in Q1 2021, compared to 54,900 tonnes in Q1 2020.

- **Cash costs** averaged $745 per gold ounce in Q1 2021 versus $752 per gold ounce in Q1 2020.[2] The decrease in cash costs was due to higher amounts of gold sold during the quarter versus the prior period and the successful ramp-up of the 400K tonnes per annum expansion allowing the Company to achieve better economies of scale. These were offset by lower production due to the reasons outlined above. In addition, the Company incurred costs related to the COVID-19 pandemic, including additional pay for employees completing longer rosters at site, additional costs related to the movement of personnel and supplies, and additional safety and medical related costs.

[1] Gold equivalent calculated based on gold $1,800 per ounce (2020 - $1,500), silver $25.00 per ounce (2020 - $17.75) and copper $3.25 per pound (2020 - $2.70).

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

- **All-in sustaining costs** averaged $1,038 per gold ounce in Q1 2021 versus $885 per gold ounce in Q1 2020. [2] The increase in all-in sustaining costs was primarily due to increased underground capital expenditure resulting in higher amounts capitalized to the mineral property which are treated as a sustaining capital cost in the calculation of all-in sustaining costs. The Company capitalizes the costs associated with mine development and include costs from the following departments: Mining, Mine Technical Services, Maintenance & Engineering and Finance & Administration.

- The Kainantu mine continues to operate during the COVID-19 pandemic, with a significant focus on health, safety and risk-mitigation.

Financial – Q1 2021

- **Revenue** of $37.9 million in Q1 2021 compared to $27.7 million in Q1 2020 before pricing and quantity adjustments. Net revenue of $29.5 million in Q1 2021 compared to $27.6 million in Q1 2020 after negative pricing adjustments to the fair value of settlement receivables due to the decline in gold prices from December 31, 2020 to March 31, 2021. Sales of gold in concentrate increased by 17% to 21,879 oz in Q1 2021 from 18,747 in Q1 2020 resulting in $5.3 million in higher revenues and payable gold prices increased by 16% to $1,735/oz in Q1 2021 from $1,502/oz in Q1 2020 resulting in $5.0 million in higher revenues.

- **Record cash position** of $66.2 million at March 31, 2021 compared to $51.5 million at December 31, 2020. During the three months ended March 31, 2021, the Company paid $5.0 million in principal loan payments, settling all outstanding debt, and spent $4.7 million in expansion capital.

- **Operating cash flow growth** of 283% totaling $28.7 million in Q1 2021 compared to $7.5 million in Q1 2020.

- **Gross margins** before (after) pricing adjustments of 45% (29%) in Q1 2021 compared to 45% (45%) in Q1 2020.

- **EBITDA** of $8.0 million in Q1 2021 compared to $9.8 million in Q1 2020.[2]

Expansion – Q1 2021

- Started work on the Stage 3 Expansion Definitive Feasibility Study which is planned for completion in the second half of 2021.

Corporate – Q1 2021

- Reduced exposure to gold price fluctuations by entering into commodity contracts with a total of 32,351 gold ounces hedged at March 31, 2021. The Company hedges out three months to cover any fluctuations between its preliminary payment and final settlement with the Company's off-taker. The Company recognized a $1.9 million gain on derivative instruments during the three months ending March 31, 2021 related to the outstanding commodity contracts.

Last 4 Quarters of Production Data

		2020			**2021**	
		Quarter 2	Quarter 3	Quarter 4	Quarter 1	Total
Tonnes processed	t	49,311	64,702	68,932	73,221	256,166
Feed grade Au	g/t	17.6	11.3	14.2	8.5	12.5
Feed grade Cu	%	0.54	0.38	0.36	0.31	0.39
Recovery (%) Au	%	92.1	90.7	91.7	88.9	90.7
Recovery (%) Cu	%	91.1	90.2	90.6	86.2	89.3
Metal in concentrate produced Au	oz	25,762	21,298	28,809	17,774	93,643
Metal in concentrate produced Cu	t	241	221	224	193	879
Metal in concentrate produced Ag	oz	10,867	7,127	10,395	7,925	36,314
Gold equivalent ounces produced	oz	26,847	22,261	29,820	18,654	97,582

COVID-19 Update

Since March 2020, measures have been implemented in the countries in which the Company operates in response to the impact of the coronavirus ("**COVID-19**").

During 2020, the Company initiated a COVID-19 Management Plan at the Kainantu mine site, which addresses immediate issues including occupational health, hygiene and safety, business continuity, travel, supply chain, statutory compliance, communications, testing, risk assessment and contingency planning.

In line with other mining operations in the country, the Company maintained normal operations at the Kainantu mine and associated facilities during the local state of emergency declared in March 2020 and received exemptions from the PNG Government to allow for the movement of PNG Nationals within PNG and of Expatriate workers from Australia during that period. After the Government of Papua New Guinea lifted the state of emergency, the Company experienced a significant improvement in the movement of personnel, and as a result twin incline and surface exploration activities resumed and final commissioning of the Stage 2 Plant Expansion was completed in 2020.

During the three months ended March 31, 2021, the Company announced a number of positive COVID-19 cases at the mine identified through containment measures, contact tracing, quarantine procedures and routine testing.

The Company has on-site quarantine facilities, which were significantly expanded during the last year. Additional protocols have been activated. The Company's priority is to protect the health and well-being of its personnel and local communities.

In March 2021, the government of Australia announced the temporary introduction of restrictions on travel between Papua New Guinea and Australia. The restriction includes the suspension of movement of the resource sector's expatriate fly-in fly-out ("**FIFO**") work force between Papua New Guinea and Australia. The Company engaged with the governments of Australia and Papua New Guinea through the Papua New Guinea Chamber of Mines and Petroleum to ensure that protocols in place in relation to FIFO workers were to a standard allowing the resumption of travel following the suspension period. The suspension resulted in a reduction in expatriate staffing levels over the short term, which had some impact on production but is not expected to significantly impact production guidance. In addition, some non-production-related activities and expansion projects were also impacted. Subsequent to March 31, 2021, the government of Australia lifted the suspension of travel resource sector's FIFO work force between Papua New Guinea and Australia.

The Kainantu mine has continued to operate during this period and the impact of COVID-19 to date has not been a significant on overall production; however, if the COVID-19 situation in Papua New Guinea were to significantly deteriorate in the future, it could have an adverse impact on production, results of operations, financial position or cash flows.

2021 Operational Outlook

- Gold equivalent production between 115,000 and 135,000 ounces.
- Cash costs between $515-$565 per ounce gold and all-in sustaining costs between $825-$875 per ounce gold.
- Exploration costs to increase significantly, with expenditures of $14-$17 million projected in 2021.
- Growth capital costs forecasted to be between $25-$30 million, which includes the ongoing twin incline development.

Operations

The Company holds the mining rights to Mining Lease 150 ("ML 150") that is due to be renewed on June 13, 2024.

During the three months ended March 31, 2021, the Company produced 17,774 ounces of gold, 426,153 pounds of copper and 7,925 ounces of silver, or 18,654 AuEq oz.

During the first quarter, the operation took a significant step forward towards ramping up to a run-rate to support the Stage 2 Expansion throughput, delivering record mill throughput of 73,221 tonnes processed, including 6 consecutive weeks averaging ~1,000 tpd in January and February, with 18 days exceeding 1,100 tpd, 8 days exceeding 1,200 tpd, and a daily record of 1,315 tpd over this period. This was achieved despite the following multiple short-term challenges:

First, from mid-January until the end of February, the operation was impacted by a shortage of bulk emulsion explosives due to unforeseen COVID-19 international shipping logistical issues, compounded by increasing global transport restrictions as a result of the explosion incident in Beirut. The operation addressed this shortage by: i) implementing alternative but less optimal explosives (ANFO and packaged explosives), which impacted productivities for stoping and development, and; ii) supplementing mill feed from lower grade stockpiles. By late February, a significant shipment of bulk emulsion explosives arrived on site. The supplier has diversified sources and is expected to commence domestic production in May, nearby in the town of Lae in Papua New Guinea, to fully mitigate this issue.

Second, in March, the operation was impacted by an incident involving an underground loader, which prevented backfilling operations for approximately 3 weeks (see March 18, 2021 press release – Kainantu Operations and COVID-19 Update). This resulted in production from four high grade stopes being deferred to the second quarter, and the plant treating a larger amount of lower grade stockpile material during the first quarter in addition to a the sub-optimal mill feed head grade blend in March that impacted recoveries and throughput. Stoping operations and mining of high-grade stopes recommenced in late March.

Additionally, on March 17, 2021, the Government of Australia announced a temporary short-term restriction on travel between Papua New Guinea and Australia due to COVID-19. The restriction included the suspension of movement of the resource sector's expatriate fly-in fly-out workforce between Papua New Guinea and Australia. The Company engaged with the Australian Government through the PNG Chamber of Mines and Petroleum on the re-establishment of FIFO movement and the restrictions were lifted in early May. These events are not expected to materially impact K92 meeting its production guidance for 2021.

In Q1 2021, mining operations focused on Kora's K1 and K2 veins and Judd's J1 Vein from 7 operating levels. Mining of Kora was conducted on the 1150, 1170, 1185, 1225, 1245 and 1265 levels and Judd on the 1235 level. Importantly, Q1 marked the fourth full quarter of long hole stoping (modified AVOCA method), which commenced in March 2020 on the K1 vein. Long hole stoping has continued to perform to design for both the K1 and K2 veins. The combination of additional levels developed through 2020 and Q1 2021 and strong performance from long hole stoping has provided a positive impact on operational flexibility.

Capital Expenditure

Twin Incline

The twin incline development made considerable progress in Q1 2021 with the #2 (6m x 6m) incline advanced 363 metres and the #3 (5m x 5m) incline advanced 370 metres as at March 31, 2021. Focus on the twin incline was reduced after the COVID-19 Papua New Guinea and Australia travel restrictions were initiated.

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

Exploration

Underground grade control and exploration

Kora Deposit

The Company continued its exploration diamond drilling program from underground at the Kora deposit, using 5 drill rigs, (4 rigs are owner operated and 1 by a contractor). A total of 139 drill holes have been completed since the last Mineral Resource Estimate was released in May 2020. The results from this current drill program are intended to provide information to upgrade the resource estimate with increased drill density for the Stage 3 Expansion Feasibility Study in addition to step-out drilling.

In May 2020, the Company announced an updated resource estimate on the Kora deposit. The following are highlights from the updated resource estimate:

- Measured and Indicated Resource of 1.1 million ounces at 10.45 g/t AuEq representing a +180% increase from the previous resource estimate of 0.39 million ounces AuEq in October 2018.
- Inferred Resource of 3.7 million ounces at 9.01 AuEq representing a +50% increase from the previous resource estimate of 2.39 million ounces AuEq in October 2018.
- Significant component of the updated resource is high grade, with only moderate reductions in overall ounces as cut-off grade increases.
  - Measured and Indicated Resource of 1.0 million ounces at 12.58 g/t AuEq at a 2 g/t gold cut-off and 0.8 million ounces at 20.51 g/t AuEq at a 5 g/t gold cut off.
  - Inferred Resource of 3.3 million ounces at 11.82 g/t AuEq at a 2 g/t gold cut-off and 2.6 million ounces at 19.78 g/t AuEq at a 5 g/t gold cut off.
- Kora North, Kora and Eutompi deposits now combined and shown to be one continuous deposit, open at depth and open along strike to the south.
- Kainantu vein field has numerous opportunities to expand resources from near-mine high-priority exploration areas including: Kora strike extension; Kora deeps; Kora and Judd South veins; Judd vein; Karempe vein, and; Arakompa and Maniape.

Please see the Company's news release dated February 18, 2021 for the most recent results from the underground exploration program.

Judd Vein System

The Judd Vein System at the Kainantu gold mine is located near-mine infrastructure, subparallel to and ~150-200m east from the producing Kora deposit and within the mining lease. To date, four known veins have been recorded at Judd, with similar vein orientation and quartz-sulphide Au-Cu-Ag mineralization as Kora. The veins remain open at depth and only a fraction of the over 2,500 m strike length has been drilled, with significant gaps remaining to be tested.

The Company reported preliminary bulk sample results from the Judd #1 Vein of the Judd Vein System and marks the first significant exploration activity undertaken on Judd by K92. The bulk sample was completed on the Judd 1235 Level J1 Vein underground development, which has been developed to a total of 288 metres (as at the November 24, 2020 press release update).

The bulk sample delivered a significant positive grade reconciliation, returning a head grade of 6.50 g/t gold equivalent or 5.19 g/t gold, 0.82% copper and 10.9 g/t silver, compared to the projected average bulk sample diluted grade of 5.57 g/t gold equivalent or 4.4 g/t gold, 0.7% copper and 10.6 g/t silver from underground development channel sampling. The treatment of the bulk sample via flotation also delivered good recoveries of 88.8% for gold, 97.5% for copper and 88.2% for silver, similar to recoveries at Kora. As the bulk sample was processed after the recently commissioned Stage 2 Plant Expansion, the Company sees potential for improvement in recoveries through operational and flowsheet optimizations.

In a press release on January 26, 2021, the Company provided a further update on the Judd 1235 Level development which had been extended to 288 metres. This noted that the development had encountered higher grades as it advanced to the South, with the extension recording an average J1 Vein thickness of 3.8 metres at 18.7 g/t AuEq or 17.13 g/t Au, 0.82% Cu and 37 g/t Ag from channel sampling. Multiple high grade faces were recorded from channel sampling, including: 2.5m thickness at 79.42 g/t AuEq or 77.45 g/t Au, 0.57% Cu and 96 g/t Ag; 4.5m thickness at 52.84 g/t AuEq or 50.98 g/t Au, 0.76% Cu and 67 g/t Ag; 5.0m thickness at 24.44 g/t AuEq or 23.44 g/t Au, 0.48% Cu and 28 g/t Ag. Vein thickness averaged 3.7 metres and ranged from 1 to 6 metres.

The Company continues in its Phase 1 underground drill program on the sparsely drill tested Judd Vein System. Progress of drilling has been slowed due to reduced manning levels as a result of the effects of COVID-19. Also, priority is being given to the drill program at Kora, targeting upgrading inferred to measured and indicated. A total of four diamond drill holes are reported at Judd so far from the Phase 1 underground drill program, with significant intersections recorded from multiple veins. The results are highlighted by the J1 vein, with JDD0006 recording 7.25 m at 256.09 g/t Au, 113 g/t Ag and 0.42% Cu (258.01 g/t AuEq, 5.30 m true width), approximately 50 m above the J1 Vein bulk sample development drive. JDD0006 is also one of the highest-grade drill holes recorded on the Kainantu property by K92. Approximately 150m north of JDD0006 and 60m above the J1 vein development drive, JDD0003, along the J1 vein, recorded 4.52 m at 10.81 g/t Au, 53 g/t Ag and 7.35% Cu (22.40 g/t AuEq, 2.81 m true width).

Surface Exploration

Surface exploration work during the first quarter of 2021 was focused on Blue Lake/Kotampa (EL470), Karempe (ML150/EL470), Kora (M150) and Judd (ML150). Four rigs were in full time operation, with two Company owned and two contractor drill rigs.

Blue Lake/Kotampa Prospect (EL470)

Drilling at Blue Lake during the quarter had two rigs engaged for the program. The strategy has been to drill each hole on a 200 metre spaced grid, to a prescribed depth on the same orientation, with the objective to identify vectors towards the center of the mineralized porphyry body.

A total of 19 holes have been drilled at Blue Lake to date, 10 of which were drilled in the first phase in 2019. This includes three short holes (KTDD0002, KTDD0003, KTDD0004 – each c. 51m depth) and two failed holes (KTDD0005 – 106.0m; KTDD0017 – 54.9m). In Q1 2021, six holes were drilled at Blue Lake, for a total of 3,144.9m.

The upper parts of the Blue Lake porphyry system comprise a thick lithocap, representing silica-clay-pyrite altered intrusives, with almost complete textural destruction. Beneath the lithocap, the drill holes have invariably intersected strong propylitic (magnetite-epidote-chlorite-albite) and/or phyllic (sericite-pyrite) alteration. Each of these are variably mineralized with gold and copper, present as inclusions in quartz veins and/or chalcopyrite, that occur as both disseminations and in veins. The primary vector is the potassic zone (magnetite-Kspar-quartz-biotite), which has been intersected at the ends of drill holes KTDD0001 (total depth 433.9m), KTDD0006 (604.6m), KTDD007 (493.3m), KTDD0013 (685.8m) and KTDD0019 (451.7m; failed hole).

Highly encouraging results from the Blue Lake drill program in Q1 include long intervals of low-moderate Au/Cu in several drill holes, increasing towards depth, commensurate with increasing quartz stockwork vein density and concentration of disseminated chalcopyrite (and, in the case of KTDD0013, disseminated bornite). Notable intercepts are 63.25m at 0.06 g/t Au, 0.19 % Cu (0.24% Copper Equivalent ("**CuEq**")), from 581.85 to end of hole in KTDD0012; 72.8m at 0.21 g/t Au, 0.22 % Cu (0.38% CuEq), from 613.0m to end of hole in KTDD0013, which includes 25.1m at 0.33 g/t Au, 0.30 % Cu (0.55% CuEq), from 660.7m to end of hole; 700.0m at 0.07 g/t Au, 0.11 % Cu (0.16% CuEq), from 0m to end of hole in KTDD0014 and 117.50m atat 0.28 g/t Au, 0.26 % Cu (0.47% CuEq), from 480.0m in KTDD0015.

The results demonstrate near equal ratios of Au and Cu, thus are similar to certain world class Au/Cu porphyries in country, namely Ok Tedi, Frieda River and Golpu. The mineralized intersections yielded from drilling at Blue Lake to date indicate that a very large porphyry system is present, and that the core of the system (typically higher grade than the margins) is yet to be encountered. Future (ongoing) work at Blue Lake in 2021 will target such a core.

Karempe (ML150/EL470)

The Karempe Vein System is subparallel and ~450m west from the producing Kora deposit. To date, a total of 12 holes have been drilled, for 5,138.5m. A total of 724.4m were drilled in Q1 2021.

At least five mineralized veins have been recorded at Karempe, with similar vein orientation and intrusive related Au-Cu-Ag mineralization as Kora. The Company reported results from the first six drill holes, in October 2020. The most notable intercepts were yielded from the KA1 Vein, with KRDD0005 recording 2.45 m at 39.82 g/t Au, 6 g/t Ag and 0.19% Cu (40.18 g/t AuEq, 2.30 m true width), including 0.75 m at 125.40 g/t Au, 12 g/t Ag, 0.13% Cu (125.75 g/t AuEq, 0.68 m true width).

Step-out drilling to the north at Karempe has demonstrated continuity of the mineralized veins. The vein character does not vary greatly, with massive sulphide (pyrite-chalcopyrite) and crystalline quartz, associated with strong sericite alteration, essentially all hosted within diorite lenses. During Q1 2021, the best intervals include 14.3m at 0.67 g/t Au, 9 g/t Ag, 0.20 % Cu (1.05 g/t AuEq), including 1.5m at 3.28 g/t Au, 28 g/t Ag, 0.83 % Cu (4.74 g/t AuEq), from 151.1m in KRDD0010 and 4.0m at 0.94 g/t Au, 5.0 g/t Ag, 0.10 % Cu (1.14 g/t AuEq), including 0.85m at 3.32 g/t Au, 14 g/t Ag, 0.19 % Cu (3.75 g/t AuEq), from 238.0m.

It is considered likely that the Karempe lodes will increase in tenor (both width and grade) with depth, as do the Kora lodes. Thus, a longer-term underground exploration plan, initially accessible via an adit from Kora North, has a high potential to add value to the project.

Kora and Judd Surface Exploration (ML150)

Following the completion of the Kora surface resource definition drilling in 2020, a further program was initiated in January 2021, targeting both Kora and Judd lodes from surface. The 2021 program includes a variety of targets and objectives, including the twinning of certain Barrick drill holes for QAQC and metallurgical test work purposes, as well as step-out and infill drilling. A total of 1,446.6m was drilled at Kora and Judd in Q1 2021.

Drill holes KODD0002 and KODD0003 were drilled as twins of Barrick holes BKDD0008 and BKDD0005, respectively. KODD0002 assays correlate well with BKDD0008. The K1 lode assayed 1.0m at 102.0 g/t Au, 122.0 ppm Ag, 7.65 % Cu (113.73 g/t AuEq) in BKDD0008, compared to 1.0m at 169.1 g/t Au, 207 ppm Ag, 9.32 % Cu (184.13 g/t AuEq), in KODD0002. KODD0003 similarly corresponded well with BKDD0005, in that the K1 and K2 lodes were exceptionally consistent in width and mineralogy, though grade was slightly more variable. The K1 lode in KODD0003 yielded a downhole interval of 6.1m at 2.83 g/t Au, 79 ppm Ag, 6.92 % Cu (13.04 g/t AuEq), from 139.9m while the K2 lode returned 6.2m at 1.46 g/t Au, 30 g/t Ag, 2.06 % Cu (4.58/ g/t AuEq), from 147.8m.

Additional surface drill holes at Kora, for QAQC analysis, may be required dependent on the appraisal of the Company's Resource Consultant.

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 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, Blue Lake and Yompossa 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

The Company continues to work towards completing the outstanding review of the existing Memorandum of Agreement ("**MOA**"), which has suffered repeated delays outside of the control of the Company or the Bilimoia Interim Landowners Association (BILA) due to Covid-19 restrictions and government review processes. 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 2021.

The Company is currently working on a number of community programs, including: establishing freshwater systems for local communities, providing funding for a medical clinic including a nurse and medicines, refurbishing and performing maintenance on other medical clinics, refurbishment of a number of schools in the community, provision of literacy classes, and launching an agricultural livelihood and training program with the purpose of providing greater nutritional knowledge to the local community. In addition, the Company has performed extensive work on maintenance and upgrading of district roads, including construction of the Aiyamontena, Punano and Unantu bridges. During the three months ended March 31, 2021, the Company also committed 1 million Papua New Guinea Kina to establish a new market complex in the town of Kainantu.

The Company has created multiple business opportunities for communities to benefit from the operation of the mine. These include four major joint venture contracts between the communities and PNG companies for the provision of services as well as numerous smaller contracts with local communities. The major contracts include Catering and Camp Management, Security, Road Transportation and Ancillary Mobile. During the three months ended March 31, 2021, these contracts earned $4.6 million supporting the local community.

The Company provides scholarships to support children from landowners to undertake studies at post-secondary institutions. In 2020, a total of 50 scholarships were provided to students from impacted communities. In addition, the Company signed an Agreement with the University of Technology in Lae, PNG covering areas of mutual benefit including 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.

In 2020, the Company announced a COVID-19 Assistance Fund to support the Papua New Guinea National Government, the Eastern Highlands and Morobe Provincial Governments and local communities in PNG with 1.5 million Papua New Guinea Kina (US$0.4 million) which included 0.5 million Papua New Guinea Kina (US$0.13 million) worth of COVID-19 health accessories to Papua New Guinea's national government.

Sustainability

In 2020, the Company issued its first annual Sustainability Report – the 2019 Sustainability Report – which provided an overview of how the Company manages key aspects of environmental and social responsibility, along with 2019 and 2020 performance highlights and key metrics from the SASB Metals and Mining Standard. See the "2019 Sustainability Report" filed on the Company's website.

The following summarizes the key topics in the Sustainability Report.

Governance and Conduct

The Company's Code of Business Conduct and Ethics sets out expectations for conducting business to the highest standards of openness, honesty and accountability. The Company also has a Whistleblower Policy for anonymous reporting of any potential cases of financial irregularity, fraud or misconduct. In addition, the Company aligns policies, practices and recognized frameworks and initiatives that promote ethical behaviour and respect for human rights including compliance with the Canadian Extractive Sector Transparency Measures Act, compliance with the Extractive Industries Transparency Initiative and the Company's approach to security is based on the Voluntary Principles on Security and Human Rights providing a framework for maintaining safe and secure operations while respecting human rights.

Sustainable Development Goals

The United Nations' 17 Sustainable Development Goals ("**SDG**") serve as a guide for the Company's sustainability efforts. Our key areas of focus are food security (SDG 2), good health and well-being (SDG 3), quality education (SDG 4), gender equality (SDG 5), clean water (SDG 6), decent work (SDG 8) and infrastructure development (SDG 9).

Engagement with Stakeholders

During 2020 and Q1 2021, the Company worked towards finalizing the Memorandum of Agreement between the Company and local landowners, the PNG state, provincial and local governments, held meetings with landowners at the start of major drill programs, hired approximately 300 community members for exploration-related work, engaged in industry involvement with the Company's CEO John Lewins sitting on the Council of the Papua New Guinea Chamber of Mines and Petroleum, and opened a project office in the Kainantu Town to offer literacy training and other community programs.

Our People

The Company employs primarily Papua New Guinea nationals, with the majority coming from local communities. At March 31, 2021, the Company had 779 employees and 360 contractors, with approximately 96% being Papua New Guinea nationals.

Health and Safety

The Company's health and safety management system and procedures of the Company are based on ISO 45001 and OHSAS 18001 standards. Safety training is ongoing and includes pre-start and toolbox talks, stop-work meetings if necessary, safety alerts via notice boards and emails, contractor meetings, and activities initiated by the joint Occupational Health and Safety Committee.

The Kainantu Gold Mine camp health clinic is run by Papua New Guinea doctors, nurses and health extension officers, and includes a laboratory that has been critical for COVID-19 testing and is being expanded to enable additional standalone testing on site. We also support health clinics in the communities, paying for nurses, medicine and infrastructure.

The Company recorded one Lost Time Injury ("LTI") during the three months ended March 31, 2021.

Community Relations

The Company's 30-person community affairs and sustainable development team comprises experienced community relations practitioners, including eight village liaison officers who help to maintain good communication in their own villages and three women in specialist roles focused on empowering women, promoting agricultural production and running the Bilimoia health clinic. The team is focused on three areas: (1) Government relationships – working with local, provincial and national governments and the police, (2) Exploration – making initial contact with communities, educating people on what to expect, and keeping lines of communication open between the Company and the community, and (3) Operations – integrating the community and the Company through formal engagement in villages where we operate.

Environmental Stewardship

The following are the key aspects of the Company's environmental approach:

- Our environmental management system is based on the ISO 14001 standard.
- Exploration is conducted in ways that minimize disturbance to the environment and people.

- The environmental footprints of the underground mine, processing plant and tailings facility are designed to be as small as possible.
- No cyanide is used on site.
- Essentially all of the waste rock from mining is backfilled underground or repurposed at the tailings storage facility.
- Other waste is separated according to whether it is biodegradable, hazardous, or can be reused or recycled, and is then picked up by local contractors to be managed appropriately.
- The Company's nursery grows seedlings, which we use in rehabilitating land after we have disturbed it and share with our communities to support their environmental programs.
- The Company submits quarterly and annual reports on our environmental performance to the Papua New Guinea Conservation and Environment Protection Authority for review and discussion.

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)		March 31, 2021 (Unaudited)		December 31, 2020 (Unaudited)		September 30, 2020 (Unaudited)		June 30, 2020 (Unaudited)
Total assets	$	216,443	$	215,515	$	194,597	$	180,240
Working capital		70,733		70,856		61,147		50,476
Shareholders' equity		186,963		181,515		164,275		150,750
Revenue		29,513		48,030		35,605		47,857
Net income		2,188		10,917		9,371		16,905
Net income per share, basic		0.01		0.05		0.04		0.08
Net income per share, diluted		0.01		0.05		0.04		0.08
		March 31, 2020 (Unaudited)		December 31, 2019 (Unaudited)		September 30, 2019 (Unaudited)		June 30, 2019 (Unaudited)
Total assets	$	161,279	$	154,990	$	132,110	$	103,895
Working capital		30,493		25,046		17,904		11,930
Shareholders' equity		132,484		124,690		101,006		85,012
Revenue		27,633		33,416		20,989		23,293
Net income (loss)		4,841		22,543		(389)		5,289
Net income (loss) per share, basic		0.02		0.11		(0.00)		0.03
Net income (loss) per share, diluted		0.02		0.10		(0.00)		0.03

Total assets have risen due to the Stage 2 Plant Expansion and development of the Kainantu project. Revenue has trended upwards due to completion of the Stage 2 Expansion and increased gold prices.

Net income for the period ending December 31, 2019 was higher than comparable periods due to the production and sale of higher-grade ore and included deferred tax recoveries of $8.2 million. The net loss for September 30, 2019 was attributable to the amortization of the deferred loss and fair value loss on the gold purchase agreement.

Results of Operations for the three months ended March 31, 2021 as compared to March 31, 2020

During the three months ended March 31, 2021, the Company had net income of $2.2 million (2020 –$4.8 million) and income before income tax of $4.3 million (2020 - $7.8 million). Significant items making up the income, and changes from the comparative period, are as follows:

Revenue of $29.5 million (2020 - $27.6 million) from the sale of gold concentrate. The increase in revenue is largely attributed to increased gold ounces sold and higher realized gold prices versus the comparative period, offset by negative adjustments to the fair value of settlement receivables from previous periods due to the decline in gold prices from December 31, 2020 to March 31, 2021.

Cost of sales of $20.9 million (2020 - $15.2 million) consisting of mining, processing, mine technical services, maintenance, finance and administration at site, operational health and safety, share-based payments, depreciation and net smelter royalties. The increase in cost of sales is attributable to the increase in operational activity, as illustrated by the increase in ore processed to 73,221 tonnes in Q1 2021 compared to 47,421 tonnes in Q1 2020. In addition, the Company incurred costs related to the COVID-19 pandemic, including additional pay and bonuses for employees completing longer rosters at site, additional costs related to the movement of personnel and supplies, and additional safety and medical related costs.

Earnings from mine operations of $8.6 million (2020 - $12.4 million), which is calculated subtracting cost of sales from revenue.

General and administrative of $1.4 million (2020 – $0.5 million). The increase is primarily related to an increase in corporate hires, management fees and wages, and one-time cost reversals in Papua New Guinea which occurred in the prior year quarter.

Exploration and evaluation expenditures of $2.4 million (2020 – $1.8 million) related to drilling, assaying, trenching, surveying and other related expenditures. The increase in exploration costs is related to additional exploration activities being undertaken by the Company including at Judd, Blue Lake/Kotampa, Karempe, and Kora.

Share-based payments of $1.7 million (2020 - $2.1 million) representing option grants to directors, employees and consultants of the Company. The decrease in share-based payments primarily relates to the timing, option valuation and the number of options granted during the quarter ending March 31, 2021.

Interest and finance expenses of $0.4 million (2020 – $0.4 million). This represents interest and finance expenses recorded on the loan, lease agreements and concentrate sales.

Income tax expense of $2.1 million (2020 – $3.0 million) relates to current taxes and the estimated use of the deferred income tax asset.

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, refining and transportation costs, less non-cash items such as depreciation. Total cash cost per ounce sold is calculated by dividing the aggregate of the applicable costs by gold ounces sold. These measures are calculated on a consistent basis for all periods presented.

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 March 31, 2021	Three months ended March 31, 2020
Cost of Sales	$ 20,907	$ 15,223
Add: treatment and refining costs	1,006	862
Less: non-cash costs included in cost of sales	(1,323)	-
Less: depreciation	(3,314)	(1,587)
Less: by-product credits	(976)	(391)
Cash cost of sales	16,300	14,107
Add: accretion	48	48
Add: general and administrative costs	1,442	495
Add: sustaining capital expenditures[3]	5,018	1,933
Less: business development	(74)	-
Less: non-sustaining costs	(34)	-
All-in sustaining costs	22,700	16,583
Gold ounces, sold	21,879	18,747
Cash cost per gold ounce, sold	$745	$752
All-in sustaining cost per gold ounce, sold[3]	$1,038	$885

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 March 31, 2021	Three months ended March 31, 2020
Income for the period	$ 2,188	$ 4,841
Add: Income taxes	2,064	2,981
Add: Amortization of property, plant and equipment	3,314	1,587
Add: Interest and finance expense	435	417
EBITDA	$ 8,001	$ 9,826

Liquidity

As at March 31, 2021, the Company had a cash and cash equivalents balance of $66.2 million (December 31, 2020 - $51.5 million) and working capital of $70.7 million (December 31, 2020 - $70.9 million), which consisted of current assets of $96.4 million (December 31, 2020 - $100.5 million) less current liabilities of $25.7 million (December 31, 2020 - $29.7 million).

[3] Sustaining capital expenditures for the three months ended March 31, 2021 is the purchase of property, plant and equipment ("**PPE**") from the statement of cash flows of $9.4 million (2020 - $5.6 million), plus deposits for equipment $nil (2020 - $0.2 million), plus net PPE amounts included in accounts payable related to expansion costs of $0.3 million (2020 - positive $0.1 million), less expansion costs of $4.7 million (2020 - $4.0 million).

Operating Activities: During the three months ended March 31, 2021, the Company generated $28.7 million from operating activities compared to $7.5 million for the three months ended March 31, 2020.

Investing Activities: During the three months ended March 31, 2021, the Company paid $9.4 million (2020 - $5.6 million) for property, plant, and equipment and $0.1 million (2020 - $0.2 million) for deposits on equipment.

Financing Activities: During the three months ended March 31, 2021 the Company collected $0.6 million (2020 - $0.7 million) from the exercise of stock options. The Company paid $5.0 million (2020 - $2.1 million) in principal loan payments and $0.3 million (2020 - $0.1 million) in principal lease payments.

The Company's financial position at March 31, 2021, 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 compensation consists of the Chief Executive Officer, Senior Vice President of Operations, Chief Financial Officer, and the Board of Directors. Management, consulting and wages paid or accrued to key management or companies they controlled is presented in the table below:

(In thousands of United States Dollars)	Three months ended	March 31, 2021	March 31, 2020
Share-based compensation		$ 1,180	$ 1,007
Management, consulting and wages		573	354
Professional fees		5	13

During the three months ended March 31, 2021, the Company paid professional fees of $6.0 thousand (2020 - $4.0 thousand) to a Company related to the CFO for accounting services.

Included in accounts payable and accrued liabilities is $nil (2020 - $0.1 million) due to directors, officers, and companies controlled by directors and officers of the Company that is non-interest bearing and due on demand.

Outstanding Share Data

As at the date of this report the Company had 220,493,237 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	3,710,000	3,710,000	0.62	1.10
1.00 – 1.99	4,646,750	4,646,750	1.54	2.41
2.00 – 2.99	260,000	260,000	2.16	3.52
3.00 – 3.99	1,827,200	1,827,200	3.85	3.73
4.00 – 4.99	250,000	161,600	4.00	4.12
5.00 – 9.99	6,369,600	3,385,300	7.27	4.61
	17,063,550	13,990,850	3.77	3.13

Subsequent Events

Subsequent to March 31, 2021, the Company:

a) Granted 2,420,000 stock options with an exercise price of CAD$8.02 exercisable until April 30, 2026.

Off-Balance Sheet Arrangements

At March 31, 2021, 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 Judgments, 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 judgments, estimates and assumptions are disclosed in Note 2 of the audited Consolidated Financial Statements for the year ended December 31, 2020.

Effective January 1, 2021, the functional currency for K92 Mining Inc, the parent entity and K92 Mining (Australia) Pty Ltd. changed from Canadian and Australian dollars respectively to the U.S. dollar as a result of the integration of the activities of these entities with that of the Company's U.S. dollar functional currency operating subsidiary K92 Mining Limited. The change in functional currency was accounted for on a prospective basis, with no impact of this change on prior year comparative information.

Significant Accounting Policies

The Company's accounting policies are the same as those applied in the Company's annual consolidated financial statements for the year ended December 31, 2020.

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 judgment 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	At March 31, 2021		At December 31, 2020	
	Level 1	Level 2	Level 1	Level 2
Trade receivables	$ -	$ 5,485	$ -	$ 24,920
Derivative assets	-	1,657	-	-
Derivative liabilities	-	(79)	-	(280)
	$ -	$ 7,063	$ -	$ 24,640

The fair value of the Company's trade receivables, derivative assets 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 three months ended March 31, 2021.

As at March 31, 2021 and December 31, 2020, the carrying amounts of cash and cash equivalents, 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.

Internal Controls Over Financial Reporting and Disclosure Controls and Procedures

Disclosure Controls and Procedures

The Company's management, including the CFO and CEO, have designed disclosure controls and procedures which provide reasonable assurance that material information is identified and communicated in a timely manner. As at March 31, 2021, the Company's CFO and CEO have concluded the Company's design of disclosure controls and procedures provide reasonable assurance material information is communicated to them by others within the Company.

Internal Controls over Financial Reporting

The Company's management, including the CFO and CEO, are responsible for establishing adequate internal controls over financial reporting. As at March 31, 2021, the Company's CFO and CEO have concluded that the internal controls over financial reporting provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no changes to the Company's internal controls during the three months ended March 31, 2021 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting or disclosure controls 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, completion of a Definitive Feasibility Study for the Kora Stage 3 Expansion, 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 discussed in our annual and interim management's discussion and analysis. 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.