MINING INC.

("K92" or "the Company")

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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 nine months ended September 30, 2021. The MD&A takes into account information available up to and including November 12, 2021 and should be read together with the condensed consolidated interim financial statements for the three and nine months ended September 30, 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 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 OTCQX 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 September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Operating data					
Tonnes mined	t	88,857	73,861	216,751	166,515
Tonnes processed	t	87,621	64,702	236,509	161,434
Feed grade	g/t	9.0	11.3	9.3	13.9
Gold produced	Oz	21,908	21,298	61,835	66,300
Gold equivalent produced[1]	Oz	24,122	22,261	68,049	68,972
Gold sold	Oz	21,675	19,265	62,492	65,161
Cash costs per gold ounce sold[2]	$/Oz	596	700	691	657
All-in sustaining costs per gold ounce sold[2]	$/Oz	752	839	944	770
Financial data					
Revenue	$	35,370	35,605	100,401	111,095
Cost of sales	$	20,132	15,883	61,987	49,477
Net income	$	4,865	9,371	11,456	31,117
Cash flow from operating activities	$	6,956	12,836	34,667	43,498
Cash, ending balance	$	54,604	41,217	54,604	41,217
Basic earnings per share	$/sh	0.02	0.04	0.05	0.14
Diluted earnings per share	$/sh	0.02	0.04	0.05	0.14

Performance Summary

Operational – Nine Months Ended September 30, 2021 ("YTD Q3 2021")

- **Gold production** of 61,835 gold ounces or 68,049 gold equivalent ("**AuEq**") ounces in YTD Q3 2021, compared to production of 66,300 gold ounces or 68,972 AuEq ounces during the nine months ended September 30, 2020 ("**YTD Q3 2020**").[1] During YTD Q3 2021, production was impacted by a number of issues, including: (1) an underground loader incident in March, which interrupted stoping operations for approximately 3 weeks, (2) a shortage of bulk emulsion explosives from mid-January to late-February impacting operations, (3) significant short staffing in the first half of 2021 due to COVID-19 related absenteeism and an increase in quarantine length and enhanced quarantine control measures, which impacted staffing levels throughout the operation, and (4) a COVID-19 related suspension of expatriate travel between Australia and Papua New Guinea which went into effect mid-March and lifted in mid-May.

- **Plant throughput** increased by 47% to 236,509 tonnes in YTD Q3 2021, compared to 161,434 tonnes in YTD Q3 2020. The Company also achieved record quarterly plant throughput of 87,621 tonnes in the three months ended September 30, 2021 ("**Q3 2021**"). This was achieved despite unexpected short-term challenges related to the COVID-19 pandemic.

- **Mined plant feed** increased by 30% to 216,751 tonnes in YTD Q3 2021, compared to 166,515 tonnes in YTD Q3 2020. The Company also achieved record plant feed mined of 88,857 tonnes in Q3 2021.

- **Cash costs** averaged $691 per gold ounce in YTD Q3 2021 versus $657 per gold ounce in YTD Q3 2020.[2] The increase in cash unit costs was due to 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. These were offset by the successful ramp-up of the 400K tonnes per annum expansion allowing the Company to achieve better economies of scale.

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[1] Gold equivalent calculated based on gold $1,800 per ounce (2020 - $1,500), silver $25.00 per ounce (2020 - $17.75) and copper $4.35 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 $944 per gold ounce in YTD Q3 2021 versus $770 per gold ounce in YTD Q3 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 includes 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 – YTD Q3 2021

- **Revenue** of $111.8 million in YTD Q3 2021 compared to $106.6 million in YTD Q3 2020 before pricing and quantity adjustments. Net revenue of $100.4 million in YTD Q3 2021 compared to $111.1 million in YTD Q3 2020 with negative pricing adjustments in 2021 to the fair value of settlement receivables due to the decline in gold prices from December 31, 2020 through to September 30, 2021. Sales of gold in concentrate decreased by 4% to 62,492 oz in YTD Q3 2021 from 65,161 in YTD Q3 2020 resulting in $5.0 million in lower revenues, average payable gold prices increased by 5% to $1,813/oz in YTD Q3 2021 from $1,726/oz in YTD Q3 2020 resulting in $5.3 million in higher revenues and by-product revenue increased by 206% to $7.4 million in YTD Q3 2021 from $2.4 million in Q3 2020 resulting in $4.9 million in higher revenues.

- **Cash position** of $54.6 million at September 30, 2021 compared to $51.5 million at December 31, 2020. During the nine months ended September 30, 2021, the Company paid $5.0 million in principal loan payments, settling all outstanding debt, paid $8.6 million in prepaid income taxes installments, and spent $16.9 million in expansion capital.

- **Operating cash flow** (prior to working capital adjustments) of $35.5 million in YTD Q3 2021 compared to $57.6 million in YTD Q3 2020.

- **Gross margins** before (after) pricing adjustments of 45% (38%) in YTD Q3 2021 compared to 54% (55%) in YTD Q3 2020.[3]

- **EBITDA** of $32.5 million in YTD Q3 2021 compared to $56.9 million in YTD Q3 2020.[2]

- **Tax payments** of $15.2 million in YTD Q3 2021 compared to $5.0 million in YTD Q3 2020.

Expansion – YTD Q3 2021

- Announced the Stage 2A Expansion to increase throughput to 500,000 tonnes per annum ("**tpa**") from 400,000 tpa with an estimated capital cost of $2.5 million and full commissioning to commence in Q3 2022. The expansion is expected to further drive economies of scale, increase production, and strengthen the Company's ability to self-fund the Stage 3 Expansion.

- Continued work on the Stage 3 Feasibility Study which is planned for completion in the end of Q1 2022. The Company incurred $0.6 million in costs related to the Feasibility Study during the nine months ended September 30, 2021.

Corporate – YTD Q3 2021

- Reduced exposure to gold price fluctuations between its preliminary payment and final realized amount with the Company's off-taker (the "**Quotational Period**") by entering into short-term commodity contracts with a total of 20,753 gold ounces hedged at September 30, 2021. The Company currently hedges out three months to cover fluctuations during the Quotational Period. The Company recognized a $1.2 million gain on derivative instruments during the nine months ended September 30, 2021 related to the commodity contracts.

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[3] Non-IFRS performance measure. Gross margins after pricing adjustments is calculated using earnings from operations divided by revenue and gross margins before pricing adjustments is calculated using earnings from operations excluding pricing adjustments divided by revenue excluding pricing adjustments.

Last 4 Quarters of Production Data

		2020	2021			
		Quarter 4	Quarter 1	Quarter 2	Quarter 3	Total
Tonnes processed	t	68,932	73,221	75,667	87,621	305,441
Feed grade Au	g/t	14.2	8.5	10.3	9.0	10.4
Feed grade Cu	%	0.36	0.31	0.76	0.48	0.48
Recovery (%) Au	%	91.7	88.9	88.3	86.1	88.6
Recovery (%) Cu	%	90.6	86.2	87.2	87.2	87.7
Metal in concentrate produced Au	oz	28,809	17,774	22,153	21,908	90,644
Metal in concentrate produced Cu	t	224	193	498	364	1,279
Metal in concentrate produced Ag	oz	10,395	7,925	14,914	19,736	52,970
Gold equivalent ounces produced	oz	29,820	18,912	25,015	24,122	97,869

COVID-19 Update

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. In response to the health risks associated with COVID-19, the Company implemented a comprehensive COVID-19 Management Plan, which addresses issues including occupational health, hygiene and safety, business continuity, travel, supply chain, statutory compliance, communications, testing, risk assessment and contingency planning.

Under the COVID-19 Management Plan, the Company has established a government recognized testing lab facility utilizing qualified medical personnel on site, established quarantine and isolation facilities for incoming staff, and implemented enhanced hygiene, disinfecting and training systems and procedures. A considerable focus is on health and safety and risk-mitigation.

Additional controls were implemented in 2021, requiring external COVID-19 testing prior to travel to quarantine at site, in addition to on arrival at site before reporting to quarantine. A focus has also been supporting government efforts at a national, provincial and local level through the $0.4 million COVID-19 Assistance Fund and a further $0.3 million of assistance funding to the Eastern Highlands Province.

In addition to various control measures, the Company has made considerable progress increasing our resiliency through vaccinations of our expatriate and PNG national workforce, with vaccinations administered on site well underway. The Company is in close communications with the provincial and national health authorities of Papua New Guinea and the Government of Australia, in addition to communications with the Papua New Guinea Chamber of Mines and Petroleum to deliver an effective pandemic response.

The Kainantu Gold Mine has continued to operate through the pandemic; however, COVID-19 has had a significant impact on site operations resulting in decreased production and an increase in costs.

2021 Operational Outlook

The Company has revised its guidance below primarily due to the effects of the COVID-19 pandemic on operations.

- Gold equivalent production between 96,000 and 102,000 ounces (previously 115,000 and 135,000 ounces).
- Cash costs between $670-$720 per ounce gold, which includes $60-$80 per ounce gold COVID-19 related costs (previously $515-$565 per ounce gold) and all-in sustaining costs between $920-$970 per ounce gold, which includes $70-$90 COVID-19 related costs (previously $825-$875 per ounce gold).
- Exploration expenditure, activity to increase significantly when compared to 2020, of $10-$13 (previously $14-$17) million in 2021 (YTD Q3 2021 balance is $8.2 million).

- Growth capital costs forecasted to be between $20-$25 million (previously $25-$30), which includes the ongoing twin incline development (YTD Q3 2021 balance is $16.9 million).

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 September 30, 2021, the Company produced 21,908 ounces of gold, 802,545 pounds of copper and 19,736 ounces of silver, or 24,122 AuEq oz.

The Company continued its positive ramp-up momentum in the quarter to the Stage 2 Expansion throughput run-rate, delivering record mill throughput of 87,621 tonnes processed, and importantly, during the month of September, achieved Stage 2 Expansion design throughput, at an average of 1,100 tonnes per day, with 20 days processing more than 1,100 tonnes and a single day record of 1,408 tonnes processed on September 22, 2021. Following the performance of the existing plant and the ability of the mill to deliver a notably finer than required product size, the Stage 2A Expansion to increase annual throughput from 400,000 tpa (1,100 tpd) to 500,000 (1,370 tpd) was approved *(see October 7, 2021 press release: K92 Mining Announces Stage 2A Expansion to Increase Throughput +25% to 500,000 Tonnes Per Annum at Kainantu Gold Mine)*.

Importantly, the record quarterly material movements were achieved despite short-term challenges related to the COVID-19 pandemic. In the first half of 2021, Papua New Guinea experienced record levels of COVID-19 cases, resulting in significant short staffing due to COVID-19 related absenteeism in addition to an increase in quarantine length and enhanced quarantine control measures. Additionally, from mid-March to mid-May, expatriate travel was suspended between Australia and Papua New Guinea. These operational challenges had a notable impact on underground development and the mining sequence by delaying access to higher-grade stoping areas at Kora in Q3 2021, resulting in below budget material movements and gold head grades in addition to sub-optimal process plant blending. These challenges have been significantly addressed through: i) a +50% increase in development metres in Q3 2021 vs Q2 2021, increasing access to more stoping areas at Kora, and; ii) mining ramping up at a new, major mining front at the Judd Vein System.

In the second half of Q3 2021, flat backing commenced at the J1 Vein in preparation for long hole stoping, providing a boost to underground production. In September, production of 11,095 oz Au, 284,002 lbs Cu, 7,871oz Ag or 11,891 oz AuEq was achieved. Production stoping at Judd is planned for Q4 2021and is expected to provide a significant boost to operational flexibility and material movements. Judd is located ~150-200m from existing infrastructure at Kora, making it highly efficient to access going forward.

During the quarter, long hole stoping continued to perform to design, with operations focused on Kora's K1 and K2 veins and also Judd's J1 veins for a total of 6 levels mined. Mining on Kora was conducted on the 1150, 1170, 1205, 1225 and 1265 levels and Judd on the 1235 and 1265 levels.

Capital Expenditure

Twin Incline

The new twin incline development resumed on May 21, 2021, after the COVID-19 Papua New Guinea and Australia travel restrictions were lifted and the COVID-19 situation in Papua New Guinea improved. The #2 (6m x 6m) incline has now advanced a total of 638 metres and the #3 (5m x 5m) incline had advanced a total of 680 metres as of September 30, 2021.

This large capital project will provide the major mine access infrastructure for increased production capability required for a 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 using five drill rigs at the Kora deposit and one drill rig at Judd. During the quarter one contractor rig was relinquished and the Company's sixth underground rig started drilling; this being an increase of two rigs compared to the previous year. A total of 210 drill holes have been completed since the last Mineral Resource Estimate dated April 2020. Drilling productivity continues to be adversely impacted by shortages of drill staff and the measures put in place to prevent COVID-19 on site; this caused the need to extend the duration of the drilling program to meet the target set for the Feasibility Study. 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 Feasibility Study in addition to step-out drilling. An updated Mineral Resource estimate is still expected to be completed by the end of 2021.

Please see the Company's news release dated September 7, 2021, *K92 Mining Announces Latest High-Grade Surface and Underground Drill Results at Kora, Including 6.45 M at 106.95 g/t AuEq, 5.30 M at 96.85 g/t AuEq and 6.35 M at 75.72 g/t AuEq*, 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, sub-parallel 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 at Kora. The veins remain open at depth and only a fraction of the 2,500m+ strike length has been drilled, with significant gaps remaining to be tested.

The Company continued its underground drill program of testing the Judd Vein System. Drilling utilized one drill rig of the Company's LM90 fleet and the focus of drilling was the J1 vein, with some holes continued deeper to test the J2 and J3 targets. To date a total of 21 holes have had their results publicly reported out of a total of 28 holes. These drill results were released on August 30, 2021: *K92 Mining Announces High-Grade Judd Vein System Drilling Results, Including 8.51m AT 49.93 g/t AuEq and 3.70m at 53.63 g/t AuEq*. Drilling has been designed to follow up on the drill and face sample results from J1. The drill spacing being employed is suitable to achieve both Measured and Indicated, as well as Inferred Resource categories on the J1 Vein.

The Company has provided further updates on the Judd J1 Vein Drive Development. Under the mine plan, the J1 drive at 1235 Level was developed a further 72m to the south from that reported in the previous period of 288m and halted for the time being. The 1265 level of the J1 drive continues active development and has had two public reports in the time period, the first on August 23, 2021 titled, *"K92 Mining Announces Maiden Judd 1265 Level Development Results - 83 Metre Strike Averaged 16.48 g/t AuEq at 3.5 Metre J1 Vein Width"* and the second on October 27, 2021 titled, *"K92 Mining Announces High Grade Judd 1265 Level Development Results - Total Strike Extension of 211 Metres Averaged 21.69 G/T AuEq at 3.9 Metre J1 Vein Width"*.

Surface Exploration

Four drill rigs (two Company owned and two contractor) were utilized at surface, continuing drilling at Blue Lake/Kotampa (EL470), Kora and Judd (both ML150). A total of 3,808 metres were drilled for the quarter. Mid way through August the latest Kora/Judd surface drilling program was completed. Focus was then shifted to establishing drilling infrastructure at Kora South with the intent of commencing drilling on this project in Q4. Logistical planning was also finalized for an early November start date of a geophysics program using MobileMT. This is the latest generation of airborne Audio Frequency Magnetics. At total of 4,862 line-kilometres at 200m spacing (860 km2) will be surveyed covering all K92 Mining Ltd exploration licenses. Deployment of field geologists into EL470 and EL2619 has begun with large scale geochemical sampling planned for the fourth quarter and the first half of 2022. This data will be integrated with the geophysical survey to help establish well defined drill targets for 2022.

Drilling performance was considerably reduced compared to the previous quarter due to the completion of the Kora/Judd program, one rig receiving a major rebuild and short-term staffing and logistical impacts related to the COVID-19 pandemic.

Blue Lake/Kotampa Prospect (EL470)

Two drill rigs continued at Blue Lake during Q3 2021, with a total of 2,294 metres drilled. Four drill holes were completed or are in progress. KTDD0020 and KTDD0022 targeted the mineralized potassic zone intersected in previous drill holes, while KTDD0021 and KTDD0023 targeted the south-western extents of the mineralized system. Core logging and assaying for Kora and Judd has been prioritized for their respective upcoming resources, creating a backlog of holes at Blue Lake to core log and assay.

The Blue Lake drill program continues to detect extensive Au-Cu-Mo mineralization hosted in diorite and latite intrusives, beneath or proximal to a prominent silica-clay cap. A substantial mineralized shell (>0.1 g/t Au, 0.1 % Cu), characterized by the presence of finely disseminated chalcopyrite, is zoned laterally inwards towards a core of potassic alteration and associated higher grade Au/Cu mineralization, including the widespread presence of bornite. Future drilling is intended to establish the extent and tenor of the potassic core.

Kora and Judd Surface Exploration (ML150)

Two drill rigs were in operation at surface on ML150, during the quarter. The program included two infill drill holes, two twin holes (for QAQC and metallurgical test work) and one additional geotechnical hole to test a possible location for a ventilation shaft, designed to connect with the 1265 Level in the mine. A total of 1,513 metres were drilled from surface on the mining lease.

Q4 2021 will focus on an initial ten-hole drill program at Kora South, planned to test for extensions of the K1, K2 and Judd epithermal veins currently being mined underground at Kora.

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 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 a number of 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. In 2021, the Company committed 1.0 million Papua New Guinea Kina ("PGK") (US$0.3 million) to establish a new market complex in the town of Kainantu, held business development training in April for two local communities over a 4-day period, and donated PGK100,000 (US$29 thousand) to a Papua New Guinea NGO to supports its work in eradicating family and sexual violence in Papua New Guinea.

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 operations. During the nine months ended September 30, 2021, these contracts earned $12.2 million supporting the local community.

The Company provides scholarships to support children from landowners to undertake studies at post-secondary institutions. In 2021, a total of 50 scholarships were provided to students from local communities. In addition, the Company also has 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.

The Company has supported government efforts towards COVID-19 at a national, provincial and local level through the PGK1.5 million (US$0.45 million) COVID-19 Assistance Fund which included PGK0.5 million (US$0.13 million) worth of COVID-19 health accessories to Papua New Guinea's national government. The Company has also provided a further PGK1.0 million (US$0.3 million) of additional assistance funding to the Eastern Highlands Province.

Sustainability

On October 20, 2021, the Company published its 2020 Sustainability Report – which outlined the environmental, social and governance ("**ESG**") practices and performance of the Company. See the "2020 Sustainability Report" filed on the Company's website.

The following summarizes the ESG highlights in the 2020 Sustainability Report:

- **95%** of workforce PNG Nationals with priority hiring from local communities.
- **85% increase in total community investment** from US$655,000 to US$1.2 million.
- **Top 3% safety record in the Australasia region** with one lost time incident (LTI).
- **Major corporate taxpayer in PNG** with first instalment paid in July 2020, only ~2 years after declaring commercial production.
- **1.5 million PGK (US$0.45 million) COVID-19 Assistance Fund created** supporting Papua New Guinea National Government, Eastern Highlands and Morobe Provincial Governments and local communities to respond to the COVID-19 pandemic.
- **Agreement in Principle on a revised Memorandum of Agreement** covering the Kainantu Gold Mine operation.
- **10 million tree program participant** supporting Papua New Guinea's goal of planting one million new trees a year for ten years.

- **Strong COVID-19 resiliency** through successful implementation of hygiene distancing, testing and quarantine measures in addition to on-site medical staff to protect the health and safety of our workforce and local communities. Vaccination programs commenced on site in 2021.
- **Access to clean water expanded** to another local community in 2020, ending generations of loading and carting water almost 2km to their communities.
- **Developing business and empowering women** through Sustainable Agriculture Livelihoods program, employing 75% women and successfully growing new types of crops in the lowlands.
- **1.0 million PGK (US$0.3 million) contribution to new market in Kainantu** to support regional commerce.
- **63% of expenditures locally procured since start of operations,** supporting the development of long-term sustainable businesses.
- **Strong commitment to education,** including 50 tertiary education scholarships, financial assistance to the University of Technology in Lae, PNG, work experience to students and recent graduates, and assisting parents in local communities with primary education enrolment fees.

Results of Operations for the nine months ended September 30, 2021 as compared to September 30, 2020

During the nine months ended September 30, 2021, the Company had net income of $11.5 million (2020 – $31.1 million) and income before income tax of $21.8 million (2020 - $47.8 million). Significant items making up the income, and changes from the prior year, are as follows:

Revenue of $100.4 million (2020 - $111.1 million) from the sale of gold concentrate in Papua New Guinea. The decrease in revenue is primarily due to a decrease in gold ounces sold and negative pricing adjustments to the fair value of settlement receivables due to the decline in gold prices from December 31, 2020 to September 30, 2021.

Cost of sales of $62.0 million (2020 - $49.5 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. The increase in cost of sales is attributable to the increase in operational activity, as shown by the increase in ore mined from 166,515 tonnes in YTD Q3 2020 to 216,751 tonnes in YTD Q3 2021, and the change in inventory, due to the timing differences between production and sales of concentrate inventory, which resulted in increased cost of sales compared to the prior period. 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.

Income from mine operations of $38.4 million (2020 - $61.6 million), which is calculated subtracting cost of sales from revenue.

General and administrative costs of $3.4 million (2020 – $2.1 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 $8.2 million (2020 – $5.1 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. In addition, the Company had curtailed exploration activities in the comparative period due to the COVID-19 pandemic.

Share-based payments of $5.0 million (2020 - $4.7 million) representing option grants to directors, employees and consultants of the Company. The increase in share-based payments relates to the timing, option valuation and the number of options granted during the period. The valuation of options granted during the period increased versus the comparative period primarily due to an increase in the Company's share price.

Interest and finance expenses of $1.0 million (2020 – $1.7 million). This represents interest and finance expenses recorded on loans, lease agreements and in relation to concentrate sales. The decrease compared to the comparative period was primarily due to lower interest and finance expenses recorded due to the Trafigura loan being settled on February 3, 2021.
Gain on derivative instruments of $1.2 million (2020 - $Nil) relates to realized and unrealized income on commodity contracts. The gain is due to the decrease in gold prices from December 31, 2020 to September 30, 2021.

Income tax expense of $10.3 million (2020 – $16.7 million) relates to current taxes and the estimated use of the deferred income tax asset. The decrease compared to the comparative period was primarily due to lower earnings in the period.

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)		September 30, 2021 (Unaudited)		June 30, 2021 (Unaudited)		March 31, 2021 (Unaudited)		December 31, 2020 (Unaudited)
Total assets	$	231,698	$	224,875	$	216,443	$	215,515
Working capital		80,602		76,406		70,733		70,856
Shareholders' equity		206,533		197,819		186,963		181,515
Revenue		35,370		35,518		29,513		48,030
Net income		4,865		4,403		2,188		10,917
Net income per share, basic		0.02		0.02		0.01		0.05
Net income per share, diluted		0.02		0.02		0.01		0.05
		September 30, 2020 (Unaudited)		June 30, 2020 (Unaudited)		March 31, 2020 (Unaudited)		December 31, 2019 (Unaudited)
Total assets	$	194,597		180,240	$	161,279	$	154,990
Working capital		61,147		50,476		30,493		25,046
Shareholders' equity		164,275		150,750		132,484		124,690
Revenue		35,605		47,857		27,633		33,416
Net income		9,371		16,905		4,841		22,543
Net income per share, basic		0.04		0.08		0.02		0.11
Net income per share, diluted		0.04		0.08		0.02		0.10

Total assets have increased over the period due to the construction and completion of the Stage 2 Plant Expansion and ongoing development of the Kainantu gold mine. Revenue has also increased over the period 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 gold from higher grade ore and deferred tax recoveries of $8.2 million.

Results of Operations for the three months ended September 30, 2021 as compared to September 30, 2020

During the three months ended September 30, 2021, the Company had net income of $4.9 million (2020 – $9.4 million) and income before income tax of $9.0 million (2020 - $14.4 million). Significant items making up the income, and changes from the comparative period, are as follows:

Revenue of $35.4 million (2020 - $35.6 million) from the sale of gold concentrate. The decrease in revenue is primarily due to a decrease in realized gold prices, offset by higher gold ounces sold versus the comparative period.

Cost of sales of $20.1 million (2020 - $15.9 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 shown by the increase in ore mined from 73,861 tonnes in Q3 2020 to 88,857 tonnes in Q3 2021, and the change in inventory, due to the timing differences between production and sales

of concentrate inventory, which resulted in increased cost of sales compared to the prior period. 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.
Income from mine operations of $15.2 million (2020 - $19.7 million), which is calculated subtracting cost of sales from revenue.

General and administrative of $1.0 million (2020 – $1.1 million). The decrease is primarily related to professional fees associated with the PEA in the prior year.

Exploration and evaluation expenditures of $3.1 million (2020 – $2.4 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. In addition, the Company had curtailed exploration activities in the comparative period due to the COVID-19 pandemic.

Share-based payments of $1.2 million (2020 - $1.4 million) representing option grants to directors, employees and consultants of the Company. The decrease in share-based payments relates to the timing, option valuation and the number of options granted during the period.

Interest and finance expenses of $0.3 million (2020 – $0.5 million). This represents interest and finance expenses recorded on the loan, lease agreements and concentrate sales. The decrease was primarily due to the loan being settled on February 3, 2021, and therefore no interest or finance expenses recorded on the loan in the current period.

Loss on derivative instruments of $0.2 million (2020 - $Nil) relating to realized and unrealized losses on commodity contracts.

Income tax expense of $4.1 million (2020 – $5.0 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 include all cash costs above plus accretion costs of environmental provisions, corporate costs and sustaining capital expenditures, less any business development or non-sustaining costs. 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 September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Cost of Sales	$ 20,132	$ 15,883	$ 61,987	$ 49,477
Add: treatment and refining costs	1,388	1,035	3,701	3,209
Less: non-cash costs included in cost of sales	(1,929)	-	(5,407)	-
Less: depreciation	(3,447)	(2,393)	(9,773)	(7,470)
Less: by-product credits	(3,221)	(1,041)	(7,355)	(2,408)
Cash cost of sales	12,923	13,484	43,153	42,808
Add: accretion	47	48	143	144
Add: general and administrative costs	1,011	1,071	3,355	2,140
Add: sustaining capital expenditures[4]	2,373	1,561	12,550	5,096
Less: business development	(61)	-	(183)	-
All-in sustaining costs	16,293	16,164	59,018	50,188
Gold ounces, sold	21,675	19,265	62,492	65,161
Cash cost per gold ounce, sold	$ 596	$ 700	$ 691	$ 657
All-in sustaining cost per gold ounce, sold	$ 752	$ 839	$ 944	$ 770

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

EBITDA is profit attributable to shareholders before income taxes, depreciation and depletion of property, plant and equipment, and interest and finance expense. 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.

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Income for the period	$ 4,865	$ 9,371	$ 11,456	$ 31,117
Add: Income taxes	4,128	5,048	10,340	16,701
Add: Amortization of property, plant and equipment	3,447	2,393	9,773	7,470
Add: Interest and finance expense	309	529	975	1,660
EBITDA	$ 12,749	$ 17,341	$ 32,544	$ 56,948

[4] Sustaining capital expenditures for the nine months ended September 30, 2021 is the purchase of property, plant and equipment ("**PPE**") from the statement of cash flows of $29.2 million (2020 - $20.4 million), plus net deposits for equipment $Nil million (2020 - $0.1 million), plus net PPE amounts included in accounts payable related to expansion costs of $0.2 million (2020 - negative $0.2 million), less expansion costs of $16.9 million (2020 - $15.3 million).

Liquidity

As at September 30, 2021, the Company had a cash and cash equivalents balance of $54.6 million (December 31, 2020 - $51.5 million) and working capital of $80.6 million (December 31, 2020 - $70.9 million), which consisted of current assets of $102.4 million (December 31, 2020 - $100.5 million), less current liabilities of $21.8 million (December 31, 2020 - $29.7 million).
Operating Activities: During the nine months ended September 30, 2021, the Company generated $34.7 million from operating activities compared to $43.5 million for the nine months ended September 30, 2020.

Investing Activities: During the nine months ended September 30, 2021, the Company paid $29.2 million (2020 - $20.4 million) for property, plant, and equipment and $0.1 million (2020 - $0.1 million) for deposits on equipment.

Financing Activities: During the nine months ended September 30, 2021, the Company collected $3.3 million (2020 - $3.7 million) from the exercise of stock options. The Company paid $5.0 million (2020 - $6.4 million) in loan principal payments and $0.9 million (2020 - $0.3 million) in principal lease payments.

The Company's financial position at September 30, 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)	Nine months ended	September 30, 2021	September 30, 2020
Share-based compensation		$ 2,722	$ 2,503
Management, consulting and wages		1,210	938
Professional fees		96	55

During the nine months ended September 30, 2021, the Company paid professional fees of $16.0 thousand (2020 - $13.0 thousand) to a Company related to the CFO for accounting services.

Included in accounts payable and accrued liabilities is $0.1 million (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 222,476,497 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	2,190,000	2,190,000	0.73	1.29
1.00 – 1.99	4,286,750	4,286,750	1.55	1.92
2.00 – 2.99	245,000	245,000	2.17	3.02
3.00 – 3.99	1,644,240	1,644,240	3.85	3.23
4.00 – 4.99	110,200	110,200	4.00	3.62
5.00 – 9.99	5,972,800	3,354,300	7.26	4.11
	14,448,990	11,830,490	4.08	2.91

Subsequent Events

Subsequent to September 30, 2021, there were no events requiring disclosure.

Off-Balance Sheet Arrangements

At September 30, 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	September 30, 2021		December 31, 2020	
	Level 1	Level 2	Level 1	Level 2
Trade receivables	$ -	$ 12,833	$ -	$ 24,920
Derivative assets	-	449	-	-
Derivative liabilities	-	(220)	-	(280)
	$ -	$ 13,062	$ -	$ 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 nine months ended September 30, 2021.

As at September 30, 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 September 30, 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 September 30, 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 September 30, 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.