("K92" or "the Company")

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

Introduction

This Management's Discussion and Analysis ("**MD&A**") of K92 Mining Inc. (including its wholly owned subsidiaries, K92 Holdings International Limited (incorporated in British Virgin Islands), K92 Mining (Australia) Pty Ltd. (incorporated in Australia), and K92 Mining Ltd. (incorporated in Papua New Guinea)) is the responsibility of management and covers the six months ended June 30, 2022. The MD&A takes into account information available up to and including August 12, 2022 and should be read together with the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2022, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") applicable to the preparation of interim financial statement, including IAS 34, Interim Financial Reporting, and is presented in thousands of United States dollars, except share and per share amounts, or unless otherwise indicated.

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

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

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

Description of Business

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

Summary of Key Operating and Financial Results

(in thousands of United States Dollars, except per share amounts)		Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Operating data					
Mined plant feed	t	114,471	72,011	214,596	127,894
Plant throughput	t	108,853	75,667	208,463	148,887
Feed grade	g/t	7.2	10.3	7.7	9.4
Gold produced	Oz	22,934	22,153	47,085	39,927
Gold equivalent produced[1]	Oz	26,085	25,015	54,273	43,928
Gold sold	Oz	23,674	18,939	50,146	40,817
Cash costs per gold ounce sold[2]	$/Oz	617	736	574	741
All-in sustaining costs per gold ounce sold[2]	$/Oz	893	1,057	838	1,047
Financial data					
Revenue	$	37,356	35,518	89,768	65,031
Cost of sales	$	23,169	20,948	45,704	41,855
Net income	$	5,136	4,403	19,218	6,591
Cash flow from operating activities	$	13,145	(1,020)	40,475	27,711
Cash, ending balance	$	81,728	56,235	81,728	56,235
Basic earnings per share	$/sh	0.02	0.02	0.09	0.03
Diluted earnings per share	$/sh	0.02	0.02	0.08	0.03

Performance Summary

Operational – Six Months Ended June 30, 2022 ("YTD Q2 2022")

- **Gold production** growth of 18% totaling 47,085 gold oz or 54,273 gold equivalent ("**AuEq**") oz in YTD Q2 2022, compared to production of 39,927 gold oz or 43,928 AuEq oz during the six months ended June 30, 2021 ("**YTD Q2 2021**").[1]

- **Mined plant feed** increased by 68% to 214,596 tonnes in YTD Q2 2022, compared to 127,894 tonnes in YTD Q2 2021. The Company also achieved record quarterly mill feed mined of 114,471 tonnes or 1,258 tonnes per day ("**tpd**") in Q2 2022, an increase of 59% from the three months ended June 30, 2021 ("**Q2 2021**").

- **Plant throughput** increased by 40% to 208,463 tonnes in YTD Q2 2022, compared to 148,887 tonnes in YTD Q2 2021. The Company also achieved record quarterly plant throughput of 108,853 tonnes in the three months ended June 30, 2022 ("**Q2 2022**"). In addition, the Company achieved record monthly mill throughput in June 2022 of 1,251 tpd, 14% above the Stage 2 Expansion target of 1,100 tpd, and a daily record of 1,559 tonnes was set on June 29, 2022.

- **Cash costs** averaged $574 per gold ounce in YTD Q2 2022 versus $741 per gold ounce in YTD Q2 2021.[2] The decrease in cash costs was primarily due to the successful ramp-up of the 400K tonnes per annum expansion allowing the Company to achieve better economies of scale and a 23% increase in gold oz sold from 40,817 oz Au in YTD Q2 2021 to 50,146 oz Au in YTD Q2 2022.

- **All-in sustaining costs** averaged $838 per gold ounce in YTD Q2 2022 versus $1,047 per gold ounce in YTD Q2 2021 as a result of the lower cash costs noted above.[2]

- **Strong metallurgical recoveries** of 90.9% for gold and 91.0% for copper in YTD Q2 2022, ahead of the installation of the additional flotation cells planned for Q4 2022, which will double rougher tank capacity.

[1] Gold equivalent calculated based on gold $1,875 per ounce (2021 - $1,800), silver $23.53 per ounce (2021 - $25) and copper $4.44 per pound (2021 - $4.35).

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

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

Financial – YTD Q2 2022

- **Revenue** of $96.3 million in YTD Q2 2022 compared to $73.0 million in YTD Q2 2021, before pricing and quantity adjustments. Net revenue of $89.8 million in YTD Q2 2022 compared to $65.0 million in YTD Q2 2021, which includes pricing adjustments to the fair value of settlement receivables. Sales of gold in concentrate and doré increased by 23% to 50,146 oz in YTD Q2 2022 from 40,817 in YTD Q2 2021 resulting in $16.3 million in higher revenues, average payable gold prices increased by 2% to $1,776/oz in YTD Q2 2022 from $1,744/oz in YTD Q2 2021 resulting in $1.6 million in higher revenues and an increase in by-product revenue (including treatment charges) resulting in $5.4 million in higher revenues.[3]

- **Record cash position** of $81.7 million at June 30, 2022 compared to $71.3 million at December 31, 2021. In YTD Q2 2022, the Company spent $19.7 million in expansion capital (2021 - $9.6 million).[4]

- **Operating cash flow** (prior to working capital adjustments) of $33.2 million in YTD Q2 2022 compared to $22.9 million in YTD Q2 2021.

- **Gross margins** before (after) pricing adjustments of 53% (50%) in YTD Q2 2022 compared to 43% (36%) in Q2 2021.[5]

- **EBITDA** of $40.5 million in YTD Q2 2022 compared to $19.8 million in YTD Q2 2021.[2]

- **Income tax payments** of $8.2 million in YTD Q2 2022 compared to $8.0 million in YTD Q2 2021. Subsequent to June 30, 2022, the Company paid an additional tax installment of $4.8 million to the Papua New Guinea government for a total of $13.0 million.

Expansion – YTD Q2 2022

- On February 23, 2022, announced results from the updated resource estimate completed on the Kora deposit with Measured and Indicated Resources of 2.1 million oz at 9.20 g/t AuEq and Inferred Resources of 2.5 million oz at 9.48 g/t AuEq. The increase in the resource estimate was achieved after net mining depletion of 348 kt at 16.33 g/t AuEq or 182 koz AuEq from the previous resource estimate. The Kora deposit remains open along strike and at depth.

- On February 23, 2022, announced results from the maiden resource estimate of the Judd deposit with Measured and Indicated Resources of 0.13 million oz at 11.00 g/t AuEq and Inferred Resources of 0.18 million oz at 5.66 g/t AuEq. The resource is net of mining depletion of 64 kt at 12.2 g/t AuEq or 25 koz AuEq. The Judd deposit remains open in all directions.

- After completion of the infill drilling program at Kora, exploration is now almost entirely focused on resource growth, with up to 11 drill rigs operating at Kora, Kora South and Judd South.

- Progressed on 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 anticipated to commence in Q4 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.

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

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

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

- Continued work on the Stage 3 Feasibility Study which is planned for completion mid-2022. The Company incurred $1.0 million in costs related to the Feasibility Study in YTD Q2 2022.

Corporate – YTD Q2 2022

- Reduced exposure to gold price fluctuations during the provisional pricing period (the "**Quotational Period**") with the Company's off-taker by entering into short-term commodity contracts with a total of 19,607 gold oz hedged at June 30, 2022. The Company currently hedges out three months to cover fluctuations during the Quotational Period. The Company recognized a $0.3 million loss on derivative instruments in YTD Q2 2022 related to these short-term commodity contracts.

- The Company achieved its first sale of gold doré in Q2 2022 in the amount of 2,555 Au oz for total gross proceeds of $4.7 million.

- Subsequent to June 30, 2022, the Company completed a bought deal financing whereby the Company issued 5,405,500 common shares at a price of CAD$9.25 per common share for gross proceeds of CAD$50.0 million ($38.3 million). The Company paid CAD$2.5 million ($1.9 million) in cash commissions and CAD$0.5 million ($0.4 million) in professional fees related to the financing. The Company intends to use the net proceeds of the financing for continued exploration near the Kainantu Mine and regionally, continued expansion of the Kainantu Mine, for public company operating and administrative expenses and working capital purposes.

Last 4 Quarters of Production Data

		2021		2022		
		Quarter 3	Quarter 4	Quarter 1	Quarter 2	Total
Tonnes processed	t	87,621	99,713	99,611	108,853	395,798
Feed grade Au	g/t	9.0	11.2	8.3	7.2	8.9
Feed grade Cu	%	0.48	0.51	0.76	0.56	0.58
Recovery (%) Au	%	86.1	92.8	90.9	91.0	90.3
Recovery (%) Cu	%	87.2	92.9	91.1	90.9	90.6
Metal in concentrate produced Au	oz	21,908	33,220	24,152	22,934	102,214
Metal in concentrate produced Cu	t	364	475	692	558	2,089
Metal in concentrate produced Ag	oz	19,736	28,218	28,142	25,224	101,320
Gold equivalent oz produced	oz	24,122	36,145	28,188	26,085	114,540

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 when required; and implemented enhanced hygiene, disinfecting and training systems and procedures. A considerable focus is on health, safety and risk-mitigation.

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.

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; and it is expected to have an ongoing impact, in particular recent supply chain disruptions have resulted in increased lead times and higher costs for goods.

2022 Operational Outlook

- Gold equivalent production between 115,000 and 140,000 oz.
- Cash costs between $560-$640 per ounce gold and all-in sustaining costs between $890-$970 per ounce gold.
- Exploration costs between $12-$15 million.
- Growth capital costs between $41-$47 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 Q2 2022, the Company produced 22,934 oz of gold, 1,229,961 pounds of copper and 25,224 oz of silver, or 26,085 AuEq oz.

In Q2 2022, Kainantu delivered its third consecutive quarter at Stage 2 Expansion run-rate throughput, processing a record 108,853 tonnes, an increase of 44% from Q2 2021. Mine performance was also strong, exceeding mill throughput, with a record 114,471 tonnes of total mill feed mined, an increase of 59% from Q2 2021.

Importantly, in June 2022, the mill delivered a monthly average throughput record of 1,251 tpd, significantly exceeding the Stage 2 Expansion target of 1,100 tpd. During May and June 2022, 29 days (48% of the period) exceeded 1,300 tpd throughput and a daily record of 1,559 tonnes was set on June 29, 2022. Subsequent to quarter end, on July 6, a new daily mill tonnes processed record was achieved of 1,638 tonnes. The plant continues to demonstrate much higher throughput rates than the Stage 2 Expansion design (400,000 tpa / 1,100 tpd) and potentially higher than the Stage 2A Expansion design run-rate (500,000 tpa / 1,370 tpd).

In Q2 2022, long hole stoping continued to perform to design, with operations focused on Kora's K1 and K2 veins, and Judd's J1 Vein for a total of 9 levels mined. Mining on Kora was conducted on the 1150, 1170, 1205, 1225, 1265 and 1285 levels, and Judd on the 1235, 1265 and 1285 levels.

The operation delivered head grades of 8.2 g/t AuEq or 7.2 g/t gold, 0.56% copper and 9.9 g/t silver in Q2 2022. Gold grades were below budget due to stope sequencing. Metallurgical recoveries averaged 91.0% for gold and 90.9% for copper in Q2 2022 and we see further upside once the flotation tanks are installed that will double the rougher tank capacity. Q3 2022 will also mark the first quarter with the gravity circuit fully operational and utilized as the dore export license was granted in late April 2022. Management believes a strong throughput and higher grade stoping sequence planned for 2H 2022 positions Kainantu to potentially achieve further production upside.

Capital Expenditure

Stage 2A Expansion

The Stage 2A Expansion to increase throughput from 400,000 tonnes per annum (1,100 tpd) to a nameplate of 500,000 tonnes per annum (1,370 tpd) has progressed (*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*). The new filter press has been installed and is operational, the additional TC-1000 secondary crusher was installed in late Q2 2022 and is currently being commissioned, while the new flotation tanks are scheduled to arrive in Q4 2022 when commissioning of the expanded plant will commence. The plant expansion is estimated to cost $2.5 million.

Twin Incline

Twin incline development made significant progress, advancing 58% above budget during Q2 2022. As of June 30, 2022, incline #2 (6m x 6.5m) advanced to 1,276 metres and #3 (5m x 5.5m) advanced to 1,317 metres. Year-to-date, twin incline development has advanced 38% above budget. Overall, mine development performed well, advancing 1,826 metres in Q2 2022 (including the twin incline), the 2nd highest quarter on record and a 75% increase from Q2 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 six drill rigs at the Kora and Judd deposits. All drill rigs are Company owned. A total of 50 drill holes have been completed into the Kora Vein System, since those used in the Mineral Resource Estimates dated January 2022. Drilling density is suitable for both resource definition and expansion. The updated mineral resource estimate (both Kora and Judd) is now being used as the basis for the Stage 3 Feasibility Study.

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

Please see the Company's news release, dated June 9, 2022, '*K92 Mining Announces Latest High-Grade Underground drill results at Kora and Judd'* for the most recent results from the underground exploration program.

Judd Vein System

The Judd Vein System at the Kainantu gold mine continues to be explored. The System is sub parallel in orientation to the Kora Vein System and is located approximately 90 to 150m east of Kora within the mining lease. Mineralization is like Kora and is composed of Au-Cu-Ag sulphide veins of Intrusion Related Gold Copper (IRGC) affinity. To date, four known veins have been recorded at the Judd Vein System. The veins remain open at depth, up-dip, along strike in both directions and only a fraction of the +2,500m strike length has been drilled.

The Company continued its underground drill program testing the Judd Vein System. The focus of drilling is the J1 vein, with some holes continuing deeper testing the J2 to J4 vein targets. The latest drill results were included in the press release dated June 9, 2022, '*K92 Mining Announces Latest High-Grade Underground drill results at Kora and Judd'*. Since the Maiden Judd, January 2022 Mineral Resource Estimate a total 65 additional holes have been drilled from underground.

A total of three sublevels have been established at Judd along the J1 Vein, the 1235 Level, 1265 Level and 1285 Level. Production from J1 in the form of long hole stoping is ongoing.

Surface Exploration

Exploration at Kora/Judd South has continued with four diamond rigs now defining a resource at 100m centers. Drilling rates increased for a total of 4,992 metres drilled for the quarter. The program continued to demonstrate the continuity of both the Kora and Judd lodes with intercepts of both lodes intersected up to 650m from the southern boundary of ML150, which is still open-ended. A dilatational zone was recognized that is consistent with a conductive signature from the recently completed geophysical survey.

The regional geochemical / mapping program at Yarr Tree (EL2619) continued with 462 samples covering 16.9 km^2. Several encouraging combined gold and copper anomalies have been recognized, coincident with the NW arc-parallel structures. These structures are prevalent in many mineralized systems within PNG. Currently a second pass infill sampling program is being planned. Combined with the recently interpreted airborne geophysics will establish quality drill targets planned for later this year. A geochemical program at Kora/Judd South (EL470), with 183 samples collected, continued further south. These traverses have been essential in targeting the Kora and Judd structures, where the recent drilling demonstrates that the surface geochemical anomalies correspond with the lodes at depth.

Blue Lake/Kotampa Prospect (EL470)

No drilling was carried out on the Blue Lake Prospect during Q2 2022. Following the completion of the last three holes of a 26 hole program in Q1 2022, a very detailed assessment was carried out, culminating in the generation of a 3D geological model, with domains constrained for lithological types as well as alteration mineral assemblages plus quartz vein percentage. Additionally, grade shells were generated for gold and copper. Finally, a grade block model was completed using Leapfrog Edge software, defining a significant inferred resource with a 0.4 g/t AuEq cut-off of 10.8 million ounces gold equivalent at 0.61 g/t AuEq or 4.7 billion lbs CuEq at 0.38% CuEq, based on 549 million tonnes at 0.21 g/t Au, 0.23% Cu and 2.42 g/t Ag.

As alluded to in previous updates, the Blue Lake Porphyry has elevated grades in both gold and copper, with the ratios approximately equal, with a particularly gold-rich core associated with Kspar and biotite alteration. There is much potential for resource expansion as the Blue Lake Porphyry is open ended at depth, in particular the high grade potassic core.

Future exploration plans at Blue Lake include drilling to target expanding the higher grade core, as well as exploring for additional mineralized porphyries beneath an extensive composite lithocap, with advanced argillic alteration covering a vast area over 5 km in length, from Blue Lake to the A1 target. Exploration is advancing at the A1 Porphyry Target, our highest priority porphyry target based on Mobile MT geophysics completed in late-2021, with an initial soils program commencing shortly, to be followed by drilling. Several high conductivity targets, defined by the geophysics, are coincident with our field mapping targets with mapped silicification.

Please see the Company's news release, dated August 9, 2022, '*K92 Mining Declares Maiden Inferred Resource of 10.8 million oz AuEq or 4.7 billion lbs CuEq at the Blue Lake Porphyry*' for more details on the resource estimate and our porphyry exploration plans.

Kora South Surface Exploration (EL470)

Drilling in EL470 outside of ML150 at Kora/Judd South, to the south of the Mining Lease, has continued to yield significant results. Nine drill holes were completed, while four are in progress. Multiple intersections were defined, representing both Kora (K1, K2 and K3), Judd lodes (J1 and J2) plus an unnamed lode (east of J1) and a lode equidistant between Kora and Judd.

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 repeated delays outside of the control of the Company or the Bilimoia Interim Landowners Association (BILA), most recently due to the COVID-19 pandemic. The MOA underpins the relationship between the Company, the Community and Government and sets out commitments from the various parties.

In July 2020, the Company had a formal MOA meeting involving the Bilimoian landowners, the State, and the Provincial Government. Attending the meeting were representatives from the 10 clans within ML150, the PNG Mining Minister, the Managing Director of the Mineral Resources Authority of PNG and the Provincial Governor. In principle, the parties agreed on a revised MOA, subject to final review, with the expectation that the revised MOA will be finalized in 2022.

The Company is currently working on a number of community programs, including: establishing freshwater systems for local communities, performing extensive work on maintenance and upgrading of district roads, 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, organizing and funding an adult literacy program for locals in the community, and launching an agricultural livelihood and training program with the purpose of providing greater nutritional knowledge to the local community. In addition, in YTD Q2 2022, the Company installed solar power at two local clinics, contributed to a youth spelling competition at a local community, advanced the agricultural program to eight locations including a demonstration farm and progressed with construction of the Unantu Bridge to connect two local communities.

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. In YTD Q2 2022, these contracts earned $11.3 million supporting the local community.

The Company provides scholarships to support children from landowners to undertake studies at post-secondary institutions. In 2022, a total of 34 scholarships were provided to students from local communities. In addition, the Company works with 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 Company plans to publish the 2021 Sustainability Report in Q3 2022.

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

- **95%** of workforce are 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.

In addition, the Company is also continuing to push forward on several ESG initiatives, including a review of the Company's corporate governance and policies as well as alignment with the Task Force of Climate-related Disclosures ("**TCFD**") recommendations.

Results of Operations for the six months ended June 30, 2022 as compared to June 30, 2021

In YTD Q2 2022, the Company had net earnings of $19.2 million (2021 – $6.6 million) and earnings before taxes of $30.3 million (2021 - $12.8 million). Significant items making up the income, and changes from the prior year, are as follows:

Revenue of $89.8 million (2021 - $65.0 million) from the sale of gold concentrate and doré in Papua New Guinea. The increase in revenue is primarily due to an increase in gold ounces sold from 40,817 gold oz in YTD Q2 2021 to 50,146 gold oz in YTD Q2 2022, which includes sales of 47,590 gold oz concentrate and 2,555 gold oz doré, and higher by-product revenue from the sale of copper with 2,597,783 copper pounds in YTD Q2 2022 versus 1,257,041 copper pounds in YTD Q2 2021.

Cost of sales of $45.7 million (2021 - $41.9 million) consists of mining, processing, mine technical services, maintenance, finance and administration at site, operational health and safety, share-based payments, depreciation and net smelter royalties. Cost of sales has increased by 9% versus the comparative period primarily due to increased costs associated with the Stage 2 Expansion and an inflationary impact from both the COVID-19 pandemic and war in Ukraine. The successful ramp-up of the Stage 2 Expansion has allowed the Company to achieve better economies of scale and lower unit costs with mining activity increasing by 68% from 127,894 tonnes in YTD Q2 2021 to 214,596 tonnes in YTD Q2 2022.

Income from mine operations of $44.1 million (2021 - $23.2 million), which is calculated subtracting cost of sales from revenue.

General and administrative costs of $3.4 million (2021 – $2.3 million). The increase is primarily related to an increase in corporate hires and higher management fees and wages.

Exploration and evaluation expenditures of $6.8 million (2021 – $5.1 million) related to drilling, assaying, trenching, surveying and other related expenditures. The increase in exploration costs is related to additional exploration activity and $1.0 million in Feasibility Study costs incurred during the period.

Share-based payments of $1.7 million (2021 - $3.8 million) representing option, Restricted Share Unit ("**RSU**") and Performance Share Unit ("**PSU**") grants to directors, employees and consultants of the Company. The decrease in share-based payments relates to the timing, valuation and the number of equity instruments granted during the period.

Interest and finance expenses of $1.3 million (2021 – $0.7 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The increase is primarily due to the addition of new leases versus the comparative period.

Loss on derivative instruments of $0.3 million (2021 - gain $1.4 million) relates to realized and unrealized income on commodity contracts. Despite an overall decrease in gold prices during the period, the loss is driven by the sharp increase in gold prices during the months of February and March 2022 triggering losses on derivative contracts, which were then offset by gains on derivative contracts due to the decrease in prices from April 2022 to June 30, 2022.

Income tax expense of $11.1 million (2021 – $6.2 million) relates to current taxes and the estimated use of the deferred income tax asset.

Summary of Quarterly Results

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

(in thousands of United States Dollars, except per share amounts)		June 30, 2022 (Unaudited)		March 31, 2022 (Unaudited)		December 31, 2021 (Unaudited)		September 30, 2021 (Unaudited)
Total assets	$	302,583	$	298,784	$	273,023	$	231,698
Working capital		94,007		92,086		88,502		80,602
Shareholders' equity		253,846		242,650		225,136		206,533
Revenue		37,356		52,412		53,925		35,370
Net income		5,136		14,082		15,785		4,865
Net income per share, basic		0.02		0.06		0.07		0.02
Net income per share, diluted		0.02		0.06		0.07		0.02
		June 30, 2021 (Unaudited)		March 31, 2021 (Unaudited)		December 31, 2020 (Unaudited)		September 30, 2020 (Unaudited)
Total assets	$	224,875	$	216,443	$	215,515	$	194,597
Working capital		76,406		70,733		70,856		61,147
Shareholders' equity		197,819		186,963		181,515		164,275
Revenue		35,518		29,513		48,030		35,605
Net income (loss)		4,403		2,188		10,917		9,371
Net income (loss) per share, basic		0.02		0.01		0.05		0.04
Net income (loss) per share, diluted		0.02		0.01		0.05		0.04

Over the last eight quarters, total assets have increased due to the construction and completion of the Stage 2 Expansion and ongoing development of the Kainantu gold mine. Revenue has also increased due to the higher production of gold ounces from the Stage 2 Expansion and increased gold prices.

Results of Operations for the three months ended June 30, 2022 as compared to June 30, 2021

In Q2 2022, the Company had net earnings of $5.1 million (2021 - $4.4 million) and earnings before taxes of $8.1 million (2021 - $8.6 million). Significant items making up the earnings, and changes from the comparative period, are as follows:

Revenue of $37.4 million (2021 - $35.5 million) from the sale of gold concentrate and doré. The increase in revenue is primarily due to an increase in the quantity of gold and copper concentrate sold versus the prior quarter and the Company's first sale of gold doré which occurred during the period; offset by negative pricing adjustments to the fair value of settlement receivables.

Cost of sales of $23.2 million (2021 - $20.9 million) consists of mining, processing, mine technical services, maintenance, finance and administration at site, operational health and safety, share-based payments, depreciation and net smelter royalties. Cost of sales has increased by 11% versus the comparative period primarily due to increased costs associated with the Stage 2 Expansion and an inflationary impact from both the COVID-19 pandemic and war in Ukraine. The successful ramp-up of the Stage 2 Expansion has allowed the Company to achieve better economies of scale and lower unit costs with mining activity increasing by 59% from 72,011 tonnes in Q2 2021 to 114,471 tonnes in Q2 2022.

Earnings from mine operations of $14.2 million (2021 - $14.6 million), which is calculated subtracting cost of sales from revenue.

General and administrative of $1.6 million (2021 – $0.9 million). The increase is primarily related to an increase in corporate hires and higher management fees and wages.

Exploration and evaluation expenditures of $3.8 million (2021 – $2.6 million) related to drilling, assaying, trenching, surveying and other related expenditures. The increase in exploration costs is related to additional exploration activity and $0.4 million in Feasibility Study costs incurred during the period.

Share-based payments of $0.8 million (2021 - $2.1 million) representing option, RSU and PSU grants to directors, employees and consultants of the Company. The decrease in share-based payments relates to the timing, valuation and the number of equity instruments granted during the period.

Interest and finance expenses of $0.6 million (2021 – $0.2 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The increase is primarily due to the addition of new leases versus the comparative period.

Gain on derivative instruments of $1.2 million (2021 – loss $0.5 million) relating to realized and unrealized losses on commodity contracts. The gain is primarily driven by the decrease in gold prices from $1,933 per ounce at March 31, 2022 to $1,817 per ounce at June 30, 2022.

Income tax expense of $3.0 million (2021 – $4.1 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 oz sold.

All-in Sustaining Cost per Ounce

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

(In thousands of United States Dollars, except as noted)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Cost of Sales	$ 23,169	$ 20,948	$ 45,704	$ 41,855
Add: treatment and refining costs	1,651	1,307	3,213	2,313
Less: non-cash costs included into cost of sales	(246)	(2,155)	(727)	(3,478)
Less: depreciation	(4,626)	(3,012)	(8,928)	(6,326)
Less: by-product credits	(5,344)	(3,158)	(10,478)	(4,134)
Cash cost of sales	14,604	13,930	28,784	30,230
Add: accretion	29	48	58	96
Add: general and administrative costs	1,650	936	3,449	2,344
Add: sustaining capital expenditures[6]	4,877	5,159	9,831	10,177
Less: business development and non-sustaining costs	(12)	(48)	(118)	(122)
All-in sustaining costs	21,148	20,025	42,004	42,725
Gold ounces, sold	23,674	18,939	50,146	40,817
Cash cost per gold ounce, sold	$ 617	$ 736	$ 574	$ 741
All-in sustaining cost per gold ounce, sold	$ 893	$ 1,057	$ 838	$ 1,047

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

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

(In thousands of United States Dollars)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Income for the period	$ 5,136	$ 4,403	$ 19,218	$ 6,591
Add: Income taxes	2,981	4,148	11,058	6,212
Add: Amortization of property, plant and equipment	4,626	3,012	8,928	6,326
Add: Interest and finance expense	602	231	1,318	666
EBITDA	$ 13,345	$ 11,794	$ 40,522	$ 19,795

[6] Sustaining capital expenditures for the six months ended June 30, 2022 is the purchase of property, plant and equipment ("**PPE**") from the statement of cash flows of $30.6 million (2021 - $19.8 million), less net PPE amounts included in accounts payable related to expansion costs of $0.4 million (2021 - $Nil million), less net deposits for equipment of $0.7 million (2021 - $Nil million), less expansion costs of $19.6 million (2021 - $9.6 million).

Liquidity

As at June 30, 2022, the Company had a cash and cash equivalents balance of $81.7 million (December 31, 2021 - $71.3 million) and working capital of $94.0 million (December 31, 2021 - $88.5 million), which consisted of current assets of $131.4 million (December 31, 2021 - $121.5 million) less current liabilities of $37.4 million (December 31, 2021 - $33.0 million).

Operating Activities: In YTD Q2 2022, the Company generated $40.5 million from operating activities compared to $27.7 million for the six months ended June 30, 2021.

Investing Activities: In YTD Q2 2022, the Company paid $30.6 million (2021 – $19.8 million) for property, plant, and equipment and $4.0 million for deposits on equipment (2021 –$0.1 million).

Financing Activities: In YTD Q2 2022, the Company received $7.3 million (2021 - $2.2 million) from the exercise of stock options. The Company paid $Nil (2021 - $5.0 million) in principal loan payments and $2.3 million (2021 - $0.6 million) in principal lease payments.

The Company's financial position at June 30, 2022, and the operating cash flows that are expected over the next twelve months, are expected to be sufficient to fund operational costs, capital requirements and other commitments.

Capital Resources

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

Related Party Transactions

Key management consists of the Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**"), and the Board of Directors. During the below period, compensation paid or accrued to key management or companies they controlled is presented in the table below:

(In thousands of United States Dollars) Six months ended	June 30, 2022	June 30, 2021
Share-based compensation	$ 995	$ 1,680
Management, consulting and wages	1,246	702
Professional fees	6	34

Included in accounts payable and accrued liabilities is $0.3 million (December 31, 2021 - $0.3 million) due to Mining, Processing and Project Consulting Pty Ltd. which is owned by the CEO and Director for management services; $0.2 million (December 31, 2021 - $0.2 million) due to the CFO for management services; and $Nil (December 31, 2021 - $0.1 million) due to the law firm Gowling WLG (Canada) LLP, where one director of the Company is a partner, for professional fees in the normal course of business, non-interest bearing and due on demand.

Outstanding Share Data

As at the date of this report the Company had 226,870,937 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	1,320,000	1,320,000	0.73	0.5
1.00 – 1.99	2,171,750	2,171,750	1.77	1.90
2.00 – 2.99	235,000	235,000	2.17	2.28
3.00 – 3.99	1,203,000	1,203,000	3.85	2.48
4.00 – 4.99	10,200	10,200	4.00	2.87
5.00 – 9.99	4,955,900	4,955,900	7.28	3.36
	9,895,850	9,895,850	4.66	2.53

Subsequent Events

Subsequent to June 30, 2022, the Company:

a) Completed a bought deal financing whereby the Company issued 5,405,500 common shares at a price of CAD$9.25 per common share for gross proceeds of CAD$50.0 million ($38.3 million). The Company paid CAD$2.5 million ($1.9 million) in cash commissions and CAD$0.5 million ($0.4 million) in professional fees related to the financing.

b) Paid $4.8 million in instalment taxes to the Papua New Guinea government.

Off-Balance Sheet Arrangements

At June 30, 2022, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

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

Significant Accounting Judgements, Estimates and Assumptions

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

The Company's significant accounting judgements, estimates and assumptions are the same as those disclosed in the Company's annual consolidated financial statements for the year ended December 31, 2021.

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, 2021, except for:

Revenue Recognition

Revenue associated with the sale of gold doré is recognized when control of the asset is transferred to the buyer. Indicators of the transfer of control include a present right to payment, legal title, transferred physical possession, transfer of significant risks and rewards, and acceptance of the asset. For the Company's sale of gold doré, transfer of control occurs on settlement, which is also the date that title to the gold doré passes to the buyer.

During the six months ended June 30, 2022, the Company completed its first sale of gold doré for sales proceeds of $4.6 million.

Financial Instruments and Risk Management

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

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

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

As at	At June 30, 2022		At December 31, 2021	
	Level 1	Level 2	Level 1	Level 2
Trade receivables	$ -	$ 11,322	$ -	$ 16,748
Derivative assets	-	500	-	118
Derivative liabilities	-	(191)	-	(425)
	$ -	$ 11,631	$ -	$ 16,441

The fair value of the Company's trade receivables and derivative liabilities was determined using observable market prices and market-derived inputs. There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2022.

As at June 30, 2022 and December 31, 2021, the carrying amounts of cash and cash equivalents, prepaids, 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 Control Over Financial Reporting and Disclosure Controls and Procedures

Disclosure Controls and Procedures

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

There were no changes to the Company's disclosure controls and procedures during the six months ended June 30, 2022 that have materially affected, or are likely to materially affect, the Company's disclosure controls and procedures and therefore these controls and procedures remain effective.

Internal Controls over Financial Reporting

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

There were no changes to the Company's internal controls over financial reporting during the six months ended June 30, 2022 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting and therefore these controls remain effective.

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

Cautionary Statement Regarding Certain Measures of Performance

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

Note Regarding Forward-Looking Statements

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

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

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

This MD&A contains certain forward-looking statements inclusive of, but not limited to, timing of the mine development, twin incline construction, metals production, cash costs, all-in sustaining costs, exploration costs and growth capital costs. Although forward-looking statements and information contained in this MD&A are based on the beliefs of K92 management, which we consider to be reasonable, as well as assumptions made by and information currently available to K92 management, there is no assurance that the forward-looking statement or information will prove to be accurate. The assumptions made include assumptions about K92's ability to move forward with the development and mine expansion arrangements. The forward-looking statements and information contained in this MD&A are subject to current risks, uncertainties and assumptions related to certain factors including, without limitations, obtaining all necessary approvals, feasibility of the Company's mine and plant development in PNG, 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 identified and described in more detail under the heading "Risk Factors" in the Company's most recent Annual Information Form, which may be viewed at www.sedar.com. Should any one or more of these risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements and information may vary materially from those described herein.

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

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

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