("K92" or "the Company")

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 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 year ended December 31, 2022. The MD&A takes into account information available up to and including March 29, 2023 and should be read together with the audited consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), 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 ounce and per share amounts)		Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Operating data					
Ore mined	t	111,448	108,461	448,079	320,091
Ore processed	t	121,686	99,713	448,087	336,221
Feed grade	g/t	8.8	11.2	8.3	9.8
Gold produced	Oz	31,204	33,220	107,546	95,055
Gold equivalent produced[1]	Oz	35,538	36,145	122,806	104,196
Gold sold	Oz	35,212	30,068	110,654	92,560
Cash costs per gold ounce sold[2]	$/Oz	512	456	538	614
All-in sustaining costs per gold ounce sold[2]	$/Oz	870	672	864	856
Financial data					
Revenue	$	61,980	53,925	188,186	154,326
Cost of sales	$	29,784	21,310	96,272	83,297
Net income	$	13,251	15,785	35,523	27,241
Cash flow from operating activities	$	21,122	26,549	73,128	61,216
Cash, ending balance	$	109,938	71,270	109,938	71,270
Basic earnings per share	$/sh	0.06	0.07	0.16	0.12
Diluted earnings per share	$/sh	0.06	0.07	0.15	0.12

Performance Summary

Operational – Year Ended December 31, 2022

- **Record gold production** of 107,546 gold ounces or 122,806 gold equivalent ("**AuEq**") ounces in 2022, within the guidance range of 115,000 to 140,000 AuEq ounces. This represents a 13% increase from the previous year's production of 95,055 gold ounces or 104,196 AuEq ounces. During the three months ended December 31, 2022 ("**Q4 2022**"), the Company also achieved strong gold production, the second highest on record, of 31,204 gold oz or 35,538 AuEq oz.[1]

- **Record ore mined** of 448,079 tonnes in 2022. This represents a 40% increase from the prior year, in which 320,091 tonnes were mined. In Q4 2022, mining recorded 111,448 tonnes of ore mined, representing a 3% increase over the same quarter in the prior year.

- **Record ore processed** of 448,087 tonnes in 2022. This represents a 33% increase from the previous year, in which 336,221 tonnes were processed. The Company also achieved record ore processed of 121,686 tonnes in Q4 2021, representing a 22% increase from the same quarter in the prior year.

- **Record daily throughput** of 1,714 tonnes on December 25, 2022. During November 2022, the Company also achieved throughput of 1,382 tpd, which is above the Stage 2A Expansion run-rate of 1,370 tpd. Importantly, these records were achieved prior to the commissioning of a major Stage 2A Expansion plant upgrade, the flotation expansion, which is planned for H1 2023.

- **Record overall mine development** of 7,474 metres, a 31% increase from 2021. Twin incline development advance also made significant progress, exceeding the budget by +52% during 2022. As of December 31, 2022, incline #2 (6m x 6.5m) advanced to 1,843 metres and #3 (5m x 5.5m) advanced to 1,811 metres.

- **Head grade** of 8.25 g/t gold and 0.70% copper and 11.62 g/t silver (9.45 g/t AuEq) in 2022. Metallurgical recoveries averaged 90.4% for gold and 90.5% for copper in 2022, with recoveries expected to improve upon the commissioning of the flotation expansion in the first half of 2023.

[1] Gold equivalent in 2022 calculated based on gold $1,793 per ounce (2021 - $1,800), silver $22 per ounce (2021 - $25) and copper $3.95 per pound (2021 - $4.35). Gold equivalent in Q4 2022 calculated based on gold $1,728 per ounce, silver $21 per ounce and copper $3.63 per pound.

- **Cash costs** averaged $538 per gold ounce in 2022 versus $614 per gold ounce in 2021.[2] The decrease in cash costs was primarily due to the successful ramp-up of the expansion allowing the Company to achieve better economies of scale and a 20% increase in gold oz sold from 92,560 oz gold in 2021 to 110,654 oz gold in 2022.

- **All-in sustaining costs** averaged $864 per gold ounce in 2022 versus $856 per gold ounce in 2021 as a result of higher sustaining capital expenditures, offset by the lower cash costs noted above.[2]

Financial – Year Ended December 31, 2022

- **Revenue** of $204.3 million in 2022 compared to $165.7 million in 2021, before pricing and quantity adjustments. Net revenue of $188.2 million in 2022 compared to $154.3 million in 2021, which includes pricing adjustments to the fair value of settlement receivables. Sales of gold in concentrate and doré increased by 20% to 110,654 oz in 2022 from 92,560 in 2021 resulting in $31.2 million in higher revenues and by-product revenue increased by $10.9 million primarily from the sale of copper with 6,072,879 copper pounds in 2022 versus 3,095,208 copper pounds in 2021. This was offset by $2.0 million in higher treatment charges due to the increase in concentrate sold and a 0.8% decrease in average payable gold prices from $1,724 in 2021 to $1,711/oz in 2022 resulting in $1.4 million in lower revenues.[3]

- **Record cash position** of $109.9 million at December 31, 2022 compared to $71.3 million at December 31, 2021. In 2022, the Company spent $42.4 million in expansion capital (2021- $23.0 million)[4] and raised $36.0 million (net of share issuance costs) in a bought deal financing.

- **Operating cash flow** (prior to working capital adjustments) of $72.5 million in 2022 compared to $59.8 million in 2021.[5]

- **Gross margins** before (after) pricing adjustments of 53% (49%) in 2022 compared to 50% (46%) in 2021.[6]

- **EBITDA** of $82.2 million in 2022 compared to $62.2 million in 2021.[2]

- **Income Tax payments** of $15.8 million in 2022 compared to $13.1 million in 2021.

Expansion – Year Ended December 31, 2022

- On September 12, 2022, announced the results of its Integrated Development Plan ("**IDP**") for its Kainantu Gold Mine Project. The IDP comprises two scenarios:
  - Kainantu Stage 3 Expansion Definitive Feasibility Study Case ("**DFS**" or "**DFS Case**")
    - The DFS Case evaluates the Stage 3 Expansion to 1.2 million tonnes per annum ("**mtpa**"), representing a 140% throughput increase from the Stage 2A Expansion.
    - Stage 3 involves a new standalone 1.2 mtpa process plant and supporting infrastructure constructed with mining focused on the Kora Central Zone within the Kora Deposit and Judd Deposit, utilizing a cut-off grade of 3.0 g/t AuEq.
    - After-tax NPV5% of $586 million at $1,600 per ounce gold, with no internal rate of return ("**IRR**") as the project generates cashflow during construction. After-tax NPV5% of $855 million at $2,000 per ounce gold.
    - Average annual run-rate production of 290,771 ounces AuEq per annum, run-rate achieved in 2025 and a peak annual production of 308,793 ounces AuEq in 2026.

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

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

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

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

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

    - Life of Mine average cash costs of $366 per gold ounce and all-in sustaining cost ("**AISC**") of $545 per gold ounce over a 7-year mine life.
    - Growth capital cost of $177 million, sustaining capital cost prior to commissioning of $125 million and life of mine sustaining capital cost of $218 million.

  - <u>Kainantu Stage 4 Expansion Preliminary Economic Assessment Case ("**PEA**" or "**PEA Case**")</u>
    - The alternate PEA Case evaluates two-stages of expansions to a run-rate throughput of 1.7 mtpa, representing a 240% throughput increase from the Stage 2A Expansion.
    - Stage 4 involves two standalone process plants, larger surface infrastructure and mining throughputs achieved through mining Kora Upper, Lower, and Central Zones within the Kora Deposit, and the Judd Deposit, utilizing a cut-off grade of 4.5 g/t AuEq.
    - After-tax NPV5% of $1.3 billion at $1,600 per ounce gold with no IRR as the project generates cashflow during construction. After-tax NPV5% of $1.8 billion at $2,000 per ounce gold.
    - Average annual run-rate production of 405,661 ounces AuEq per annum, run-rate achieved in 2027 and a peak annual production of 500,192 ounces AuEq in 2027.
    - Life of Mine average cash costs of $275 per gold ounce and AISC of $444 per gold ounce over an 11-year mine life.
    - Growth capital cost of $187 million, sustaining capital cost until operating both process plants of $235 million and life of mine sustaining capital cost of $429 million.

- 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 deducting 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 13 drill rigs operating at Kora, Kora South, Judd 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 in the first half of 2023. 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.

- On December 6, 2022, announced that the Government of Papua New Guinea has granted an extension of Mining Lease 150 for the Kainantu Gold Mine in Papua New Guinea for a period of 10 years to June 13, 2034. In conjunction with this announcement, the board of directors for K92 have approved Stage 3 and Stage 4 expansions, which will increase the annual processing throughput to 1.2 million metric tons per year and 1.7 million metric tons per year, respectively. This represents a 140% increase and 240% increase, respectively, from the Stage 2A processing capacity of 500,000 metric tons per year. The current Stage 2A expansion is already operating at its intended throughput, with the addition of flotation cells to double rougher capacity scheduled for the first half of 2023.

Corporate – Year Ended December 31, 2022

- 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.

- Achieved first sales of gold doré. The Company sold 6,691 gold oz doré in the year ended December 31, 2022 for total proceeds of $11.9 million.

- Announced inclusion in the Toronto Stock Exchange's 2022 TSX30, a flagship program recognizing the 30 top-performing stocks over a three-year period based on dividend-adjusted share price appreciation. The Company ranked 11th on the 2022 list based on a share price appreciation of 337% over the three-year period.

- 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 29,842 gold oz hedged at December 31, 2022. The Company currently hedges out three months to cover fluctuations during the Quotational Period. The Company recognized a $1.5 million loss on derivative instruments in the year ended December 31, 2022 related to these short-term commodity contracts.

2022 Production Data

		2022				
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Tonnes processed	t	99,611	108,853	117,938	121,686	448,087
Feed grade Au	g/t	8.3	7.2	8.7	8.8	8.3
Feed grade Cu	%	0.76	0.56	0.72	0.74	0.70
Recovery (%) Au	%	90.9	91.0	88.9	91.2	90.4
Recovery (%) Cu	%	91.1	90.9	88.4	91.8	90.5
Metal in concentrate produced Au	oz	24,152	22,934	29,256	31,204	107,546
Metal in concentrate produced Cu	t	692	558	756	829	2,834
Metal in concentrate produced Ag	oz	28,142	25,224	32,161	40,517	126,043
Gold equivalent ounces produced	oz	28,188	26,085	32,995	35,538	122,806

2023 Operational Outlook

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

- Cash costs between $620 - $680 per ounce gold and all-in sustaining costs between $1,180 - $1,300 per ounce gold. The increase from 2022 is driven predominantly by accelerating sustaining capital and development expenditures related to the Stage 3 and 4 Expansions, in addition to sustaining capital items originally scheduled for 2022 arriving in 2023 due to supply chain delays.

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

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

Operations

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

During Q4 2022, the Company produced 31,204 ounces of gold, 1,827,085 pounds of copper and 40,517 ounces of silver, or 35,538 AuEq oz. Annual production achieved a record of 122,806 oz AuEq or 107,546 oz gold, 6,247,950 pounds of copper and 126,043 oz silver, achieving the guidance range of 115,000 to 140,000 oz AuEq.

During Q4 2022, the process plant delivered record quarterly ore processed of 121,686 tonnes or 1,323 tpd, an increase of 22% from Q4 2021. On an annual basis, a record 448,087 tonnes of ore was processed, increasing 33% from 2021. Importantly, in November, the process plant achieved record monthly throughput of 1,382 tpd, greater than the Stage 2A Expansion run-rate of 1,370 tpd. The strong throughput is especially significant as the final Stage 2A Expansion plant upgrade is not yet complete, with the flotation expansion that will double rougher capacity expected to be commissioned in H1 2023.

Mine performance during Q4 2022 recorded 111,448 tonnes of ore mined, and delivered a total material mined (ore plus waste) record of 287,446 tonnes, representing an increase of 28% from Q4 2021. On an annual basis, material movements of 448,079 tonnes of ore mined and 994,175 tonnes of total material mined both achieved records, increasing 40% and 25% from 2021, respectively. During the quarter, long hole stoping continued to perform to the design, with operations focused on Kora's K1 and K2 veins, and Judd's J1 Vein for a total of 11 levels mined. Mining on Kora was conducted on the 1130, 1150, 1170, 1205, 1245, 1265 and 1285 levels, and Judd on the 1235, 1265, 1285 and 1305 levels.

The operation delivered head grades of 8.75 g/t gold, 0.74% copper and 13.31 g/t silver (9.98 g/t AuEq) in Q4 2022. Metallurgical recoveries averaged 91.2% for gold and 91.8% for copper during the quarter, with recoveries expected to improve upon the commissioning of the flotation expansion in H1 2023.

In Q1, 2023, the Company's process plan experienced two notable unplanned maintenance events that cumulatively will have an impact on production. First, one of the mill trunnion bearings failed, requiring immediate replacement and resulted in two days of downtown. Second, a limited electrical fire in a cable tray resulted in damage to a number of cables feeding the wet section of the process plant. The cables were all replaced, and the plant was brought back on-line and has operated normally since restarting. Total downtime was eight days and although Q1, 2023 production will be impacted, the Company does not expect the downtime to impact 2023 guidance.

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 and TC-1000 secondary/tertiary crusher have been installed and are operational, while the flotation expansion that will double rougher capacity is expected to be commissioned in H1 2023. The plant expansion is estimated to cost $2.5 million.

Twin Incline

Twin incline development continues to make significant progress with incline #2 (6m x 6.5m) advanced to 1,843 metres and incline #3 (5m x 5.5m) advanced to 1,811 metres. Year-to-date, twin incline development has advanced 52% higher than budget. Overall, record mine development was achieved in Q4 2022, advancing 2,221 metres (including the twin incline), a 45% increase from Q4 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 Vein System

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 104 drill holes have been completed into the Kora Vein System since those used in the Mineral Resource Estimates (effective date of October 31, 2021). Additionally, from surface drilling, multiple new intercepts into several of the Kora and Judd lodes have been encountered. Drilling density is suitable for both resource definition and expansion. The latest mineral resource estimate (both for Kora and Judd) was the basis for the Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea.

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

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

Please see the Company's news release, dated February 21, 2023, '*K92 Mining Announces Latest High-Grade Gold & Copper Drill Results at Kora-Kora South and Judd-Judd South; Multiple Dilatant Zones Intersected*' for the most recent results from the underground and surface diamond drilling programs.

Judd Vein System

The Judd Vein System at the Kainantu gold mine continues to be explored. The System is sub parallel in orientation to the Kora Vein System and is located approximately 90 to 150m east of Kora within 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 (inclusive of Judd South) has been drilled. Additionally, from surface drilling, multiple new intercepts into several of the Judd and Kora veins have been encountered.

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 February 21, 2023, '*K92 Mining Announces Latest High-Grade Gold & Copper Drill Results at Kora-Kora South and Judd-Judd South; Multiple Dilatant Zones Intersected*'. Since the Judd maiden resource estimate (effective date of December 31, 2021) a total 145 additional holes have been drilled from underground.

There are now four levels established on the J1 Vein, these are, the 1235, 1265, 1285 and 1305 Levels. Production from J1 in the form of long hole stoping is ongoing.

Surface Exploration

Exploration drilling was carried out at Kora South/Judd South (EL470), at Judd (ML150) and at Bankanune Prospect (EL693) during Q4, 2022, with a fifth diamond rig joining the existing four in November, 2022. A total of 20 drill holes were completed during the quarter and two additional holes commenced, for a total of 7,892.1 metres.

As well as ongoing sampling and mapping at Kora / Judd South, intensive surface geological and geochemistry orientated programs continued at Kora / A1 Transfer (EL470), A1 (EL470) and Yarr Tree (EL2619).

Kora South/Judd South (EL470)

Exploration at Kora South/Judd South continued throughout Q4, 2022, with two diamond rigs testing step outs of the known lodes as well as resource definition infill holes at approximately 100m centers. A total of 10 drill holes were completed at Kora South/Judd South, with 3,587.3 metres drilled. The program focused on dilatant zones, in both the Kora and Judd lodes, which are expanding with additional drilling pierce point intervals. In particular, drillholes KUDD0032, KUDD0033, KUDD0035 and KUDD0038 recorded exceptionally wide, high grade intervals (see the Company's news release dated February 21, 2023, '*K92 Mining Announces Latest High-Grade Gold & Copper Drill Results at Kora-Kora South and Judd-Judd South; Multiple Dilatant Zones Intersected*'.

Importantly, all drill holes at both Kora South and Judd South intersected mineralization. KUDD0035 is particularly significant as it represents the first dilatant zone to be intersected from the K1 Vein.

Judd Vein [Upper] Expansion (ML150)

Two drill rigs continued testing the Judd Vein System within ML150. The drilling is testing the zone above the existing Judd resource. A total of eight drill holes were completed at Judd, with 3,657.5 metres drilled.

Drilling from surface into Judd on the mining lease includes multiple highlights, such as KODD0024 recording multiple intersections including 1.06 m at 0.94 g/t Au, 30 g/t Ag and 5.96% Cu (10.89 g/t AuEq, 0.74 m true width) from the J1 Vein and KODD0026 recording multiple intersections including 5.40 m at 56.46 g/t Au, 2 g/t Ag and 0.17% Cu (56.76 g/t AuEq, 3.46 m true width) from the J1 Vein. These results continue to demonstrate that the vein system remains open at depth, to surface and along strike.

Bankanune (EL693)

A small drilling program was commenced to test the extent of copper and gold bearing quartz veins mapped within artisanal workings. A single drill hole, KBDD0001, was completed to 647.3m. Results were pending at the date of the MD&A.

Kora / A1 Transfer (EL470)

Expansion of a 100m spaced soil in geochemistry grid to the south of Kora / Judd revealed a prominent NNE trending zone of relatively high gold values (>100 ppb Au), over an area of approximately 800m strike and >100m in width. This transfer structure will be targeted with drilling in H1, 2023.

A1 (EL470)

South of the Kora / A1 Transfer corridor, a very large (>600m diameter) copper in soil geochemistry anomaly has been recognized, which is partially coincident with a ridge shedding massive silica float, typical of a porphyry lithocap environment. An extensive lithocap, with advanced argillic alteration prominent over an area of some 20km^2, spans from Blue Lake to the A1 Prospect. Based also on the conductivity and magnetic response from the Mobile MT geophysics completed in late-2021, A1 represents our highest priority porphyry target and drilling is planned for H1, 2023.

Yarr Tree (EL2619)

Two substantial coincident gold and copper anomalies have been recognized, that are distantly aligned with the NW arc-parallel structures that host the Kora and Judd deposits. Selective infill soil geochemical sampling, as well as more detailed geological mapping and rock chip sampling, has resumed at Yarr Tree, with the intent of defining drill targets to be tested in the second half of 2023.

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 2023.

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. This agricultural program has been a success with the local community having the ability to provide fresh produce to the camp dining room and selling any additional produce to a local catering company based in Lae, Papua New Guinea. The Company is planning to expand this project to other larger tracts of land, scaling the benefits and providing the local community with a larger, sustainable business. In addition, in 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, advanced the road upgrade project from the Unantu Bridge to a local community village, and launched K92 FM radio broadcasting to local communities, providing a range of information including local music, community announcements, English language learning, agricultural advice, K92 Mining news, and world news.

The Company has created multiple business opportunities for communities to benefit from the operation of the mine. These include four major joint venture contracts between the communities and PNG companies for the provision of services as well as numerous smaller contracts with local communities. The major contracts include Catering and Camp Management, Security, Road Transportation and Ancillary Mobile. During the year ended December 31, 2022, these contracts earned $21.3 million supporting the local community.

The Company provides scholarships to support children of 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 August 22, 2022, the Company published its 2021 Sustainability Report – which outlined the environmental, social and governance ("**ESG**") practices and performance of the Company. See the "2021 Sustainability Report" filed on the Company's website.

The following summarizes the ESG highlights in the 2021 Sustainability Report:

- **14% year-over-year increase** in corporate tax and second-largest taxpayer in the mining industry in Papua New Guinea ($13.0 million paid in corporate tax).
- **95% of workforce and 98% of contractors** are PNG Nationals with priority hiring from local communities.
- **$0.9 million in total community investment**.
- **14% year-over-year Lost Time Incident (LTI) frequency reduction** and once again operating with one of the best safety records in the Australasian region.
- **~50% lower carbon intensity** per gold equivalent ounce produced compared to the global average.[7]
- **1.5 million PGK ($450,000) from the COVID-19 Assistance Fund** supporting Papua New Guinea National Government, Eastern Highlands and Morobe Provincial Governments and local communities' efforts in response to the COVID-19 pandemic.
- **Environment, Health, Safety, Social and Sustainability Committee of the Board** was established to provide oversight with respect to environment, climate change, health, safety, social, sustainability, and other public policy matters relevant to the Company.
- **Beginning alignment with the Task Force of Climate-related Disclosures ("TCFD") recommendations** by conducting a climate risk and opportunity assessment to support a low carbon transition and to build climate resilience, developing a road map for improved climate management practices.
- **10 million tree program participant** supporting Papua New Guinea's goal of planting one million new trees per year until 2030 and delivered 10,000 tree seedlings to schools around the Kainantu mine in 2021.
- **63% of total expenditures locally procured since start of operations**, supporting the long-term development of locally-owned businesses, which earned $15.5 million in 2021.
- **Establishment of Diversity and Inclusion Policy** to formalize our stance on embracing individuality and differences, and expectations of our people.
- **Human Rights Policy established** to confirm our commitment to respecting the human rights and dignity of all individuals within our operations, supply chain, and communities in which we operate.
- **Sustainable Agriculture Livelihoods program expanded**, employing ~80% women to provide them with active income and business skills, and committing $0.3 million to establish a new market complex in the town of Kainantu to encourage commerce.
- **Strong commitment to education and training**, including a 160,074 PGK ($46,000) contribution to post-secondary scholarships for 48 qualifying students, a $13,600 investment in business training for 489 impacted landowners and community members, and 96 students graduating from our Adult Literacy Program in 2021. Three additional scholarships were awarded to the top 3rd year students in Mining Engineering, Metallurgy and Mineral processing, and in 2022, addition of a Women in Mining Scholarship.
- **Community access to clean water increased** through an investment of $37,500 (materials, excludes labour cost) and commitment to providing impacted communities with fresh water by improving water lines and installing new water supply systems.

In addition, the Company is also continuing to push forward on several ESG initiatives, including further improving our external reporting measures as well as integrating a forecast of our greenhouse gas emissions for our Stage 3 and Stage 4 Expansions.

[7] Based on S&P Global Market Intelligence 2020 data on a gold produced basis.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the consolidated financial statements.

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Net income	$ 35,523	$ 27,241	$ 42,034
Revenue	188,186	154,326	159,125
Basic income per share	0.16	0.12	0.19
Diluted income per share	0.15	0.12	0.19
Total assets	370,715	273,023	215,515
Working capital	125,171	88,502	70,856
Total non-current liabilities	13,251	14,871	4,350

Results of Operations for the year ended December 31, 2022 as compared to December 31, 2021

During the year ended December 31, 2022, the Company had net earnings of $35.5 million (2021 – $27.2 million) and earnings before taxes of $59.8 million (2021 - $46.6 million). Significant items making up the earnings, and changes from the prior year, are as follows:

Revenue of $188.2 million (2021 - $154.3 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 92,560 gold oz in 2021 to 110,654 gold oz in 2022, which includes sales of 103,963 gold oz concentrate and 6,691 gold oz doré, and higher by-product revenue from the sale of copper with 6,072,879 copper pounds in 2022 versus 3,095,208 copper pounds in 2021.

Cost of sales of $96.3 million (2021 - $83.3 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. Despite a 16% increase in cost of sales due to expenses associated with the operation of the Stage 2 Expansion, the Company achieved better economies of scale and lower unit costs attributable to the expansion's successful ramp-up. As a result, operational activity increased by 33%, with ore tonnes processed rising from 336,221 in 2021 to 448,087 in 2022.

Earnings from mine operations of $91.9 million (2021 - $71.0 million), which is calculated subtracting cost of sales from revenue.

General and administrative costs of $6.8 million (2021 – $6.1 million). The increase is primarily related to an increase in travel costs as travel restrictions related to the Covid-19 pandemic were reduced.

Exploration and evaluation expenditures of $16.2 million (2021 – $12.0 million) related to drilling, assaying, trenching, surveying and other related expenditures. The increase in exploration costs is related to additional exploration activity and $1.4 million in Feasibility Study costs incurred during the year.

Foreign exchange loss of $2.3 million (2021 - $0.2 million). The foreign exchange loss is mainly due to the weakening of the Canadian dollar against the US dollar on cash and cash equivalent balances held in Canadian dollars.

Share-based payments of $3.2 million (2021 - $5.2 million) representing stock 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 $3.3 million (2021 – $1.8 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The increase is primarily due to the addition of new leases and higher interest rates on concentrate sales.

Interest income of $1.2 million (2021 – $0.2 million) representing interest income earned on cash and cash equivalent balances. The increase in interest income is due to higher interest rates and a larger cash balance versus the comparative period.

Loss on derivative instruments of $1.5 million (2021 – gain $0.7 million) relates to realized and unrealized income on commodity contracts. The loss is primarily due to the increase in gold prices over a short period of time in late 2022.

Income tax expense of $24.2 million (2021 – $19.4 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)	December 31, 2022 (Unaudited)	September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	March 31, 2022 (Unaudited)
Total assets	$ 370,715	$ 344,308	$ 302,583	$ 298,784
Working capital	125,171	120,064	94,007	92,086
Shareholders' equity	309,306	294,096	253,846	242,650
Revenue	61,980	36,438	37,356	52,412
Net earnings	13,251	3,054	5,136	14,082
Net earnings per share, basic	0.06	0.01	0.02	0.06
Net earnings per share, diluted	0.06	0.01	0.02	0.06
	December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	June 30, 2021 (Unaudited)	March 31, 2021 (Unaudited)
Total assets	$ 273,023	$ 231,698	$ 224,875	$ 216,443
Working capital	88,502	80,602	76,406	70,733
Shareholders' equity	225,136	206,533	197,819	186,963
Revenue	53,925	35,370	35,518	29,513
Net earnings (loss)	15,785	4,865	4,403	2,188
Net earnings (loss) per share, basic	0.07	0.02	0.02	0.01
Net earnings (loss) per share, diluted	0.07	0.02	0.02	0.01

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

Results of Operations for the three months ended December 31, 2022 as compared to December 31, 2021

During the three months ended December 31, 2022, the Company had net earnings of $13.3 million (2021 – $15.8 million) and earnings before taxes of $23.3 million (2021 - $24.8 million). Significant items making up the earnings, and changes from the prior year, are as follows:

Revenue of $62.0 million (2021 - $53.9 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 and the sale of gold doré which did not occur in the prior period; offset by a decrease in gold prices versus the comparative period.

Cost of sales of $29.8 million (2021 - $21.3 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 increased by 40% versus the comparative period, driven primarily by increased costs associated with the operation of the Stage 2 Expansion. As a result, operational activity has increased from 99,713 tonnes of ore processed in Q4 2021 to 121,686 tonnes in Q4 2022

Earnings from mine operations of $32.2 million (2021 - $32.6 million), which is calculated subtracting cost of sales from revenue.

Exploration and evaluation expenditures of $5.0 million (2021 – $3.8 million) related to drilling, assaying, trenching, surveying and other related expenditures. The increase in exploration costs is related to additional exploration activity versus the comparative period.

Foreign exchange gain of $0.6 million (2021 - $30 thousand). The foreign exchange gain is mainly due to the strengthening of foreign currency balances against the US dollar.

Share-based payments of $0.7 million (2021 - $0.2 million) representing option, RSU and PSU grants to directors, employees and consultants of the Company. The increase in share-based payments relates to the timing, valuation and the number of equity instruments granted during the period.

Interest and finance expenses of $1.1 million (2021 – $0.7 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The increase is primarily due to higher interest rates on concentrate sales.

Interest income of $0.7 million (2021 – $37 thousand) representing interest income earned on cash and cash equivalent balances. The increase in interest income is due to higher interest rates and a larger cash balance versus the comparative period.

Loss on derivative instruments of $1.8 million (2021 – $0.4 million) relating to realized and unrealized losses on commodity contracts. The loss is primarily driven by the increase in gold prices during Q4 2022 from $1,664 per ounce at September 30, 2022 to $1,812 per ounce at December 31, 2022.

Income tax expense of $10.0 million (2021 – $9.0 million) relates to current taxes and the estimated use of the deferred income tax asset in Papua New Guinea.

Non-IFRS Performance Measures

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

Cash Costs per Ounce

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

All-in Sustaining Cost per Ounce

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

(In thousands of United States Dollars, except as noted)	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Cost of Sales	$ 29,784	$ 21,310	$ 96,272	$ 83,297
Add: treatment and refining costs	2,140	1,427	7,103	5,128
Less: non-cash costs included into cost of sales	(352)	(961)	(1,343)	(6,368)
Less: depreciation	(6,924)	(4,185)	(20,340)	(13,958)
Less: by-product credits	(6,605)	(3,895)	(22,153)	(11,250)
Cash cost of sales	18,043	13,696	59,539	56,849
Add: accretion	29	47	116	190
Add: general and administrative costs	1,755	2,726	6,811	6,081
Add: sustaining capital expenditures[8]	10,826	3,800	29,321	16,350
Less: business development	(20)	(73)	(149)	(256)
All-in sustaining costs	30,633	20,196	95,638	79,214
Gold ounces, sold	35,212	30,068	110,654	92,560
Cash cost per gold ounce, sold	$ 512	$ 456	$ 538	$ 614
All-in sustaining cost per gold ounce, sold	$ 870	$ 672	$ 864	$ 856

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 December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Income for the period	$ 13,251	$ 15,785	$ 35,523	$ 27,241
Add: Income taxes	10,013	9,014	24,248	19,354
Add: Amortization of property, plant and equipment	6,924	4,185	20,340	13,958
Add: Interest and finance expense	1,052	715	3,335	1,819
Less: Interest income	(702)	(37)	(1,220)	(166)
EBITDA	$ 30,538	$ 29,662	$ 82,226	$ 62,206

Liquidity

As at December 31, 2022, the Company had a cash and cash equivalents balance of $109.9 million (December 31, 2021 - $71.3 million) and working capital of $125.2 million (December 31, 2021 - $88.5 million) [9], which consisted of current assets of $173.3 million (December 31, 2021 - $121.5 million) less current liabilities of $48.2 million (December 31, 2021 - $33.0 million).

Operating Activities: During the year ended December 31, 2022, the Company generated $73.1 million from operating activities (2021 - $61.2 million).

[8] Sustaining capital expenditures for the year ended December 31, 2022 is the purchase of property, plant and equipment ("PPE") from the statement of cash flows of $67.4 million (2021 - $37.9 million), plus other sustaining expenditures of $4.6 million (2021 - $Nil), less net PPE amounts included in accounts payable related to expansion costs of $0.2 million (2021 - positive $0.4 million), less net deposits for equipment $0.1 million (2021 - positive $1.0 million), less expansion costs of $42.4 million (2021 - $23.0 million).

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

Investing Activities: During the year ended December 31, 2022, the Company paid $67.4 million (2021 - $37.9 million) for property, plant, and equipment and $4.3 million for deposits on equipment (2021 – $1.9 million).

Financing Activities: During the year ended December 31, 2022 the Company received $8.3 million (2021 - $5.3 million) from the exercise of stock options and $36.0 million (2021 - $Nil) in net proceeds from a bought deal financing. The Company paid $Nil (2021 - $5.0 million) in principal loan payments and $4.9 million (2021 - $2.0 million) in principal lease payments.

The Company's financial position at December 31, 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, debt repayments and other commitments.

Capital Resources

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

Related Party Transactions

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

(In thousands of United States Dollars) Year ended	December 31, 2022	December 31, 2021
Share-based compensation	$ 3,015	$ 2,866
Management, consulting and wages	3,612	2,469
Professional fees	257	108

Included in accounts payable and accrued liabilities is $0.9 million (December 31, 2021 - $0.9 million) due to key management of the Company, of which $0.3 million (December 31, 2021 - $0.3 million) is due to Mining, Processing and Project Consulting Pty Ltd. which is owned by the CEO and Director for management services and $0.2 (December 31, 2021 - $0.1 million) is due to the law firm Gowling WLG (Canada) LLP, where one director of the Company is a partner, for professional fees in the normal course of business, non-interest bearing and due on demand.

Outstanding Share Data

As at the date of this report the Company had 233,852,791 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	430,000	430,000	0.84	0.13
1.00 – 1.99	1,836,750	1,836,750	1.77	1.28
2.00 – 2.99	235,000	235,000	2.17	1.65
3.00 – 3.99	1,121,000	1,121,000	3.85	1.86
4.00 – 4.99	10,200	10,200	4.00	2.24
5.00 – 9.99	4,807,900	4,807,900	7.28	2.73
	8,440,850	8,440,850	5.15	2.14

Off-Balance Sheet Arrangements

At December 31, 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 disclosed in Note 2 of the audited Consolidated Financial Statements for the year ended December 31, 2022.

Significant Accounting Policies

The Company's accounting policies are presented in Note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2022 and have been consistently applied in the preparation of the audited consolidated financial statements.

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 December 31, 2022		At December 31, 2021	
	Level 1	Level 2	Level 1	Level 2
Trade receivables	$ -	$ 15,462	$ -	$ 16,748
Derivative assets	-	-	-	118
Derivative liabilities	-	(1,747)	-	(425)
	$ -	$ 13,715	$ -	$ 16,441

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 year ended December 31, 2022.

As at December 31, 2022 and 2021, the carrying amounts of cash and cash equivalents, other receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

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

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.

The Company's management, including the CEO and CFO, have evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2022 and have concluded the Company's disclosure controls and procedures are effective and provide reasonable assurance material information is communicated to them by others within the Company on a timely basis.

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 International Accounting Standards Board. As at December 31, 2022, the Company's CFO and CEO have assessed the Company's internal controls over financial reporting and concluded they are effective and 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 year ended December 31, 2022 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting or disclosure controls and procedures.

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

Cautionary Statement Regarding Certain Measures of Performance

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

Note Regarding Forward-Looking Statements

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

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

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

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

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

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

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