**("K92" or "the Company")**

**FORM 51-102F1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2024**

## 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), K92 Mining Ltd. (incorporated in Papua New Guinea), and Kainantu Employee Trust Ltd. (incorporated in Canada)) is the responsibility of management and covers the three months ended March 31, 2024. The MD&A takes into account information available up to and including May 10, 2024 and should be read together with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS) applicable to the preparation of interim financial statements, 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+ at www.sedarplus.ca 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 the "Risk Factors" section included in the Company's Annual Information Form.

## Description of Business

K92 Mining Inc. 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 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 March 31, 2024 | Three months ended March 31, 2023 |
|---|---|---|---|
| **Operating data** | | | |
| Ore mined | t | 111,054 | 117,865 |
| Ore processed | t | 130,632 | 117,903 |
| Feed grade | g/t | 6.4 | 5.2 |
| Gold produced | Oz | 24,389 | 17,593 |
| Gold equivalent produced[1] | Oz | 27,462 | 21,488 |
| Gold sold | Oz | 27,996 | 17,602 |
| Cash costs per gold ounce sold[2] | $/Oz | 934 | 758 |
| All-in sustaining costs per gold ounce sold[2] | $/Oz | 1,366 | 1,506 |
| **Financial data** | | | |
| Revenue | $ | 59,798 | 40,366 |
| Cost of sales | $ | 40,889 | 23,738 |
| Net earnings | $ | 3,067 | 5,009 |
| Cash flow from operating activities | $ | 25,095 | 2,947 |
| Cash, ending balance | $ | 66,818 | 88,647 |
| Basic earnings per share | $/sh | 0.01 | 0.02 |
| Diluted earnings per share | $/sh | 0.01 | 0.02 |

## Performance Summary

### *Operational – Three Months Ended March 31, 2024 ("Q1 2024")*

- **Gold Production:** 24,389 ounces of gold or 27,462 ounces of gold equivalent ("**AuEq**") produced in Q1 2024, compared to 17,593 ounces of gold or 21,488 ounces of AuEq produced in Q1 2023. Gold production during the quarter not only exceeded budget but also saw a 39% increase compared to the same period last year, despite the temporary suspension of underground operations on March 10, 2024 (see March 19, 2024 press release). Prior to the temporary suspension, gold production in Q1 2024 was on track to be one of the strongest to date, and during the shutdown the Company was able to continue processing stockpile inventory. Underground operations have returned to full production as announced on April 8, 2024.[1]

- **Ore Mined:** 111,054 tonnes of ore mined in Q1 2024, representing a 6% decrease compared to 117,865 tonnes mined in Q1 2023, primarily due to the temporary suspension of underground operations for the final 22 days of Q1 2024 as noted above.

- **Ore Processed:** 130,632 tonnes of ore processed in Q1 2024, representing an 11% increase compared to the 117,903 tonnes in Q1 2023 and 5% greater than the Stage 2A Expansion design rate of 1,370 tonnes per day ("**tpd**").

- **Mill Throughput:** During Q1 2024, multiple throughput records were achieved: a monthly throughput record in January 2024 with 57,144 tonnes processed, averaging 1,843 tpd; a weekly throughput record the week of January 18, 2024, averaging 2,149 tpd; and a daily throughput record on January 21, 2024, of 2,389 tonnes processed. In January and February 2024, 95% of operating days exceeded the Stage 2A Expansion plant design.

- **Mine Development:** Total mine development of 1,682 meters in Q1 2024, which represented a decline from Q1 2023 and Q4 2023, as a result of the temporary suspension of underground operations noted above, additional factors included reduced contractor surface haulage availability for approximately 10 weeks (second half of Q4 2023 to mid-February 2024), and a wetter than average rainy season.

[1] Gold equivalent calculated based on gold $2,070 per ounce (2023 - $1,890), silver $23.34 per ounce (2023 - $22.55) and copper $3.83 per pound (2023 - $4.05).

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

- **Head Grade:** 6.4 g/t gold, 0.55% copper, and 10.6 g/t silver (7.2 g/t AuEq) in Q1 2024. The processed grades were lower than planned due to an increase in the consumption of stockpile inventory, following the temporary suspension of underground operations.

- **Cash Costs:** $934 per gold ounce in Q1 2024 versus $758 per gold ounce in Q1 2023. The increase was primarily due to higher cost of sales versus the comparative period as a result of a higher consumption of inventories due to the temporary suspension and lower amounts of capitalized development, offset by an increase in gold ounces sold from 17,602 ounces of gold in Q1 2023 to 27,996 ounces of gold in Q1 2024.[2]

- **All-in Sustaining Costs:** $1,366 per gold ounce in Q1 2024 versus $1,506 per gold ounce in Q1 2023. The decrease can be attributed primarily to the increase in gold ounces sold and a reduction in sustaining capital expenditures, which totalled $9.0 million in Q1 2024, down from $11.2 million in Q1 2023. These were offset by an increase in cost of sales as noted above.[2]

***Financial – Q1 2024***

- **Revenue:** The company generated $60.7 million in revenue in Q1 2024, an increase of $24.7 million from Q1 2023 ($36.0 million) before pricing and quantity adjustments. Net revenue, which includes fair value adjustments to settlement receivables, was $59.8 million in Q1 2024 compared to $40.4 million in Q1 2023. Sales of gold in concentrate and doré increased by 59% to 27,996 oz in Q1 2024 from 17,602 oz in Q1 2023, resulting in $19.9 million in higher revenues. Additionally, a 12% increase in the average payable gold price (from $1,807/oz in Q1 2023 to $2,016/oz in Q1 2024) contributed $4.8 million in additional revenue.[3]

- **Cash and Short-term Treasury Bills:** $73.4 million as of March 31, 2024, compared to $79.1 million as of December 31, 2023. During the period, the Company spent $18.1 million on expansion capital and $4.5 million on exploration activities.[4]

- **Operating Cash Flow:** $20.0 million in operating cash flow (prior to working capital adjustments) in Q1 2024 compared to $16.5 million in Q1 2023.[5]

- **Gross Margins:** 33% and 32% (before and after pricing adjustments), respectively, in Q1 2024, compared to 34% and 41%, respectively, in Q1 2023, mainly due to higher cost of sales.[6]

- **EBITDA:** $17.1 million in Q1 2024, compared to $14.8 million in Q1 2023.[2]

- **Income Tax Payments:** $3.2 million paid by the Company to the government of Papua New Guinea subsequent to March 31, 2024.

***Expansion – Q1 2024***

- **Stage 3 Expansion Progress:** Construction work on the Stage 3 Expansion Plant is ongoing with the construction contractors fully mobilized and bulk process plant earthworks currently underway. The Company aims to commission the Stage 3 Expansion Plant by the end of Q1 2025.

- **Exploration and Drilling Operations:** Exploration is primarily focused on resource growth, with up to 11 drill rigs operating at Kora, Kora South, Judd, Judd South and A1 porphyry target.

[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.

*Corporate – Q1 2024*

- **Loan Agreement with Trafigura:** On September 26, 2023, the Company entered into a loan agreement (the "**Loan Agreement**") with Trafigura Pte Ltd (the "**Lender**" or the "**Offtaker**" regarding concentrate sales), securing a $100.0 million senior secured loan (the "**Loan**"). The Loan, with a term of four years from the date of the first advance, carries an upfront fee, a commitment fee, and an interest rate, alongside a one-year interest-only repayment grace period. The Loan is secured by a charge over the Company's assets and a pledge of shares in the Company's subsidiaries (the "**Security**"). It is intended for general corporate purposes, working capital, and capital expenditures. The initial drawdown of $25.0 million is contingent on certain conditions, including regulatory approvals. In case of an event of default under the Loan, the Lender reserves the right to accelerate repayment of the Loan and convert all or any portion of the initial drawdown into common shares of the Company (the "**Conversion Right**"). This Conversion Right will expire upon satisfaction of having the Security registered. As of March 31, 2024, these conditions had not been satisfied, therefore, no drawdowns of the Loan were made.

- **Amended Offtake Agreement:** Concurrently on September 26, 2023, the Company's Papua New Guinea subsidiary, K92 Mining Limited, entered into an amended offtake agreement (the "**Amended Offtake Agreement**") with the Offtaker. This amendment is a revision to the existing offtake agreement which remains in effect until December 31, 2025. From this date, the Amended Offtake Agreement will commence and continue for an additional seven consecutive calendar years, or until a minimum of 600,000 dry metric tons of concentrate have been delivered. Under the Amended Offtake Agreement, the Offtaker will purchase gold and copper concentrates from the Kainantu Gold Mine in Papua New Guinea at London Metals Exchange spot prices, with terms more favourable than those in the Kainantu Integrated Development Plan and Preliminary Economic Assessment (refer to the September 12, 2022, press release - *K92 Mining Inc Announces Robust Kainantu Gold Mine Integrated Development Plan*). The implementation of the Amended Offtake Agreement is contingent upon certain conditions, including approval from the Bank of Papua New Guinea in line with the Central Banking (Foreign Exchange and Gold) Regulation, and the satisfaction of conditions outlined in the Loan Agreement. As of March 31, 2024, these conditions had not been satisfied.

- **Short-Term Commodity Contracts:** Reduced exposure to gold price fluctuations during the provisional pricing period (the "**Quotational Period**") by entering into short-term commodity contracts with a total of 23,706 gold oz hedged at March 31, 2024. The Company currently hedges out three months to cover fluctuations during the Quotational Period, resulting in a $1.4 million loss on derivative instruments recognized during the three months ended March 31, 2024.

**Last 4 Quarters of Production Data**

| | | **2023** | | | **2024** | |
|---|---|---|---|---|---|---|
| | | Quarter 2 | Quarter 3 | Quarter 4 | Quarter 1 | Total |
| Tonnes processed | t | 112,471 | 121,201 | 151,908 | 130,632 | 516,212 |
| Feed grade Au | g/t | 8.2 | 6.2 | 7.4 | 6.4 | 7.0 |
| Feed grade Cu | % | 0.66 | 0.72 | 0.87 | 0.55 | 0.71 |
| Recovery (%) Au | % | 92.4 | 92.0 | 91.7 | 90.7 | 91.7 |
| Recovery (%) Cu | % | 92.8 | 93.0 | 93.6 | 91.9 | 92.9 |
| Metal in concentrate produced Au | oz | 27,405 | 22,227 | 33,309 | 24,389 | 107,330 |
| Metal in concentrate produced Cu | t | 692 | 809 | 1,238 | 655 | 3,394 |
| Metal in concentrate produced Ag | oz | 34,001 | 40,233 | 56,502 | 35,650 | 166,386 |
| Gold equivalent ounces produced | oz | 30,794 | 26,225 | 39,101 | 27,462 | 123,582 |

**2024 Operational Outlook**

- Gold equivalent production between 120,000 and 140,000 ounces, with the latter half of the year anticipated to be the strongest as operations progressively ramp up ahead of the Stage 3 Expansion.

- Cash costs from $820 to $880 per ounce gold and AISC costs from $1,440 and $1,540 per ounce gold. Cash costs and AISC have moderately increased compared to last year's guidance, primarily due to the acceleration of operating capital and capitalized development in anticipation of the Stage 3 Expansion. This increase also reflects the shift of certain development and equipment acquisitions, originally planned for 2023, to 2024.

- Exploration expenditures between $17 - $20 million. Surface exploration will target Arakompa, Kora South, Judd South, and the A1 porphyry. Meanwhile, underground drilling will concentrate on the Kora, Kora South, Kora Deeps, Judd, Judd South, Judd Deeps, and Northern Deeps targets.

- Growth capital is forecasted at $145 to $160 million for 2024 and $40 to $50 million for 2025. For the Stage 3 and 4 Expansions, the total growth capital is now forecasted to be $210 million. This represents a 12% increase from the initial projections in the Stage 4 Expansion Preliminary Economic Assessment as outlined in the Integrated Development Plan. The moderate increase is attributed to global cost inflation over the past two years since the study's effective date of January 1, 2022, and minor scope changes.

**Operations**

The Company holds the mining rights to Mining Lease 150 which is due for renewal on June 13, 2034.

During Q1 2024, the Company produced 27,462 ounces AuEq or 24,389 ounces of gold, 1,443,300 pounds of copper and 35,650 ounces of silver.

Production for Q1 2024 exceeded budget, even with the temporary suspension of underground operations on March 10, 2024, that impacted the remaining 22 days of the quarter, after a non-industrial incident and the issuance of a Form 29 to suspend mining operations from the Mineral Resources Authority (see March 19, 2024 press release). As announced on April 8, 2024, the Form 29 has been vacated. Underground operations are now fully operational and the Company reiterates its 2024 Operational Guidance.

During the first quarter, the process plant delivered tonnes processed of 130,632 tonnes or 1,436 tpd, an increase of 11% from Q1 2023 and 5% greater than the Stage 2A Expansion plant design of 1,370 tpd or 500,000 tpa. During the quarter, multiple throughput records were achieved, with the latest daily throughput record achieved on January 21 of 2,389 tonnes processed, monthly throughput record achieved in January of 57,144 tonnes processed or 1,843 tpd, and a 7-day throughput record achieved in January averaging 2,149 tpd, exceeding the Stage 2A Expansion design throughput by 74%, 34% and 57%, respectively. The strong performance of the plant has been consistently better than the Stage 2A Expansion plant design rates, exceeding those rates for 95% of the operational days in January and February. The better than design plant performance to date continues to demonstrate a meaningful immediate opportunity of having significantly greater plant capacity than expected. Since the Stage 2A Expansion and Stage 3 Expansion plant designs utilize the same conservative design parameters, these records also demonstrate that the design of the Stage 3 Expansion process plant currently under construction has the potential for greater capacity than its 1.2 million tonnes per annum design.

For the quarter, the process plant delivered metallurgical recoveries of 90.7% for gold and 91.9% for copper. Head grades during the quarter averaged 7.2 g/t AuEq or 6.4 g/t gold, 0.55% copper and 10.6 g/t silver. Grade was lower than planned due to the temporary suspension of underground operations as noted above, resulting in a significantly larger amount of processing from stockpiles in March.

During the quarter, 10 levels were mined, with mining on Kora conducted on the 1110, 1150, 1185, 1225, 1285 and 1305 levels, and Judd on the 840, 1205, 1305, 1325, and 1345 levels. Long hole open stoping performed to design.

In the first quarter, the mine delivered 111,054 tonnes of ore. Overall mine development achieved a total of 1,682 metres. Material movements and underground development were lower than planned due to the temporary suspension of underground operations as noted above, in addition to reduced contractor surface haulage availability for approximately 10 weeks (second half of Q4 to mid-February 2024), and a wetter than average rainy season.

## Capital Expenditure

*Stage 3 Expansion*

In December 2022, the Company announced the Kainantu Gold Mine's Stage 3 and 4 expansions. The Stage 3 expansion is set to increase annual throughput to 1.2 mtpa, with the Stage 4 expansion aiming for 1.7 mtpa. These expansions represent increases of 140% and 240%, respectively, compared to the throughput from the Stage 2A expansion.

In July 2023, the Company awarded GR Engineering Services Limited the engineering, procurement, construction, and commissioning lump sum contract for the Stage 3 expansion process plant. The contract, valued at $81.0 million, is a fixed-price agreement, substantially mitigating the risk of cost escalations for the Company. Alongside this contract award, all contracts for long-lead items for the process plant have been secured on a fixed-price basis (excluding freight). This includes the SAG and ball mills, filter press, tank flotation cells, flash flotation cells, and high-rate thickeners.

Construction work on the Stage 3 Expansion Plant is ongoing with the construction contractors fully mobilized and bulk process plant earthworks complete. The Company aims to commission the Stage 3 Expansion Plant by the end of Q1 2025.

*Twin Incline Development*

Development of the Twin Incline is progressing, focusing primarily on extending the Level 930 incline to establish a connection with the main mine, which is simultaneously being developed from Level 1090 downward.

The Company will commence raisebore operations for ventilation and the development of multiple ore passes connecting the main mine with the Twin Incline. The initial raisebore hole, scheduled to begin in the second quarter of 2024, will serve as a ventilation hole and is expected to be completed in the third quarter. The subsequent raisebore hole, intended to function as the first ore pass linking the main mine to the Twin Incline, is planned to start in the third quarter of 2024, with completion anticipated in the fourth quarter.

The Twin Incline is set to serve as a critical component of the mine's access infrastructure. This development will significantly bolster production capabilities, supporting the requirements of the Stage 3 and Stage 4 expansions, and is also expected to accommodate potential further expansions in the future.

*Puma Ventilation Incline*

The Puma portal is being repurposed as an intake, which is currently the main exhaust for the existing workings. The Puma ventilation incline is scheduled for completion in Q4 2024.

## Exploration

### ***Underground grade control and exploration***

*Kora Vein System*

In the first quarter, the Company executed its diamond drilling program from underground using up to six Company owned drill rigs at the Kora and Judd deposits. The Company, following the release of the latest Mineral Resource Estimates ("**MRE**") effective as of September 12, 2023, for the Kora and Judd Vein System, has focused on drilling at densities suitable for both resource definition and expansion. Since the last MRE there have been a total of 103 drill holes into the Kora and Judd Vein Systems. Kora/Judd resource definition and expansion is also drilled from surface with the continues to encounter of the Kora and Judd lode systems.

Please see the Company's news release dated December 5, 2023, *'K92 Mining Reports Updated Kora and Judd Resource Estimate - Measured and Indicated Resource of 2.6 Moz AuEq and Inferred Resource of 4.5 Moz AuEq'* for the latest resource estimate update at the Kora and Judd deposits.

Please see the Company's news release, dated August 15, 2023, '*K92 Mining Announces Latest-High-Grade Drilling Results, Including Potential High-Grade Zone at Northern Deeps Target ~50Metres West of the Twin Incline'* for the latest released drill 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 both with development and diamond drilling. The System is sub-parallel in orientation to the Kora Vein System and is located east of Kora. The mineralization style is similar to that of the Kora Vein System, comprising mainly gold-copper-silver sulphide veins (akin to an Intrusion Related Gold Copper (IRGC) deposit type). The Company continued its underground and surface drilling programs to test the extents of the Judd Vein System. The primary focus continues to be to drill out the J1 vein, with some longer holes extended to test the J2 to J4 vein targets. For the latest released drill results please see the press release dated August 15, 2023, '*K92 Mining Announces Latest-High-Grade Drilling Results, Including Potential High-Grade Zone at Northern Deeps Target ~50 Metres West of the Twin Incline'.*

Development and production activities continue at J1, including ore extraction via drives and long hole stoping.

### ***Surface Exploration***

Exploration drilling was conducted at Kora South/Judd South (EL470), Judd (ML150), A1 (EL470), Asupuia (EL2619), Moimo (EL2619) and Arakompa (EL693). During Q1 2024, 21 holes were completed and an additional 4 are currently in progress, totaling 6,767.1 meters.

Surface geochemical sampling and detailed geological mapping continued at Moimo (EL2619) totaling 156 geochemical samples collected. Surface geochemical sampling started at Aifunka totaling 1,217 geochemical samples collected.

*Arakompa (EL693)*

Drilling has continued at Arakompa with up to two rigs targeting the strike and depth extent of the lodes in Q1 2024. Drilling seems promising as the drilling has highlighted continuity of the mineralization. During Q1 2024, 6 holes were completed and an additional 2 are currently in progress, totaling 1,991.2 meters.

*Kora South/Judd South (EL470)*

Two diamond rigs continued operating throughout Q1 2024 to conduct infill and extension drilling (on approximately 100m centers) of the Kora/Judd Lodes, immediately SW and along strike of ML150. During

Q1 2024, 6 holes were completed and an additional 2 are currently in progress, totaling 1,106.6 meters. Drilling to date has continued to extend the Kora/Judd Vein system beyond the limits of the current Mining Lease.

*Judd Vein [Upper] Expansion (ML150)*

Two diamond drill rigs continued to explore the up-dip and lateral extensions of the Judd Vein System within ML150. A total of seven diamond holes were completed or are currently being drilled for a total of 2,600.7m. One of these was abandoned due to ground conditions. Late in the quarter one of the rigs was moved to Arakompa for further drilling.

*A1 (EL470)*

Diamond drilling at A1 continued during the quarter and targeted Au/Cu porphyry style mineralization. 2 deep holes were completed during Q1 2024, for a total of 1,497.9 meters. Geochemical and visual results suggest these holes have tested the lower portion of a broad lithocap masking the A1 Prospect area.

Asupuia (EL470)

Drilling continued to test a large coincident copper-gold anomaly, identified by a significant grid soil sampling program. During Q1 2024 3 holes were completed totaling 1,076.8 meters.

*Moimo (EL2619)*

Drilling continued to test a geochemical anomaly from a recent soil sampling program. 4 holes were completed with a total of 1,094.6 meters drilled. Skarn style mineralization was observed in the core and gold grades in the assays reflect this.

***Qualified Persons***

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

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

**Community Relations**

*Memorandum of Agreement ("MOA")*

The Company continues to work towards signing a revised MOA. The MOA provides a framework for 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 local landowners, the State, and the Provincial Government. Attending the meeting were representatives from local clans, 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, which requires approval from the National Executive Council of the PNG Government. The original MOA framework will remain in place as mining operations and associated expansions continue, until a new MOA is formally approved.

*Community Programs*

The Company has been actively engaged in community programs aimed at improving the quality of life for local communities. The programs to support community development include freshwater systems, road maintenance, medical clinic funding, school refurbishment, adult literacy programs, agricultural livelihood and training programs, and support for small enterprises.

In December 2023, the Company was recognized by the PNG Chamber of Resources and Energy (CORE) with an award for Outstanding Community Humanitarian Initiative. The award recognizes the Company's contributions and achievements related to its Women in Mining program, which focuses on female-targeted community investment programs in local communities, including training initiatives, preventative health programs, support for small enterprises, and scholarship awards.

The Company continues to implement its Adult Literacy Program in partnership with local communities. The program, which was initiated by the Company in late 2019, offers three levels of English and Tok Pisin, the local language in PNG, for those who cannot read or write. Approximately 150 participants have graduated from the program annually, 90% of whom are women. The Company's Sustainable Agriculture Livelihoods Program continues to advance, enabling local farmers to scale production and further access local vendors. This program had approximately 180 participants in 2023, 80% of whom are women.

The Company is now participating in the Infrastructure Tax Credit Scheme (ITCS) of the PNG Government, through which up to two percent of the Company's assessable income can now be allocated by the Company for spending on approved community projects, including local infrastructure, health programs, and educational initiatives, and deducted from future corporate tax payable. This is in addition to the Company's various community and social programs. The first project for implementation was formally approved by the PNG Department of National Planning in December 2023 for local road upgrades. A tender process for awarding a local contract was carried out in early 2024. The final award is expected in April or May 2024, with construction works expected to commence shortly thereafter.

*Education Initiatives*

The Company supports education and skills development of the mining industry in PNG through a variety of programs and initiatives. The Company has established the K92 Mining Tertiary Scholarship Program, which includes six tertiary scholarships for 2024 in the fields of mineral processing, mine engineering, geology, and agriculture. The Company has also partnered with a local company to award two scholarships for Women in Mining to students studying logistics, commercial, or business management. In addition, the Company has signed multiple memoranda of understanding with universities in PNG to support areas of mutual benefit. These partnerships include financial support for the university, work experience for students and undergraduates, technical cooperation, and project generation.

The Company continues to implement a program to assist employees with school enrollment fees. The Company pays 50% of school fees for primary and secondary schools for the children of employees on condition that the employee contributes the remaining 50%.

*Local Business Opportunities*

The Company has created multiple business opportunities for the local communities in the vicinity of the mine to benefit from its operation. These include four major joint venture contracts between local communities and PNG companies for the provision of services, as well as numerous smaller contracts with local businesses. The major contracts include catering and camp management, security, road transportation, and ancillary mobile services. During the three months ended March 31, 2024, these contracts generated $7.6 million in revenue, supporting the local community.

**Sustainability**

In December 2023, the Company received a revised environmental permit from the PNG Conservation and Environment Protection Authority (CEPA) for the Stage 3 Expansion. The receipt of the permit followed a standard, government-sanctioned environmental impact assessment process.

The Company continues to advance its climate strategy in support of its energy and GHG emissions reduction target that was set in June 2023 (see June 21, 2023, press release *K92 Mining Announces 2030 GHG Reduction Target*). A core component of the strategy is to enhance the Company's access to local hydroelectricity, which is being advanced through partnerships with the local electricity provider, PNG Power Ltd.

The Company is currently preparing its annual Sustainability Report for release in the second quarter of 2024. Like previous reports, the 2023 Sustainability Report (covering the twelve months ended December 31, 2023) is being prepared in alignment with the Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard. Climate-related disclosures are being guided by the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The Company continues to closely monitor developments related to the Canadian Sustainability Disclosures Standards (CSDS), including exposure drafts of these standards released by the Canadian Sustainability Standards Board (CSSB).

The Company is currently finalizing its annual disclosures related to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act. The Company is considered an "entity" under the Act and, as such, is required to meet the annual disclosure requirements of the Act, which are required by May 31, 2024.

## Summary of Quarterly Results

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

| *(in thousands of United States Dollars, except per share amounts)* | | March 31, 2024 (Unaudited) | | December 31, 2023 (Audited) | | September 30, 2023 (Unaudited) | | June 30, 2023 (Unaudited) |
|---|---|---|---|---|---|---|---|---|
| Total assets | $ | 421,654 | $ | 412,832 | $ | 388,271 | $ | 388,107 |
| Working capital | | 89,286 | | 99,623 | | 97,335 | | 112,510 |
| Shareholders' equity | | 355,649 | | 350,892 | | 328,533 | | 327,033 |
| Revenue | | 59,798 | | 75,316 | | 32,814 | | 51,759 |
| Net earnings | | 3,067 | | 19,980 | | (619) | | 8,793 |
| Net earnings per share, basic | | 0.01 | | 0.09 | | (0.00) | | 0.04 |
| Net earnings per share, diluted | | 0.01 | | 0.08 | | (0.00) | | 0.04 |

| | | March 31, 2023 (Unaudited) | | December 31, 2022 (Audited) | | September 30, 2022 (Unaudited) | | June 30, 2022 (Unaudited) |
|---|---|---|---|---|---|---|---|---|
| Total assets | $ | 371,926 | $ | 370,715 | $ | 344,308 | $ | 302,583 |
| Working capital | | 117,306 | | 125,171 | | 120,064 | | 94,007 |
| Shareholders' equity | | 316,340 | | 309,306 | | 294,096 | | 253,846 |
| Revenue | | 40,366 | | 61,980 | | 36,438 | | 37,356 |
| Net earnings (loss) | | 5,009 | | 13,251 | | 3,054 | | 5,136 |
| Net earnings (loss) per share, basic | | 0.02 | | 0.06 | | 0.01 | | 0.02 |
| Net earnings (loss) per share, diluted | | 0.02 | | 0.06 | | 0.01 | | 0.02 |

Total assets have increased over the past eight quarters, primarily driven by the construction and completion of the Stage 2A Expansion and the ongoing development of the Stage 3 Expansion. Additionally, revenue has also grown during this period due to higher production resulting from the Stage 2A Expansion, as well as increased commodity prices.

**Results of Operations for the three months ended March 31, 2024 as compared to March 31, 2023**

During the three months ended March 31, 2024, the Company had net earnings of $3.1 million (2023 – $5.0 million) and earnings before taxes of $6.6 million (2023 - $8.7 million). Significant items making up the earnings, and changes from the comparative period, are as follows:

Revenue of $59.8 million (2023 - $40.4 million) from the sale of gold concentrate and doré. The increase in revenue is primarily due to an increase in the quantity of gold ounces sold and an increase in gold prices versus the comparative period.

Cost of sales of $40.9 million (2023 - $23.7 million) include costs associated with mining, processing, mine technical services, maintenance, finance and administration at site, operational health and safety, share-based payments, depreciation and net smelter royalties. The increase in cost of sales is due to the higher consumption of stockpile inventories due to the temporary suspension and lower amounts of capitalized development versus the comparative period.

Earnings from mine operations of $18.9 million (2023 - $16.6 million), which is calculated subtracting cost of sales from revenue.

General and administrative of $3.3 million (2023 – $1.9 million). The increase is primarily related to an increase in corporate hires and higher management fees and wages.

Exploration and evaluation expenditures of $4.5 million (2023 – $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 with an exploration campaign expecting to spend between $17 and $20 million during 2024.

Share-based payments of $1.1 million (2023 - $1.2 million) representing options, RSU and PSU grants to directors, employees and consultants of the Company. The decrease in share-based payments primarily relates to the timing, valuation and the number of RSU and PSU instruments vested during the period.

Interest and finance expenses of $1.1 million (2023 – $1.0 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The increase is primarily due to higher interest expense on concentrate sales.

Interest income of $0.5 million (2023 – $0.8 million) representing interest income earned on cash and cash equivalent balances. The decrease in interest income is due to lower balances in cash and short-term treasury bills versus the comparative period.

Loss on derivative instruments of $1.4 million (2023 – $1.2 million) relating to realized and unrealized losses on commodity contracts. The loss is primarily driven by the increase in gold prices during Q1 2024 from $2,062 per ounce on December 31, 2023, to $2,214 per ounce on March 31, 2024.

Income tax expense of $3.5 million (2023 – $3.7 million) relates to current taxes and the estimated use of carryforward tax attributes 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 of environmental provisions, corporate costs and sustaining capital expenditures. Total all-in sustaining cost per ounce sold is calculated by dividing the aggregate of the applicable costs by gold ounces sold.

| *(In thousands of United States Dollars, except as noted)* | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|---|---|
| **Cost of Sales** | $ 40,889 | $ 23,738 |
| Add: treatment and refining costs | 1,876 | 1,593 |
| Less: non-cash costs included into cost of sales | (533) | (254) |
| Less: depreciation | (9,987) | (5,914) |
| Less: by-product credits | (6,091) | (5,829) |
| **Cash cost of sales** | 26,154 | 13,334 |
| Add: accretion | 152 | 151 |
| Add: general and administrative costs | 3,267 | 1,908 |
| Add: sustaining capital expenditures[7] | 8,955 | 11,216 |
| Less: business development | (296) | (93) |
| **All-in sustaining costs** | 38,232 | 26,516 |
| **Gold ounces, sold** | 27,996 | 17,602 |
| **Cash cost per gold ounce, sold** | $ 934 | $ 758 |
| **All-in sustaining cost per gold ounce, sold** | $ 1,366 | $ 1,506 |

*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.

[7] Sustaining capital expenditures for the three months ended March 31, 2024 is the purchase of property, plant and equipment ("PPE") from the statement of cash flows of $27.4 million (2023 - $22.4 million), plus other sustaining expenditures of $1.3 million (2023 - $1.1 million), less net PPE amounts included in accounts payable related to expansion costs of $3.4 million (2023 - $19 thousand), plus net deposits for equipment $1.8 million (2023 - $0.4 million), less expansion costs of $18.1 million (2023 - $12.7 million).

| (In thousands of United States Dollars) | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|---|---|
| **Income for the period** | $ 3,067 | $ 5,009 |
| Add: Income taxes | 3,486 | 3,714 |
| Add: Depreciation of property, plant and equipment | 10,031 | 5,914 |
| Add: Interest and finance expense | 1,088 | 1,024 |
| Less: Interest income | (530) | (847) |
| **EBITDA** | $ 17,142 | $ 14,814 |

## Liquidity

As at March 31, 2024, the Company had a cash and cash equivalents and short-term treasury bills balance of $73.4 million (December 31, 2023 - $79.1 million) and working capital of $89.3 million (December 31, 2023 - $99.6 million) [8], which consisted of current assets of $139.0 million (December 31, 2023 - $147.5 million) less current liabilities of $49.7 million (December 31, 2023 - $47.9 million).

Operating Activities: During Q1 2024, the Company generated $25.1 million from operating activities (2023 - $2.9 million).

Investing Activities: During Q1 2024, the Company paid $27.4 million (2023 - $22.4 million) for property, plant, and equipment and $1.2 million for deposits on equipment (2023 – $1.2 million).

Financing Activities: During Q1 2024, the Company received $0.3 million (2023 - $0.6 million) from the exercise of stock options. The Company paid $1.5 million (2023 - $1.3 million) in principal lease payments.

The Company's financial position as at March 31, 2024, the operating cash flows that are expected over the next twelve months and availability under the debt facilities is expected to be sufficient to fund operational costs, capital requirements (Stage 3 expansion), 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) | Three months ended | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| Share-based compensation | | $ 1,002 | $ 1,266 |
| Management, consulting and wages | | 1,053 | 849 |
| Professional fees | | 45 | 56 |

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

Included in accounts payable and accrued liabilities is $1.2 million (December 31, 2023 - $0.9 million) due to key management of the Company, of which $0.6 million (December 31, 2023 - $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 $44 thousand (December 31, 2023 - $0.2 million) is due to the law firm Gowling WLG (Canada) LLP, where one director of the Company is a partner, for professional fees in the normal course of business, non-interest bearing and due on demand.

**Outstanding Share Data**

As at the date of this report the Company had 236,527,837 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 |
|---|---|---|---|---|
| 1.00 – 1.99 | 361,750 | 361,750 | 1.80 | 0.13 |
| 2.00 – 2.99 | 225,000 | 225,000 | 2.17 | 0.54 |
| 3.00 – 3.99 | 811,500 | 811,500 | 3.84 | 0.73 |
| 4.00 – 4.99 | - | - | - | - |
| 5.00 – 9.99 | 4,160,800 | 4,160,800 | 7.28 | 1.60 |
| | 5,559,050 | 5,559,050 | 6.22 | 1.34 |

**Off-Balance Sheet Arrangements**

At March 31, 2024, 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.

**Material 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 material accounting judgements, estimates and assumptions are disclosed in Note 2 of the audited Consolidated Financial Statements for the year ended December 31, 2023.

**Material Accounting Policies**

The Company's material accounting policies are presented in Note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2023, and have been consistently applied in the preparation of the interim 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 | March 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 1 | Level 2 |
| Trade receivables | $ - | $ 14,145 | $ - | $ 15,030 |
| Derivative liabilities | - | (2,441) | - | (1,206) |
| | $ - | $ 11,704 | $ - | $ 13,824 |

The fair value of the Company's trade receivables and derivative liabilities were determined using observable market prices and market-derived inputs. There were no transfers between Level 1 and Level 2 during the period ended March 31, 2024.

As at March 31, 2024, and December 31, 2023, the carrying amounts of cash and cash equivalents, short-term treasury bills, other receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

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

*Concentration of credit risk*

The Company's cash and cash equivalents are held with financial institutions in Canada, Papua New Guinea, and Australia. As of March 31, 2024, a single Canadian chartered bank holds approximately 45% of the total cash and cash equivalents. Substantially all of the Company's cash and cash equivalents exceed government-insured limits. The Company continually assesses and manages its exposure to credit risk of financial institutions.

## Internal Control Over Financial Reporting and Disclosure Controls and Procedures

*Disclosure Controls and Procedures*

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

There were no changes to the Company's disclosure controls and procedures during the three months ended March 31, 2024, 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 are 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 three months ended March 31, 2024, that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting and therefore these controls remain effective.

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

**Cautionary Statement Regarding Certain Measures of Performance**

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

**Note Regarding Forward-Looking Statements**

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

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

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

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

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

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

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