

K92 MINING INC.

("K92" or "the Company")

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 six months ended June 30, 2024. The MD&A takes into account information available up to and including August 13, 2024 and should be read together with the unaudited condensed consolidated interim financial statements for the six months ended June 30, 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, including Blue Lake, in Papua New Guinea.

Summary of Key Operating and Financial Results

<i>(in thousands of United States Dollars, except per share amounts)</i>		Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Operating data					
Ore mined	t	99,209	109,155	210,263	227,020
Ore processed	t	95,582	112,471	226,214	230,375
Feed grade	g/t	7.5	8.2	6.9	6.7
Gold produced	Oz	21,661	27,405	46,050	44,998
Gold equivalent produced ¹	Oz	24,347	30,794	51,809	52,282
Gold sold	Oz	19,064	28,141	47,061	45,743
Cash costs per gold ounce sold ²	\$/Oz	919	597	928	659
All-in sustaining costs per gold ounce sold ²	\$/Oz	1,510	975	1,424	1,180
Financial data					
Revenue	\$	47,791	51,759	107,589	92,125
Cost of sales	\$	27,742	29,198	68,631	52,936
Net earnings	\$	6,137	8,793	9,204	13,802
Cash flow from operating activities	\$	15,645	28,868	40,740	31,815
Cash, ending balance	\$	71,073	95,557	71,073	95,557
Basic earnings per share	\$/sh	0.03	0.04	0.04	0.06
Diluted earnings per share	\$/sh	0.03	0.04	0.04	0.06

Performance Summary

Operational – Six Months Ended June 30, 2024 (“YTD Q2 2024”)

- Gold Production:** 46,050 ounces of gold or 51,809 ounces of gold equivalent (“AuEq”) produced in YTD Q2 2024, compared to 44,998 ounces of gold or 52,282 ounces of AuEq produced in YTD Q2 2023. The amount of gold produced increased by 2% compared to the same period last year, despite the temporary suspension of operations for approximately a month due to a non-industrial fatal incident (*see March 19 and April 8, 2024, press releases*), which significantly impacted March and April production as underground operations were ramped back up again in April and processing stockpiles were rebuilt.¹
- Ore Mined:** 210,263 tonnes of ore mined in YTD Q2 2024, representing a 7% decrease compared to 227,020 tonnes mined in YTD Q2 2023, primarily due to the temporary suspension of underground operations as noted above.
- Ore Processed:** 226,214 tonnes of ore processed in YTD Q2 2024, representing a 2% decrease compared to the 230,375 tonnes in YTD Q2 2023.
- Metallurgical Recoveries:** 91.9% gold and 93.1% copper recoveries in YTD Q2 2024, compared to 90.6% gold and 91.9% copper recoveries in YTD Q2 2023. For Q2 2024, recoveries averaged 93.7% gold and 95.3% copper, representing the highest gold recoveries since Q4 2019 and record quarterly recoveries to date for copper.
- Mill Throughput:** Multiple throughput records were achieved during YTD Q2 2024: a monthly throughput record in January 2024 with 57,144 tonnes processed, averaging 1,843 tonnes per day (“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.
- Mine Development:** Total mine development of 3,639 meters in YTD Q2 2024, which represented a decrease from YTD Q2 2023 as a result of the temporary suspension of underground operations noted above, 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 \$2,196 per ounce (2023 - \$1,942), silver \$25.70 per ounce (2023 - \$23.39) and copper \$4.10 per pound (2023 - \$3.95).

- **Head Grade:** 6.9 g/t gold, 0.58% copper, and 10.6 g/t silver (7.7 g/t AuEq) in YTD Q2 2024. Gold and copper grades were in-line with budget despite an increase in the consumption of stockpile inventory during March 2024, following the temporary suspension of underground operations.
- **Cash Costs:** \$928 per gold ounce in YTD Q2 2024 versus \$659 per gold ounce in YTD Q2 2023. The increase was primarily due to higher cost of sales versus the comparative period as a result of expenditures incurred during the temporary suspension which were expensed directly to cost of sales, lower amounts of capitalized development, and lower amounts of by-product credits, offset by an increase in gold ounces sold from 45,743 ounces of gold in YTD Q2 2023 to 47,061 ounces of gold in YTD Q2 2024.²
- **All-in Sustaining Costs:** \$1,424 per gold ounce in YTD Q2 2024 versus \$1,180 per gold ounce in YTD Q2 2023. The increase is attributed to the higher cost of sales referenced earlier, offset by lower sustaining capital expenditures, which totalled \$17.7 million in YTD Q2 2024, down from \$19.5 million in YTD Q2 2023.²

Financial – YTD Q2 2024

- **Revenue:** The company generated \$106.1 million in revenue in YTD Q2 2024, an increase of \$12.8 million from YTD Q2 2023 (\$93.3 million) before pricing and quantity adjustments. Net revenue, which includes fair value adjustments to settlement receivables, was \$107.6 million in YTD Q2 2024 compared to \$92.1 million in YTD Q2 2023. Sales of gold in concentrate and doré increased by 3% to 47,061 ounces in YTD Q2 2024 from 45,743 ounces in YTD Q2 2023, resulting in \$2.6 million in higher revenues. Additionally, a 14% increase in the average payable gold price (from \$1,856/ounce in YTD Q2 2023 to \$2,109/ounce in YTD Q2 2024) contributed \$11.8 million in additional revenue.³
- **Cash and Short-term Treasuries:** \$71.1 million as of June 30, 2024, compared to \$79.1 million as of December 31, 2023. During the period, the Company spent \$47.6 million on expansion capital, \$8.8 million on exploration activities, and purchased \$20.0 million in term deposits held as restricted cash.⁴
- **Operating Cash Flow:** \$37.4 million in operating cash flow (prior to working capital adjustments) in YTD Q2 2024 compared to \$32.7 million in YTD Q2 2023.⁵
- **Gross Margins:** 35% and 36% (before and after pricing adjustments), respectively, in YTD Q2 2024, compared to 43% and 43%, respectively, in YTD Q2 2023, mainly due to higher cost of sales resulting from the temporary suspension of operations and lower amounts of capitalized development versus the comparative period.⁶
- **EBITDA:** \$34.2 million in YTD Q2 2024, compared to \$36.4 million in YTD Q2 2023.²
- **Income Tax Payments:** \$3.2 million in YTD Q2 2024 compared to \$3.6 million in YTD Q2 2023. Subsequent to June 30, 2024, the Company made an additional tax installment of \$7.7 million to the Papua New Guinea government for a total of \$10.9 million.

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.

Expansion – YTD Q2 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 Q2 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.
- **Vertical Development:** During Q2 2024, a significant milestone was achieved with the commencement of vertical development from two raise bore rigs. The larger raise bore rig is focused on completing a major ventilation upgrade, connecting the main mine to the twin incline, followed by the development of the ore and waste pass system to connect the main mine to the twin incline for material transport. The smaller raise bore rig is completing short raises between levels for ventilation, escapeways and services infrastructure.

Corporate – YTD Q2 2024

- **Loan Agreement with Trafigura:** On June 19, 2024, K92 Mining Inc. and K92 Mining Limited entered into two separate credit facilities with Trafigura Pte Ltd (“**Trafigura**”), whereby each K92 company can borrow up to \$100.0 million but together only up to \$120.0 million (together the “**Loan**”), with an accordion feature (the “**Accordion Feature**”) that allows for an increase in the aggregate amount available to \$150.0 million. The Accordion Feature becomes effective by mutual agreement between the Company and Trafigura.

The Loan matures on June 19, 2028 and bears interest at the applicable reference rate based on the Secured Overnight Financing Rate (“**SOFR**”) plus a margin of 3.4%. Principal payments are due quarterly in equal instalments on March 31, June 30, September 30 and December 31 of each year beginning September 30, 2025. Interest is treated on an accrual basis, with interest payable at the end of each three-month period commencing after the withdrawal date. The Loan has been designated as a financial liability at amortized cost and is recorded net of transaction costs. Transaction costs associated with the Loan were \$1.1 million and amortized over the life of the Loan.

All conditions precedent for the advance of \$100 million under the K92 Mining Inc. credit facility (“**Canadian Credit Facility**”) were satisfied during the quarter and up to \$20 million under the K92 Mining Limited credit facility (the “**PNG Credit Facility**”) subsequent to June 30. The Canadian Credit Facility is secured by a pledge of the shares in the Company’s subsidiaries and, in the event of a default, contains a conversion right into common shares of the Company. The Company drew \$40.0 million from the Canadian Credit Facility on June 26, 2024.

The PNG Credit Facility was subject to security of \$20 million in connection with the advance under the Canadian Credit Facility. At June 30, 2024, the Company held restricted cash of \$20.0 million, consisting of term deposits designated for security under the Canadian Credit Facility. Subsequent to June 30, 2024, the Company drew \$20.0 million from the PNG Credit Facility.

The Loan is intended for general corporate purposes, working capital, and capital expenditures.

- **New Offtake Agreement:** Concurrently on June 19, 2024, the Company's Papua New Guinea subsidiary, K92 Mining Limited., entered into a new offtake agreement (the “**New Offtake Agreement**”) with the Trafigura, replacing the amended offtake agreement announced on September 26, 2023, which did not come into effect (the “**Amended and Restated Offtake Agreement**”). Key terms of the New Offtake Agreement remain substantially the same as the Amended and Restated Offtake Agreement described in the Company’s September 26, 2023 press release. The New Offtake Agreement is a revision to the existing offtake agreement which remains in effect until December 31, 2025. From that date, the New 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 New Offtake Agreement, Trafigura 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 New Offtake Agreement has received regulatory approval in Papua New Guinea subject to compliance with certain conditions, including but not limited to, K92 Mining limited observing the conditions of its gold export license.
- **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 20,903 gold oz hedged at June 30, 2024. The Company currently hedges out three months to cover fluctuations during the Quotational Period, resulting in a \$3.6 million loss on derivative instruments recognized during the six months ended June 30, 2024.

Last 4 Quarters of Production Data

		2023		2024		Total
		Quarter 3	Quarter 4	Quarter 1	Quarter 2	
Tonnes processed	t	121,201	151,908	130,632	95,582	499,323
Feed grade Au	g/t	6.2	7.4	6.4	7.5	6.9
Feed grade Cu	%	0.72	0.87	0.55	0.62	0.70
Recovery (%) Au	%	92.0	91.7	90.7	93.7	91.9
Recovery (%) Cu	%	93.0	93.6	91.9	95.3	93.3
Metal in concentrate produced Au	oz	22,227	33,309	24,389	21,661	101,586
Metal in concentrate produced Cu	t	809	1,238	655	565	3,267
Metal in concentrate produced Ag	oz	40,233	56,502	35,650	26,754	159,139
Gold equivalent ounces produced	oz	26,225	39,101	27,462	24,347	117,135

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 Q2 2024, the Company produced 24,347 ounces AuEq or 21,661 ounces of gold, 1,246,639 pounds of copper and 26,754 ounces of silver.

Production in Q2 2024 was impacted by the temporary suspension of underground operations (see March 19 and April 8, 2024 press releases) as a result of a non-industrial fatal incident that occurred on site, which significantly impacted April production as underground operations ramped back up and processing stockpiles were rebuilt. The Company expects the second half of 2024 to be significantly stronger and reiterates its 2024 Operational Guidance of 120,000 to 140,000 oz AuEq at cash costs of \$820-\$880/oz gold and all-in sustaining costs of \$1,440-\$1,540/oz gold, with production likely in the lower half of the guidance range.

During the second quarter, the process plant delivered tonnes processed of 95,582 tonnes, with a head grade averaging 8.5 g/t AuEq or 7.5 g/t gold, 0.62% copper and 10.6 g/t silver. Both gold and copper grades were in-line with budget, with gold and copper grades also delivering a positive reconciliation when compared with the mineral resource model of 11% and 9%, respectively. Metallurgical recoveries were very strong, with recoveries averaging 93.7% for gold and 95.3% for copper, representing the highest recoveries since Q4 2019 for gold and record quarterly recoveries to date for copper.

In Q2 2024, the mine delivered 99,209 tonnes of ore mined, with 12 levels mined, including the 1150, 1220, 1305, and 1325 levels at Kora, and the twin incline level, 950, 1170, 1185, 1205, 1305, 1325 and 1345 levels at Judd. Long hole open stoping performed to design. Overall mine development achieved a total of 1,938 metres. Material movements and underground development were lower than planned due to the temporary suspension of underground operations as noted above.

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 metric tonnes per annum ("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 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 Q2 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 has achieved a major milestone commencing vertical development from two raise bore rigs. The larger raise bore rig is focused on completing a major ventilation upgrade connecting the main mine to the twin incline, followed by developing the ore and waste pass system to connect the main mine to the twin incline infrastructure for material transport. The smaller raise bore rig is completing short raises between levels for ventilation, escapeways and services infrastructure.

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 further expansions in the future.

Puma Ventilation Incline

The Puma ventilation incline is scheduled for completion in January 2025. Upon completion of the ventilation upgrade, the original Puma incline—currently serving as the mine's main exhaust—will be repurposed as an intake for the mine.

Exploration

Underground grade control and exploration

Kora Vein System

The Company continued its exploration diamond drilling program from underground using up to six Company owned drill rigs at the Kora and Judd deposits. Since the last mineral resource estimate (“MRE”) for the Kora and Judd Vein System, effective date of September 12, 2023, the Company has added another 140 drill holes into the Kora and Judd deposits. The drill density is suitable for both resource definition and expansion. The Kora/Judd drilling continues to encounter the Kora and Judd lode systems in both underground and surface drilling.

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 May 6, 2024, ‘*K92 Mining Announces Latest Drilling Results Extending Multiple High-Grade Zones and New Dilatant Zone Discovered*’ for the latest released drill results from the underground and surface diamond drilling programs at Kora and Judd.

Judd Vein System

The Judd Vein System runs parallel to the Kora Vein System and is situated to the east of Kora. Its mineralization style is similar to that of the Kora Vein System, characterized mainly by gold-copper-silver sulphide veins, similar to an Intrusion Related Gold Copper (IRGC) deposit type. The company continues its underground and surface drilling programs to explore the extent of the Judd Vein System, focusing on Judd, Judd South, and Judd Northern Deeps. The primary drilling focus has been concentrated on the J1 vein, with additional holes extended to test the J2 to J4 vein targets. For the latest drilling results, refer to the press release dated May 6, 2024, titled “*K92 Mining Announces Latest Drilling Results Extending Multiple High-Grade Zones and New Dilatant Zone Discovered.*”

Ore extraction from J1 is ongoing, via development and long hole stoping.

Surface Exploration

Exploration drilling was conducted at Kora South/Judd South (EL470), A1 (EL470) and Arakompa (EL693). During Q2 2024, 22 holes were completed and an additional 3 are currently in progress, totaling 8,299.6 metres.

Surface geochemical sampling and detailed geological mapping has commenced at one new prospect, Mati/Mesoan (EL693). Surface geochemical sampling is also well underway at Arakompa (EL693) and has continued at Aifunka EL1341. A total of 1,271 geochemical samples were collected during the quarter.

Arakompa (EL693)

Drilling has progressed at Arakompa with up to three rigs targeting the strike and depth extent of the lodes, and a fourth rig commenced operations in early Q3. Drilling results continue to be promising as the drilling has highlighted significant strike and significant depth continuity of the mineralization. For the latest drill results please see the press release dated June 10, 2024, *K92 Mining Announces Second Set of Drill Results From Maiden Program at Arakompa; Significant Strike Expansion, Delineation of Large Near Surface Bulk Mineralized Zone and Multiple High-Grade Intersections.* During Q2 2024, 14 holes were completed at Arakompa, totaling 5,729.3 metres with an additional 3 currently in progress. The maiden resource estimate for Arakompa is targeted for completion by Q1 2025.

Kora South/Judd South (EL470)

One diamond rig continued operating throughout Q2 2024 to conduct infill and extension drilling (on approximately 100m centres) of the Kora/Judd Lodes, immediately SW and along strike of ML150. During Q2 2024, 6 holes were completed, totaling 1,349.5 meters. Drilling to date has continued to extend the Kora/Judd Vein system.

A1 (EL470)

Diamond drilling at A1 continued during the quarter and targeted Au/Cu porphyry style mineralization. Two deep holes were completed during Q2 2024, for a total of 1,220.8m. Geochemical and visual results continue to suggest that the A1 target is highly prospective.

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.

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. In May 2024, a contract totaling \$6.1 million was awarded to a local contractor to complete the works and construction of the road has commenced following a ground-breaking ceremony with representatives from the Department of National Planning, provincial administrators, and local landowners.

The Company continues to implement its Women in Mining program, for which the Company was recognized with the 2023 Outstanding Community Humanitarian Initiative from the PNG Chamber of Resources and Energy. The program focuses on female-targeted community investment programs in local communities, including training initiatives, preventative health programs, support for small enterprises, and scholarship awards. In 2024, 44 women have participated in a tailoring program supported by the Company.

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. Over 300 participants have graduated from the program year-to-date, 70% of whom are women. The Company's Sustainable Agriculture Livelihoods Program continues to advance, enabling local farmers to scale production and access local and regional vendors. New equipment was procured in April 2024 to enable further scale-up of the program.

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 eight 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 June 30, 2024, these contracts generated \$13.1 million in revenue, supporting local communities.

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. As per environmental regulations, a revised Environmental Management Plan is currently being developed for submission to CEPA to enable meeting the requirements of the revised permit.

In June 2024, the Company released its 2023 Sustainability Report. The report provides an overview of the Company's environmental, social and governance (ESG) priorities and performance for 2023. The report was prepared in alignment with the Sustainability Accounting Standards Board (SASB) Metals and Mining Standard. Climate-related disclosures were prepared with reference to 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).

In May 2024, the Company released its inaugural annual report related to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act). The Company is considered an "entity" under the Act and, as such, is required to meet the annual disclosure requirements of the Act. The report is available on the Company's website.

Results of Operations for the six months ended June 30, 2024 as compared to June 30, 2023

In YTD Q2, 2024, the Company had net earnings of \$9.2 million (2023 – \$13.8 million) and earnings before taxes of \$16.5 million (2023 - \$22.1 million). Significant items making up the earnings, and changes from the comparative period, are as follows:

Revenue of \$107.6 million (2023 - \$92.1 million) from the sale of gold concentrate and doré. The increase in revenue is primarily due to an increase in gold prices and the quantity of gold ounces sold versus the comparative period.

Cost of sales of \$68.6 million (2023 – 52.9 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 expenditures incurred during the temporary suspension that were expensed directly to cost of sales and lower amounts of capitalized development versus the comparative period.

Earnings from mine operations of \$39.0 million (2023 - \$39.2 million), which is calculated subtracting cost of sales from revenue.

General and administrative of \$5.8 million (2023 – \$4.2 million). The increase is primarily related to an increase in corporate hires and higher management fees and wages.

Exploration and evaluation expenditures of \$8.8 million (2023 – \$10.1 million) related to drilling, assaying, trenching, surveying and other related expenditures. The decrease in exploration costs is primarily due to a reduction in underground activities associated with exploration versus the comparative period.

Share-based payments of \$2.0 million (2023 - \$2.6 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 \$1.3 million (2023 – \$2.0 million) representing interest and finance expenses recorded on lease agreements and concentrate sales and accretion on the asset retirement obligation. The decrease is primarily due to the capitalization of project related interest and finance expenses as part of the expansion project.

Interest income of \$0.9 million (2023 – \$1.5 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 treasuries versus the comparative period.

Loss on derivative instruments of \$3.6 million (2023 – \$0.9 million) relating to realized and unrealized losses on commodity contracts. The loss is primarily driven by the increase in gold prices from \$2,062 per ounce on December 31, 2023, to \$2,331 per ounce on June 30, 2024.

Income tax expense of \$7.3 million (2023 – \$8.3 million) relates to current taxes and the estimated use of carryforward tax attributes in Papua New Guinea.

Summary of Quarterly Results

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

<i>(in thousands of United States Dollars, except per share amounts)</i>	June 30, 2024 (Unaudited)	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Total assets	\$ 469,233	\$ 421,654	\$ 412,832	\$ 388,271
Working capital	91,729	89,286	99,623	97,335
Shareholders' equity	365,492	355,649	350,892	328,533
Revenue	47,791	59,798	75,316	32,814
Net earnings (loss)	6,137	3,067	19,980	(619)
Net earnings (loss) per share, basic	0.03	0.01	0.09	(0.00)
Net earnings (loss) per share, diluted	0.03	0.01	0.08	(0.00)

<i>(in thousands of United States Dollars, except per share amounts)</i>	June 30, 2023 (Unaudited)	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2022 (Unaudited)
Total assets	\$ 388,107	\$ 371,926	\$ 370,715	\$ 344,308
Working capital	112,510	117,306	125,171	120,064
Shareholders' equity	327,033	316,340	309,306	294,096
Revenue	51,759	40,366	61,980	36,438
Net earnings	8,793	5,009	13,251	3,054
Net earnings per share, basic	0.04	0.02	0.06	0.01
Net earnings per share, diluted	0.04	0.02	0.06	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 Stage 3 Expansion. 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 June 30, 2024 as compared to June 30, 2023

During the three months ended June 30, 2024, the Company had net earnings of \$6.1 million (2023 – \$8.8 million) and earnings before taxes of \$9.9 million (2023 - \$13.4 million). Significant items making up the earnings, and changes from the comparative period, are as follows:

Revenue of \$47.8 million (2023 - \$51.8 million) from the sale of gold concentrate and doré. The decrease in revenue is primarily due to a decrease in the quantity of gold ounces sold offset by an increase in gold prices versus the comparative period.

Cost of sales of \$27.7 million (2023 - \$29.2 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 decrease in cost of sales versus the comparative period was primarily driven by reduced variable costs, mainly consumables and haulage, associated with throughput, which decreased from 109,155 tonnes ore mined in Q2 2023 to 99,209 tonnes in Q2 2024.

Earnings from mine operations of \$20.0 million (2023 - \$22.6 million), which is calculated subtracting cost of sales from revenue.

General and administrative of \$2.6 million (2023 – \$2.3 million). The increase is primarily related to an increase in corporate hires and higher management fees and wages.

Exploration and evaluation expenditures of \$4.2 million (2023 – \$6.3 million) related to drilling, assaying, trenching, surveying and other related expenditures. The decrease in exploration costs is primarily due to a reduction in underground activities associated with exploration versus the comparative period.

Share-based payments of \$0.9 million (2023 - \$1.4 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 \$0.2 million (2023 – \$1.0 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The decrease is primarily due to the capitalization of project related interest and finance expenses as part of the expansion project.

Interest income of \$0.4 million (2023 – \$0.6 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 treasuries versus the comparative period.

Loss on derivative instruments of \$2.1 million (2023 – gain of \$0.3 million) relating to realized and unrealized losses on commodity contracts. The loss is primarily driven by the increase in gold prices from \$2,214 per ounce on March 31, 2024, to \$2,331 per ounce on June 30, 2024.

Income tax expense of \$3.8 million (2023 – \$4.6 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.

<i>(In thousands of United States Dollars, except as noted)</i>	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Cost of Sales	\$ 27,742	\$ 29,198	\$ 68,631	\$ 52,936
Add: treatment and refining costs	1,233	1,905	3,109	3,498
Less: non-cash costs included into cost of sales	(304)	(325)	(837)	(579)
Less: depreciation and depletion	(7,340)	(7,882)	(17,327)	(13,796)
Less: by-product credits	<u>(3,819)</u>	<u>(6,092)</u>	<u>(9,910)</u>	<u>(11,921)</u>
Cash cost of sales	17,512	16,804	43,666	30,138
Add: accretion	149	150	301	301
Add: general and administrative costs	2,579	2,274	5,846	4,182
Add: sustaining capital expenditures ⁷	8,729	8,295	17,684	19,511
Less: business development and non-sustaining costs	<u>(189)</u>	<u>(72)</u>	<u>(485)</u>	<u>(165)</u>
All-in sustaining costs	28,780	27,451	67,012	53,967
Gold ounces, sold	19,064	28,141	47,061	45,743
Cash cost per gold ounce, sold	\$ 919	\$ 597	\$ 928	\$ 659
All-in sustaining cost per gold ounce, sold	\$ 1,510	\$ 975	\$ 1,424	\$ 1,180

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.

<i>(In thousands of United States Dollars)</i>	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Income for the period	\$ 6,137	\$ 8,793	\$ 9,204	\$ 13,802
Add: Income taxes	3,801	4,587	7,287	8,301
Add: Depreciation and depletion	7,340	7,882	17,327	13,796
Add: Interest and finance expense	218	960	1,306	1,984
Less: Interest income	<u>(382)</u>	<u>(644)</u>	<u>(912)</u>	<u>(1,491)</u>
EBITDA	\$ 17,114	\$ 21,578	\$ 34,212	\$ 36,392

Liquidity

As at June 30, 2024, the Company had a cash and cash equivalents and short-term treasuries of \$71.1 million (December 31, 2023 - \$79.1 million) and working capital of \$91.7 million (December 31, 2023 - \$99.6 million)⁸, which consisted of current assets of \$138.7 million (December 31, 2023 - \$147.5 million) less current liabilities of \$47.0 million (December 31, 2023 - \$47.9 million).

Operating Activities: In YTD Q2 2024, the Company generated \$40.7 million from operating activities (2023 - \$31.8 million).

⁷ Sustaining capital expenditures for the three months ended June 30, 2024 is the purchase of property, plant and equipment ("PPE") from the statement of cash flows of \$65.7 million (2023 - \$43.5 million), plus other sustaining expenditures of \$2.4 million (2023 - \$2.2), less net PPE amounts included in accounts payable related to expansion costs of \$4.2 million (2023 - plus \$0.1 million), plus net deposits for equipment \$1.6 million (2023 - \$2.7 million), less expansion costs of \$47.7 million (2023 - \$28.6 million).

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

Investing Activities: In YTD Q2 2024, the Company paid \$65.7 million (2023 - \$43.5 million) for property, plant, and equipment, \$0.6 million for deposits on equipment (2023 – \$2.1 million), \$20.0 million for restricted cash (2023 – Nil) and received \$6.6 million on the redemption of short-term treasuries (2023 – Nil).

Financing Activities: In YTD Q2 2024, the Company received \$2.7 million (2023 - \$0.9 million) from the exercise of stock options and \$40.0 million in proceeds from the Loan (2023 – Nil). The Company paid \$2.9 million (2023 - \$2.6 million) in lease principal payments and \$1.1 million in loan transaction costs (2023 – Nil).

The Company's financial position at June 30, 2024, 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, President and Chief Operating Officer, 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:

<i>(In thousands of United States Dollars)</i>	Six months ended	June 30, 2024	June 30, 2023
Share-based compensation	\$	1,882	\$ 2,534
Management, consulting and wages		1,969	2,242
Professional fees		164	114

Included in accounts payable and accrued liabilities is \$0.9 million (December 31, 2023 - \$0.9 million) due to key management of the Company, of which \$0.4 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 \$0.1 million (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 237,478,640 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	16,750	16,750	1.92	0.11
2.00 – 2.99	-	-	-	-
3.00 – 3.99	804,000	804,000	3.84	0.49
4.00 – 4.99	-	-	-	-
5.00 – 9.99	<u>3,974,000</u>	<u>3,974,000</u>	7.28	1.35
	4,794,750	4,794,750	6.68	1.20

Off-Balance Sheet Arrangements

At June 30, 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	June 30, 2024		December 31, 2023	
	Level 1	Level 2	Level 1	Level 2
Trade receivables	\$ -	\$ 12,544	\$ -	\$ 15,030
Derivative liabilities	-	(3,265)	-	(1,206)
	\$ -	\$ 9,279	\$ -	\$ 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 June 30, 2024.

As at June 30, 2024 and December 31, 2023, the carrying amounts of cash and cash equivalents, restricted cash, short-term treasuries, 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 June 30, 2024, a single Canadian chartered bank holds approximately 53% 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 six months ended June 30, 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 six months ended June 30, 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.

Technical Report

The Integrated Development Plan, including the Definitive Feasibility Study and Preliminary Economic Assessment for the Kainantu Gold Mine Project in Papua New Guinea is included in the Technical Report titled, "Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea" dated October 26, 2022, with an effective date of January 1, 2022.

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.