Kincora Copper Limited

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expressed in Canadian Dollars

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

As at May 30, 2018

Introduction

The following management's discussion and analysis (MD&A) of the Company has been prepared as of May 30, 2018. This MD&A should be read in conjunction with the interim condensed consolidated financial statements of Kincora Copper Ltd. and the notes thereto for the three-month period ended March 31, 2018, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

Description of Business

Kincora Copper Limited (the "Company" or "Kincora") is a junior resource company engaged in the acquisition, exploration and development of mineral properties, with a focus on copper-gold projects in Mongolia. Our objective is to create value for shareholders through the systematic exploration and discovery copper-gold and precious metal deposits, particularly focused on the next generation of Tier 1 porphyries in the under explored Southern Gobi belt, and further countercyclical corporate and expansion opportunities in Mongolia.

In late 2015, the Company again consolidated the western license at Bronze Fox, restoring unencumbered access to the West Kasulu prospect, and in late 2016, completed a transformational transaction with a private company (IBEX). The merger with IBEX formed the dominant landholding in the most prospective areas of the copper belt between and on strike from Rio Tinto's largest global expansion project, the Oyu Tolgoi mine, and the private Tsagaan Suvarga Serven Sukhait development project. The portfolio and targets included has attracted a first class Technical Team who are credited with multiple discoveries of Tier 1 copper projects. During the third quarter of 2017, Kincora closed the first significant capital raising post the consolidation of Bronze Fox and the IBEX transaction, providing a twelve-month budget that supports the first modern Tier 1 drill testing and district scale reconnaissance exploration program in the highly mineralized but vastly underexplored Southern Gobi porphyry belt.

Kincora is based in Ulaanbaatar, has a year round camp in the Southern Gobi, and a corporate office in Vancouver. The Company is a reporting issuer in Ontario, British Columbia and Alberta, Canada, with its common shares trading on the TSX Venture Exchange under the symbol **KCC**.
For further information please refer to our website: www.kincoracopper.com .

Location

Kincora's dominate position between and on strike from the two existing copper mines in the Southern Gobi is within only several hundred kilometers from the border with China, the largest consumer of copper in the world. The region is sparsely populated, generally flat open desert, enjoys existing and rapidly improving infrastructure, is not at altitude and is within trucking distance to China. This is a favorable location for exploration and mine development, with some of the most competitive drilling rates globally.

Our portfolio covers 9 existing licenses for 1,229km^2. It is a strategic landholding in terms of scale and location, including the majority of the prospective Devonian copper belt that offers the highest potential for further Tier 1 discoveries. Existing large incumbents are actively expanding portfolio and/or ramping up exploration within this Devonian copper belt. New entrants are also revisiting the belts potential following Stage 2 approvals of Oyu Tolgoi development, the IMF lead US$5.5 billion total external financial package for the Government of Mongolia and improving commodity prices, particularly given the favorable outlook for copper.

The Devonian copper belts' existing copper mines include two large-scale greenfield copper construction projects. At Oyu Tolgoi invested capital to date is over US$7.5 billion with Stage 1 open pit production (since 2012) and target production of up to 160,000t/day via Stage 2 underground development, with a further US$5.5 billion available from the existing project financing facility. Oyu Tolgoi ("OT") is owned by Rio Tinto, Turquoise Hill Resources minority shareholders and the Government of Mongolia ("GoM"). The second major copper project is Tsagaan Suvarga, with estimated capex of at least US$1 billion and over US$370 million invested to date Tsagaan Suvarga ("TS") has targeted production of 40,000t/day from its open pit, is privately owned by MAK with project finance syndicated by the European Bank of Reconstruction and Development ("EBRD").

Ahead of formal notice to proceed with the recommencement of underground Stage 2 development of Oyu Tolgoi, in Dec'15 the largest project financing of its kind in the metals and mining industry was secured for up to US$6 billion to fund underground construction. The financing was sourced from a syndicate of international financial institutions and export credit agencies representing the governments of Canada, the United States and Australia, along with 15 commercial banks.

Initial exports from Oyu Tolgoi's open pit in less than four years from final investment agreements, with now over four years of production with an excellent safety record and the syndication of the underground project financing assists demonstrate the attractiveness of Mongolia as a place to do business and invest. This is reinforced by Rio Tinto in 2017 resuming regional drilling activities, in 2018 openning a new regional office in Mongolia and looking to expand its landholding in the belt. OT is one of a few new large scale copper mines built anywhere in the world in recent decades.

Other significant mines, including the world class Erdenes Tavan Tolgoi mine and other coal mines, with associated infrastructure (including rail, power and water) are proposed or under construction in this general region, which is one of the most rapidly developing mining centers anywhere in the globe despite being one of the last under-explored frontiers. Xanadu Mines' flagship Kharmagtai copper-gold exploration project sits in close proximity outside of the interpreted Devonian belt where they continue to explore for a fourth mineralized system and/or higher grade depth extensions to support it advancing from exploration to development, with recent encouragement from the new Zaraa discovery.

With the IBEX transaction, Kincora now operates the winterized "White Pearl" camp, located within 500 metres of recently installed power lines. The southern licenses are located within the Oyu Tolgoi aquifer and northern licenses near the Tsagaan Suvarga aquifer.

History

Exploration in the Southern Gobi copper belt has been cyclical but has occurred in two major waves. Initially these were largely state-sponsored geological survey style exploration from the 1960s' that generated regional data sets including mineral occurrences.

Post Mongolia's own peaceful democratic revolution in 1990 and transition to a market economy, early exploration by western companies occurred during the ten-year period from 1996-2006 and saw the commercial discovery of the Oyu Tolgoi deposits. Significant regional exploration continued until through 2009 and included the JV between Ivanhoe and BHP Billiton, which included the Falcon survey, reconnaissance exploration and drilling. Ivanhoe Mines ("Ivanhoe", now Turquoise Hill Resources "TRQ"), under Robert Friedland's leadership, was responsible for the majority of exploration during this secondary phase, when its land inventory was at a point 126,626 km^2, about the same size as Japan or Italy, and at the time was the largest landholding in the mining industry.

Exploration has been impacted by the Mongolian legislative environment, local economic and global commodity cycles, and after 2011 being mainly focused on specific prospects, largely driven by junior exploration companies and various private groups with some private advancements by various majors across the wider belt. Extensive exploration and geological data were collected during this period, and understanding of the regional geology and controls on mineralization were significantly advanced utilising more modern exploration techniques that are common in more mature copper provinces. These included an understanding of the local geology of the Oyu Tolgoi porphyry systems, as well as other copper occurrences such as Tsagaan Suvarga, Kharmagtai and Bronze Fox, amongst others.

The then Ivanhoe released the majority of its extensive regional landholding following windfall tax (announced May'06) and during extended negotiations with the Mongolian Government to form the original Oyu Tolgoi Investment Agreement for the open pit development (secured Oct'09). The repeal of the Mongolian copper and gold windfall profits tax only occurred in Aug'09 (effective January 1, 2011) with reform to the Mongolian Minerals Law in July 2014 leading to the repeal of the 5-year moratorium for issuing new exploration licenses (since mid'2010) only in January 2015.

Kincora Copper was formed in mid Jul'11 following the closure of the transaction between Origo Partners (which remains Kincora's largest shareholder) and a TSXV listed "shell" company called Brazilian Diamond Ltd, raising C$12.1m via a private placement and "reversing" the Bronze Fox license (15000X) into what then became known as Kincora.

The Bronze Fox license was originally part of the original Ivanhoe Bronze Fox project, which in 2005 was designated as one of four, alongside Oyu Tolgoi, Kharmagtai and Nariin Sukhait, high priority targets for large scale porphyry and skarn copper mineralization amongst its 126,626 km^2 land holding held in the wider Gobi region.

The license was a highly rated and large scale exploration target with mineralization identified over 40km2 of a 223.2 km2 total area and featuring numerous target zones of copper, gold, chrome and molybdenum and extensive copper mineralization from surface with unknown potential at depth and across the majority of its land package (only ~10% of the license has been explored in meaningful detail). Previous drilling included 72 holes for over 12,000 metres confirming continuous mineralization on a 9km strike, predominately at the Kincora named "West Kasulu" target (Ivanhoe named "Bronze Fox" target, with East Fox on the eastern section of the intrusive), a large low grade copper-gold feature from surface to depth (generally returning between 0.4% and 0.9% copper equivalent).

In 2012, Kincora acquired Golden Grouse LLC, a Forbes & Manhattan controlled company, to consolidate the rest of the original "Ivanhoe" Bronze Fox project (which hosted the Ivanhoe known "West Fox" and "Tourmaline Hills" prospects), including the Western license and extension of the West Kasulu target. The consolidated license portfolio now included the Bronze Fox Intrusive Complex and Tourmaline Hills Intrusive Complex, almost tripling Kincora's footprint from 223.2km^2 to 622km^2.

Shortly after completing the Golden Grouse transaction, having only completed one-field seasons' exploration, the licenses Kincora acquired were revoked by the Government of Mongolia as part of the 106-exploration dispute (a court case involving former government employees which the license holders were not party to). This resulted in a $6.95 million impairment from the Company's balance sheet in 2013, and after leading the industries lobby efforts to resolve the 106-license dispute, in Mar'15 these licenses returned to Kincora as new with tenure of up to 12 years.

The two-year dispute significantly impeded Kincora's exploration efforts, corporate discussions and strategy over this period, particularly with the West Kasulu target within the Bronze Fox Intrusive Complex spreading across both the Eastern and Western licenses. For only one field season, in 2012, was Kincora not impeded with its exploration efforts in the Bronze Fox district, which resulted in the most favorable exploration results to date in the region at the West Kasulu prospect. Exploration on the Bronze Fox and Western license border returned over 800 metres at over 0.40% copper equivalent, including 37 meters at over 1% copper equivalent, with three of the four holes drilled in this western zone having higher grade intersections. Furthermore, 9 of the 15 holes drilled in 2012 at the Tourmaline Hills gold prospect in the Western license have returned intervals of at least 1g/t Au, up to 7.7g/t Au and with up to 75g/t Ag locally in the mineralization zone, often with elevated copper values. Active artisanal mining during the summer is common at the Tourmaline Hill and Southwest prospects, and various Bronze Age pits/workings evidenced at the former in the Western license. Approximately a third of all holes previously drilled at Bronze Fox across both the eastern and western licenses have returned intervals of at least 1g/t gold.

In 2013, when only having undisputed access to the 15000X, Kincora had 14 confidentially agreements in place with most industry groups active in the copper sector, which resulted in a period of exclusivity in 2014. Feedback from industry groups at the time was that there were three major sovereign risk impediments:

1. the dispute with the Government for the development of Stage 2 underground at Oyu Tolgoi;
2. our Golden Grouse licenses having been revoked as part of the 106 license dispute; and,
3. uncertainty relating to the minerals law, with no new exploration licenses having been issued since 2010 due to a moratorium.

While all these items were resolved, and a change of Government occurred in 2016, these Mongolia specific impediments were overshadowed by the downturn in the global commodity cycle, which saw the last of the long standing groups such as Anglo American and Teck Resources close their Mongolia regional offices in Dec'15.

In 1Q'16, Kincora secured a new exploration license from the direct application system operated by the Mongolian government, named Ulaan Khudag (Red Well), associated with a known outcropping copper-gold porphyry system, located as close as 15 km along the mineralized trend from the Rio Tinto controlled, Oyu Tolgoi project. An identified contact zone continues to the eastern and western sections of the license, the margin just to the east returning a previous 2% copper and 0.25g/t gold sample with anomalous values also to the west.

In May'16, Kincora announced it has reached agreement regarding Ibex Land Mongolia LLC and Ibex Mongolia LLC ("IBEX"), entities indirectly controlled by High Power Exploration Inc. ("HPX"), which resulted in Kincora more than tripling its landholding in the Southern Gobi copper belt, totaling over 1,500km^2. This transaction was closed in Nov'16.

Background to the IBEX transaction

- IBEX's portfolio is focused on porphyry targets to the east and south of Kincora's existing licenses with the consolidated landholding now being the dominant position in the Oyu Tolgoi-Tsagaan Suvarga (Devonian) copper belt.
- A large regional geophysical and surface geochemical dataset supported various style targets: i. Devonian porphyries; ii. "*Traditional*" gold rich copper porphyries; and, iii. epithermal and Carlin-style gold deposits.
- Consolidates a regional portfolio in an underexplored but potentially world-class gold rich copper province analogous to exploring the majority of the Northern Chile copper belt from the 1970's.
- Fully winterized camp, fleet, permitted landing strip, IT and exploration equipment.
- Kincora issued to HPV 5,895,000 common shares and 2,947,500 warrants a exercise price of $0.54 (equal to 1.8 times the price per security of the July 28th, 2016, private placement of Kincora) and a term of 24 months. There is no cash consideration relating to the IBEX transaction.
- It is intended that these Kincora securities will ultimately be held by the shareholders of HPV, the largest of whom are HPX Techco Inc. ("HPX Techco") as to 65.78%, a subsidiary of High Power Exploration Inc., a private company which Robert Friedland is CEO and Co-Chair, and GoviEx Uranium Inc., a TSX venture exchange listed company, as to 21.64%.
- HPX will have certain rights to maintain their ownership percentages by participating in further capital raisings and, at a threshold of share ownership, have the right to a board seat.
- A Relationship Agreement with HPX Techco was executed which provides Kincora conditional access to HPX's suite of geophysical technologies.

Regional potential

The Devonian age, gold rich Oyu Tolgoi copper porphyry system is a Tier 1 asset, being the largest high-grade group of Paleozoic porphyry deposits known in the world, which coupled with the underexplored Tsagaan Suvarga Devonian porphyry system encourages exploration in this underexplored Southern Gobi district.

Geologically, copper porphyries generally occur in clusters focused on key geological structures within established belts, they do not occur in isolation. There is increasing recognition of the Southern Gobi's copper potential, being one of the last under-explored known copper frontiers with various analogy's in terms of legislative roadmap, existing producing mines/development projects, limited exploration activities, key likely structural geological settings and understanding of geological potential to the development of Chile's copper industry in the early 1970's. In terms of landmass size and important geological structural features/controls, the Devonian belt in the Southern Gobi is particularly comparable to Northern Chile, where there are over 15 current large mines producing ~2Mtpa Cu (>10% of global production).

Exploration approach

Post the IBEX transaction, copper experts credited with multiple Tier 1 discoveries have joined Kincora's team, the Company has implemented an exploration strategy to replicate the systematic approach successfully applied in discovering similar profile Tier 1 gold rich copper porphyry discoveries and exploration activities are ongoing advance a unique portfolio along the value curve.

In October 2017, Kincora completed a two tranche non-brokered private placement for total gross proceeds of $5.92 million to support a 12-month budget for proposed exploration and expansion activities.

Corporate and Operational Highlights

Highlights for the three-month period ended March 31, 2018 include:

- **Findings on review of Bronze Fox project:** Mining Associates Ltd. provided an independent block model supporting a large-scale copper-gold porphyry exploration target. The system is bisected by a key regional fault at the West Kasulu prospect that lies within the western central portion of the Bronze Fox intrusive complex (BFIC), which has important implications to exploration going forward as the most prospective zones of the porphyry system have had limited previous exploration and drilling.

  Two zones have been identified within West Kasulu, bisected by a regional fault, with particular encouragement provided by the most prospective parts of the porphyry system having effectively been sterilized to Kincora due to access, which is now resolved. Previous drilling by the Company into this now better understood western zone is limited to only four holes for 2,170 metres during 2012, with three of those holes providing higher-grade intersections, including F62 which returned 37 metres at 1.01 per cent copper equivalent within a broader intersection.

  New drill targets have been recommended and further analysis, including an independent geophysical and geological review lead by Barry de Wet, is ongoing to support expected high grade infill and extension drill targets at West Kasulu, and additional targets.

- **First phase results from district scale exploration program:** Activities in 2017 were on budget, safely and successfully executed, systematically advancing the wholly owned district scale portfolio.
  A total of 22 holes for 6,878 metres were drilled at three targets (East Tsagaan Suvarga, Bayan Tal and Argalant) with various associated assay results, age dating, green rock, petrographic, lithochemical and geochronological analysis. At two targets, 155km2 of ground magnetics and 171km2 gravity were completed (East Tsagaan Suvarga and Red Well).
  Highlights include:
  - **Bronze Fox:** The review of the West Kasulu prospect at Bronze Fox by Mining Associates supported an exploration target of 416 Mt to 428 Mt grading 0.26% to 0.30% copper for up to 2,437Mlb of copper and 0.84Moz gold, ranking as one of the largest potential in-situ copper-gold systems in Mongolia, with only modest drilling and new high grade drill targets. The potential quantity and grade ranges are conceptual in nature and based on nearest neighbour and ordinary krige estimates. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.
    New high grade drill targets have been advanced from the Mining Associates block model and review, and integrated geophysical and geological review of Barry de Wet. It is now better understood that 3 of 4 holes drilled by Kincora in newly understood western zone have intersected higher grade mineralization. Previous shallow grid drilling (by vender) was based on geochemical anomalies with subsequent Kincora IP, magnetic & gravity targets remaining untested.
    Value catalysts include: refining and drill testing high-grade infill targets; refining and drill testing extension and new targets; NI 43-101 resource definition activities (data quality); oxide studies for small scale, near term SXEW production; and, a mining license conversion.

- **East TS porphyry target**: Mapping, infill soil sampling and drilling has confirmed the targeted fertile and Devonian age quartz monzonite and monzonite intrusion at East TS, a brownfield environment on the interpreted eastern margin of the Devonian age Tsagaan Suvarga ("TS") intrusion, which hosts Mongolyn Alt LLC's (MAK) Serven Sukhait open pit development project and southern exploration targets on the western margin. Half of the 14 holes from the maiden drilling program in 2017, for 3,452 metres, intersected the TS intrusion, with background copper and molybdenum having been noted to date.

  Interpretation of subsequent ground magnetics and gravity survey's support four large-scale conceptual intrusive bodies at explorable depths (>200m depth). These conceptual targets are of a high grade potassic zone core of a preserved porphyry copper deposit(s)/structural trend, being an analogue for East TS hosting an equivalent preserved high grade Hugo or Heruga orebody as at Oyu Tolgoi.

  Value catalysts include an Induced Polarization (IP) survey planned to refine targets before a Phase 2 target testing drilling program scheduled for the Summer/Autumn.

- **Issuance of shares for debt:**
  - On February 16, 2018, the Company issued 152,172 shares to certain directors, officers and service providers for services rendered during the period from July 1, 2017 to September 30, 2017 in the amount of $52,499. Accrued amounts for these services are included in accounts payable at December 31, 2017.
  - On February 16, 2018, the Company issued 40,220 shares to settle outstanding payables of $13,876, resulting in a gain on debt settlement of $$24,050.

- **Retirement of director:**
  - On March 15, 2018, Luke Leslie retired from his non-executive chairman and director positions.

Highlights for events subsequent to the three-month period ended March 31, 2018:

- **Resignation and appointment of directors:** On May 10, 2018, the Company announced the appointment of Ray Nadarajah and Anthony Jackson as members of the board of directors, effective immediately. Concurrent with the appointment of the new directors, Duchintav Khojgor and Eric Zurrin stepped down as non-executive directors of the company.

  The Company granted Mr. Ray Nadarajah and Mr. Anthony Jackson, in accordance with the Company's stock option plan, options to purchase up to an aggregate of 125,000 common shares each exercisable on or before May 10, 2020 at a price of $0.20 per share.

- **Issuance of shares for debt and services:** Subsequent to the period ended March 31, 2018, the Company issued 210,000 shares at a deemed price of $0.25 to certain directors, officers and service providers for services rendered to the Company.

Qualified Person

The scientific and technical information was prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and was reviewed, verified and compiled by Kincora's geological staff under the supervision of Peter Leaman (M.Sc. Mineral Exploration, FAusIMM), Senior Vice-President of Exploration of Kincora Copper, who is the Qualified Person for the purpose of NI 43-101.

Results of Operations

Three-Month Period Ended March 31, 2018

The Company's loss for the three-month period ended March 31, 2018 (the "Current Period") was $443,000 or $0.01 per share as compared with a loss of $1,345,000 or $0.03 per share for the three-month period ended March 31, 2017 (the "Comparative Period").

General and administrative expenses were $811,000 lower in the Current Period at $485,000 compared with $1,296,000 in the Comparative Period, the largest decrease being relating to share-based compensation. This difference was mainly due to lower legal and accounting ($32,000 versus $37,000), lower share-based compensation ($52,000 versus $936,000), lower salaries and management fees ($71,000 versus $80,000), lower consultants expenses ($22,000 versus $106,000), and lower consultants – Geologists ($25,000 versus $37,000). These decreases were offset by higher foreign exchange loss ($36,000 versus $2,000), higher office costs ($14,000 versus $8,000), higher consultants – Technical ($41,000 versus $Nil), higher transfer agent and filing fees ($18,000 versus $13,000), higher travel expenses ($20,000 versus $5,000), higher corporate administrative and office services ($51,000 versus $27,000), higher insurance ($4,000 versus $Nil), higher investor relations costs ($18,000 versus $Nil), higher directors and audit committee fees ($81,000 versus $44,000).

Summary of Quarterly Results – *000's*

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

In thousand $	March 31, 2018 ($)	December 31, 2017 ($)	September 30, 2017 ($)	June 30, 2017 ($)	March 31, 2017 ($)	December 31, 2016 ($)	September 30, 2016 ($)	June 30, 2016 ($)
Financial Results								
Net income (loss) for period	(443)	(1,427)	(724)	(360)	(1,345)	18	(1,119)	(322)
Basic and diluted income (loss) per share	(0.01)	(0.02)	(0.01)	(0.01)	(0.03)	0.00	(0.03)	(0.01)
Exploration expenditures	199	633	460	169	27	2,003	45	30
Financial Position								
Cash and cash equivalents	2,845	3,277	3,146	261	418	228	782	88
Exploration and evaluation assets	50,521	50,322	49,689	49,229	49,060	49,033	47,030	46,985
Total assets	53,783	54,243	53,512	49,849	50,294	50,046	47,969	47,653
Shareholders' equity	53,381	53,730	52,871	49,076	49,308	49,041	47,568	44,531

Liquidity and Capital Resources

As of March 31, 2018, the Company had $2,845,000 in cash.

The Company does not have any cash flow from operations due to the fact that it is an exploration stage company; therefore, financing activities have been the sole source of funds and continued efforts to reduce non-core expenditure. Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets.

At March 31, 2018, the Company had an accumulated deficit of $122,772,000, a net loss for the three-month ended March 31, 2018 of $443,000, and working capital of $2,569,000. During the three-month ended March 31, 2018, the Company used cash of $204,000 in operating activities and had investing activities use of cash of $228,000 which was mainly used for the acquisition of capital assets and expenditures for the exploration and evaluation asset. The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs.

As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required.

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company has raised money through equity sales, and in the future could raise money from optioning its exploration and evaluation assets.

Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved which may be beyond its control.

On May 24, 2016 the Company entered into a share exchange agreement with High Power Ventures Inc. (HPV) where the Company merged two of its subsidiaries with two subsidiaries of the HPV and obtained seven mineral exploration licenses and two new license applications covering 1,500 square km in Mongolia.

The transaction resulted in Kincora having a 100-per-cent interest in a portfolio covering over 1,500 square kilometres and the majority of the prospective exploration licences that dominate a key geological trend between and along strike from the Oyu Tolgoi and Tsagaan Suvarga (Devonian) copper mines. Kincora now holds an industry-leading proposition of copper-gold and gold targets, a large and high quality database of exploration targets, and the dominant landholding in this proven but underexplored gold-rich porphyry district.

In consideration for the licenses, the Company issued 5,895,000 shares at a deemed price of $0.225/share and issued 2,947,500 warrants exercisable at $0.54 for two years.

The allocation of fair value of the consideration transferred are as follows:

In thousand $		**Ibex Mongolia**		**Ibex Land Mongolia**		**Total**
Shares and warrants consideration paid	$	880	$	1,100	$	1,980
Less: Net assets of IBEX and IBEX Land						
Cash		(12)		(18)		(30)
Equipment		(169)		(74)		(243)
Add: Loan from HPV		-		64		64
Add: Transaction costs		43		22		65
FV of IBEX licenses obtained	**$**	**742**	**$**	**1,094**	**$**	**1,836**

Related Party Transactions

The Company incurred the following amounts for related party services:

a) During the three-month ended March 31, 2018, the Company incurred $21,450 (2017 - $18,450) to BridgeMark Financial Corp, a company with an officer in common for management and accounting services.

b) During the three-month ended March 31, 2018, the Company incurred management fees of $71,250 (2017 - $80,000) to Spring Resources Pty Ltd., a company with an officer in common.

c) During the three-month ended March 31, 2018, the Company incurred director's fees of $82,273 (2017 - $43,833) to three former directors.

d) At March 31, 2018, the Company owed $43,141 (December 31, 2017 - $33,264) in accrued directors' fees in accounts payable.

e) At March 31, 2018, the Company prepaid $97,049 for management fees, chairman, directors and audit committee fees.

Compensation of key management personnel

In thousand $		**March 31, 2018**		March 31, 2017
Management fees, chairman, directors and audit committee fees	**$**	**192**	$	142
Share-based payments*		**51**		936
	$	**243**	$	1,078

** The estimated fair value of the stock options granted during the period was determined using the Black-Scholes option pricing model.*

Share Capital Information

The table below presents the Company's common share data as of May 30, 2018.

	Price ($)	Expiry date	Number of common shares
Common shares, issued and outstanding			69,256,614
Securities convertible into common shares			
Warrants	***various***	***various***	12,289,792
Stock options	***various***	***various***	6,899,426
			88,445,832

Commitments and Contingencies

Contingencies
In the course of its business activities the Company has from time to time, been the subject of civil claims by third parties, including former employees that could give rise to a liability to pay compensation or damages. In addition, the Company may receive notices from regulatory and other governmental agencies responsible for the administration of regulations impacting on the Company's business affairs, in relation to the imposition or intended imposition of penalties, assessments and other orders that could potentially have an adverse effect or negatively impact on the Company's business and financial condition. Based upon historic experience with the management of such claims, assessment and regulatory actions, the Company does not anticipate that the outcome of those claims, assessments and regulatory actions will have a materially adverse effect on the Companies business or financial condition.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company is uncertain as to whether its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

New Accounting Standard Adopted

IFRS 9 "Financial Instruments"

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	**Original classification IAS 39**	**New classification IFRS 9**
Cash	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the consolidated statements of net (loss) income. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

Management of Financial Risk

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair values of the Company's cash and cash equivalents constitutes a Level 1 fair value measurement. The fair value of the Company's receivables, subscriptions receivable, due to related parties, and accounts payable and accrued liabilities approximate the carrying value due to their short-term nature.

Interest Rate Risk
The Company has non-material exposure at March 31, 2018 to interest rate risk through its financial instruments.

Currency Risk
The Company's operations are focused to Mongolia, where many exploration and administrative expenses are incurred in the Mongolian Tugrik and the US Dollar. The Company's ability to advance funds to Mongolia is subject to changes in the valuation of the Tugrik and the US dollar, as well as rules and regulations of the Mongolian government. Fluctuations in the value of the Tugrik and the US Dollar may have an adverse effect on the operations and operating costs of the Company.

Credit Risk
The Company has some cash balances and a convertible debenture. The Company has no significant concentrations of credit risk arising from operations.

Receivables consist of goods and services and the harmonized sales tax due from the Government of Canada. Management believes that the credit risk concentration with respect to receivables is remote.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. Management believes its credit risk to be minimal.

Liquidity Risk
The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at March 31, 2018, the Company had a cash balance of $2,845,000 (December 31, 2017 - $3,277,000) to settle current liabilities of $402,000 (December 31, 2017 - $513,000), noting that $1,400,000 was raised via the second tranche non-brokered private placement of units that closed on October 11, 2017. The Second Tranche Private Placement follows closing of a First Tranche on August 22, 2017,

with total gross funds raised being $5,924,000, supporting a well-funded and aggressive exploration and expansion strategy.

Commodity Price Risk
The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of copper and gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Critical Accounting Estimates

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the statement of financial position date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs, which policy it believes to be consistent with IFRS and applicable guidelines for exploration stage companies. The policy is consistent with other junior exploration companies that have not established mineral reserves objectively. An alternative policy would be to expense these costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established; or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Risks and Uncertainties

The Company is engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven copper/gold deposits and there is no assurance that the Company's exploration programs will result in proven copper/gold deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties. There have been no changes to any of the known and unknown risks and uncertainties during the three-month ended March 31, 2018.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Kincora's general and administrative expenses and exploration and evaluation costs is provided in the Company's annual consolidated statement of loss and note disclosures contained in its annual consolidated financial statements for the year ended December 31, 2017. These statements are available on Kincora's website at www.kincoracopper.com or on its SEDAR Page Site accessed through www.sedar.com.

Dividends

Kincora has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on Kincora's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

At the present time, there are no proposed transactions that are required to be disclosed that are not disclosed elsewhere.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional information is available on the Company's website at www.kincoracopper.com or on SEDAR at www.sedar.com.

Forward Looking Information

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.