Kincora Copper Limited

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expressed in Canadian Dollars

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

As at August 31, 2020

Introduction

The following Management's Discussion and Analysis (*"MD&A"*) of the Company has been prepared as of August 31, 2020. 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 six-month period ended June 30, 2020, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). In addition, the interim condensed consolidated 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 consolidated 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 consolidated financial statements and *MD&A*, is complete and reliable.

Description of Business

Kincora Copper Limited (the "*Company*" or "*Kincora*") is an active explorer and project generator focused on world-class copper-gold discoveries.

The Company has assembled an industry leading technical team who have made multiple Tier 1 copper discoveries, who have "*skin in the game*" equity ownership and who are backed by a strong institutional shareholder base.

Kincora's portfolio includes district scale landholdings and scale-able drill ready targets in both Australia and Mongolia's leading porphyry belts, the Lachlan Fold Belt and Southern Gobi respectively.

Drilling is currently taking place at the Trundle project in the Central West of New South Wales (NSW). Initial visual results have been positive, confirming our targetted geological setting, with Trundle being the only brownfield project held by a listed junior in the Lachlan Fold Belt being in the Northparkes Intrusive Complex (Northparkes being Australia's second largest porphyry mine). In Mongolia a mining license submission for a portion of the Bronze Fox project is ongoing and expected to be shortly submitted.

Our exploration model applies a robust systematic approach utilising modern exploration techniques supporting high-impact, value add programs underpinned by targets with strong indications for world-class scale potential.

Kincora is based in Ulaanbaatar, has a year-round camp in the Southern Gobi, and corporate offices in Vancouver and Melbourne. 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

Corporate and Operational Highlights

Highlights for the six-month period ended June 30, 2020 include:

- **Nyngan and Nevertire licence application:** On January 6, 2020, the Company's license application for its Nyngan project was formally approved, and the Company was granted with exploration license EL8929.

  On January 30, 2020, an application for a second large new exploration licence was made directly to the NSW state for the Nevertire project, covering 382 km2. On April 14, 2020, the Company was successfully granted a new exploration licence (EL8960) for the Nevertire project.

The Company's portfolio of the Nevertire and Nyngan projects consolidates a land position of 1,144 km^2 in the most prospective and shallow to moderate cover of the northern Junee-Narromine belt within the LFB of the Macquarie arc in NSW. Subsequently, FMG Resource Pty Ltd, has pegged the ground between the Nevertire and Nyngan license portfolio and to the south of the Nevertire license.

- **Memorandum of Understanding with RareX Limited:** On January 30, 2020, the Company announced a binding memorandum of understanding (MoU) and made a non-refundable option payment of $25,000 to RareX providing the exclusive right to acquire a 65% interest in six mineral leases and five projects covering 587km^2 in the LFB.

  On March 19, 2020, the Company announced it had completed definitive agreements with RareX. The key commercial terms being:

  - Issuing 14,950,000 common shares at a deemed price of $0.065 per share of the Company upon closing, subject to a voluntary 12-month lockup, resulting in RareX becoming a 9.9% shareholder (issued on March 27, 2020);
  - Payment of $150,000 in cash to RareX as follows:
    - $100,000 in cash consideration (paid on March 30, 2020); and,
    - $50,000 in cash as reimbursement to RareX for outstanding holding costs and licence renewals (paid on March 30, 2020).
  - The Company acquiring a 65% interest in the respective licences, becoming operator and sole financer of all further exploration until a positive scoping study or preliminary economic assessment (PEA). Upon completion of the PEA, the Company and RareX will form a joint venture with standard funding and dilution requirements and right of first refusal on transfers;
  - The Company is committed to maintain the full licence portfolio in good standing for a period of 12 months and RareX shall have the right to retain a 100% ownership in any licence that the Company may elect to drop or to not renew, for no consideration;
  - The Company obtained the approval from the TSXV on February 19, 2020.

  The Company has a controlling interest across a 1,732 km^2 land position in the key belts of the Macquarie Arc, with confirmed strategic appeal and pipeline of targets being systematically advanced. This includes the flagship Trundle project, the only brownfield porphyry project held by a listed junior in the LFB.

- **COVID-19 statement:** Kincora on a daily basis since late January 2020 has been closely monitoring the development of the novel coronavirus (COVID-19) and its spread globally.

  Preventative measures have been taken to modify how we conduct our business, to protect our staff, contractors and the communities we operate in. These measures include international and domestic travel restrictions, remote work and supplemental health care, particularly for our Ulaanbaatar based staff and for the drilling program commenced at the Trundle project in Central West NSW.

  Health and safety considerations, and appropriate risk assessments, continue to dictate various project generation functions, exploration and marketing activities. In Mongolia, Canada and Australia we will continue to pay close attention to the rapidly changing landscapes we face and the measures mandated by the National and State provincial governments. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020.

- **Commencement of drilling at Trundle:** On April 22, 2020, the Company announced a drilling program had commenced testing three large and mineralized porphyry targets at the Trundle project in the LFB. A phase 1 program for six holes and 3,800 metres is planned.

The Trundle license is the only brownfield project held by a listed junior in Australia's foremost porphyry belt (the Macquarie arc of the LFB), and within the same mineralized complex as Australia's second largest porphyry mine (Northparkes), and is viewed to have excellent potential for new higher-grade porphyry and skarn copper-gold discoveries.

On May 19, 2020, the Company announced the first diamond drill hole at the Trundle Park target had been completed at 685 metres in depth. Initial visual drill results have been very positive, with the prospectivity and of the target zone significantly expanded at the Trundle Park target. Hole TRDD001 has confirmed the targeted setting of an adjacent porphyry system to a near-surface skarn, analogous to Cadia and multiple other world-class porphyries.

Hole TRDD001 has intersected multiple skarn zones, including 28 metres of visually interpreted moderate mineralization from 55 metres, including a higher-grade 6.5-metre interval. Previous nearby assay results at Trundle Park include a higher-grade interval of two metre at 20 grams per tonne gold, 6.97% copper and 81 g/t silver from 64 metres.

An adjacent monzonite and monzodiorite intrusion has been intersected, with disseminated chalcopyrite and pyrite supportive of proximity to a potential higher-grade porphyry system/core.

The skarn and porphyry intrusion system setting is analogous to Cadia where the Big and Little Cadia skarns have produced an estimated 140,000 tonnes of high-grade copper (5% to 7%) and greater than 1,500,000 tonnes iron ore, and were important to the discovery of multiple adjacent deposits that make up the largest porphyry system in Australia.

The average depth of prior drilling at the Trundle Park target is only 28 metres, and a high-priority follow-up hole is planned following assay results for TRDD001. In the interim, drilling has commenced at the Mordialloc target, approximately 12.5 km north of Trundle Park, where previous drilling has returned metal grades comparable to the peripheral parts of the Northparkes deposits, with improving grades down hole, open and coincident with an untested deeper geophysical target.

- **Shares for services:** On April 8, 2020, the Company issued 2,483,480 common shares with a fair value of $99,339 to certain directors, officers and service providers on account of services rendered during the second half of 2019, resulting in a gain on debt of settlement of $44,661.

- **Grant of incentive options and shares:**

  - On April 30, 2020, the Company granted 712,866 options to directors and officers of the Company, of which 356,433 are exercisable at $0.11 per share for a period of two years and 356,433 are exercisable at $0.25 per share for a period of three years. The Company has granted an additional 2,273,004 stock options to various directors, officers, employees and consultants of the Company, which are exercisable at a price of $0.085 for a period of three years.

  - On June 12, 2020, following the Company's annual remuneration review, the Company issued an aggregate of 1,973,800 bonus shares awarded to management of the Company in consideration of services rendered in the amount of $276,332.

Highlights for events subsequent to the six-month period ended June 30, 2020:

- **Positive drill results at Trundle:**
  - On July 6, 2020, the Company announced high-grade gold-copper results from first hole at Trundle. The Company released assay results of the first hole at the Trundle project, within the Trundle Park target, which has returned multiple significant intervals of gold and copper mineralization.

Assay results support previously announced visual interpretations of multiple zones of significant gold and copper mineralization. This supports the skarn being a stand-alone target at depths and intervals often mined by both open cut and underground methods, but the high-grade zones within broader moderate mineralized zones are very importantly illustrating significant magmatic fluids associated with the adjacent porphyry intrusion system, which is a much larger target.

- On July 23, 2020, the Company provided a further exploration update and announced the first hole at the Mordialloc target (TRDD002) is to be reopened and extended, after assay results, independent and internal expert geological assessment support strong halo indicators of a mineralized porphyry intrusion system.

  TRDD002 intersected favorable alteration and anomalous metal levels between 721-790.25 metres (end of hole), and included up to 0.29% copper and 272ppm molybdenum.

  An incomplete second hole at the Mordialloc target (TRDD005 located 150 metres south of TRDD002) has intersected volcanoclastic sandstone and agglomerate at 632 metres, and over 12 metres down hole with improved epidote-chlorite alteration and visual quartz-calcite-pyrite-chalcopyrite mineralization. Drilling is to shortly resume after scheduled break.

  Holes TRDD003 and TRDD004 at the Bayleys and Trundle Park targets have been completed at 721.5 metres and 694 metres respectively, within interpreted fertile porphyry settings, assay results and further geological interpretations are pending. Further follow up holes at Trundle Park and the Mordialloc targets are planned.

  The Company announced, Dr. Paul Cromie was appointed to newly created "Exploration Manager Australia".

➢ **Oversubscribed non-brokered private placement**

- Following positive initial drilling results at the Trundle project, on August 4, 2020, the Company announced a non-brokered private placement of units at $0.10 per unit (the "Units") to raised up to $5 million. The Units will be comprised of one share (a "Share") and one warrant (a "Warrant"), each Warrant entitling the holder to acquire a further share at a price of $0.25 for a term of 2 years.

  The primary use of funds of the placement is expanding the current ongoing 6-hole program at Trundle to a total of 22 holes with a further 11,000 metres of drilling. Other uses of funds include:
  - advancing the understanding of the near surface skarn system at the Trundle Park target;
  - advancing the Company's earlier stage licenses and project pipeline (7 additional licenses), several of which are now surrounded by the likes of FMG and Inflection Resources';
  - general working capital; and,
  - pursuing a listing on the Australian Securities Exchange ("ASX").

- On August 26, 2020, the Company announced the non-brokered private placement was oversubscribed with total subscriptions of $5,329,194.

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, and John Holliday (BSc Hons, BEc, member of the Australian Institute of Geoscientists), Non-Executive Director and Technical Committee Chairman, who are the Qualified Persons for the purpose of NI 43-101.

Results of Operations

Three-Month Period Ended June 30, 2020

The Company's loss for the three-month period ended June 30, 2020 (the "*Current Period*") was $448,000 or $0.00 per share as compared with $588,000 or $0.01 per share for the three-month period ended June 30, 2019 (the "*Comparative Period*").

General and administrative expenses were $340,000 higher in the Current Period at $928,000 compared with $588,000 in the Comparative Period, including exploration costs, consultants - geologists and share-based compensation. This difference was due to higher consultants ($55,000 versus $44,000), higher consultants - geologists ($140,000 versus $11,000), higher consultants - technical ($59,000 versus $4,000), higher exploration costs ($112,000 versus $Nil), higher management fees ($215,000 versus $204,000), higher share-based compensation ($148,000 versus $62,000) and higher foreign exchange loss ($20,000 versus gain of $15,000). These increases were offset by lower directors and audit committee fees ($61,000 versus $67,000), lower investor relations ($35,000 versus $66,000), lower legal and accounting ($14,000 versus $56,000), lower corporate administrative and office services ($50,000 versus $57,000), lower transfer agent and filing fees ($5,000 versus $15,000), and lower travel fees ($8,000 versus $14,000).

During the three-month period ended June 30, 2020, the Company recognized $45,000 (2019 - $Nil) gain on settlement of debt, write off of accounts payable of $460,000 (2019 - $Nil), and $25,000 (2019 - $Nil) loss on impairment of exploration and evaluation assets.

Six-Month Period Ended June 30, 2020

The Company's loss for the six-month period ended June 30, 2020 (the "*Current Period*") was $829,000 or $0.01 per share as compared with $903,000 or $0.01 per share for the six-month period ended June 30, 2019 (the "*Comparative Period*").

General and administrative expenses were $426,000 higher in the Current Period at $1,354,000 compared with $928,000 in the Comparative Period, including exploration costs, consultants - geologists and share-based compensation. This difference was due to higher consultants ($91,000 versus $72,000), higher consultants - technical ($81,000 versus $44,000), higher exploration costs ($128,000 versus $Nil), higher consultants - geologists ($166,000 versus $29,000), higher directors and audit committee fees ($122,000 versus $104,000), higher legal and accounting ($92,000 versus $82,000), higher management fees ($290,000 versus $275,000), and higher share-based compensation ($160,000 versus $62,000). These increases were offset by lower investor relations ($78,000 versus $86,000), lower transfer agent and filing fees ($27,000 versus $34,000), lower corporate administrative and office services ($84,000 versus $105,000), and lower travel fees ($32,000 versus $38,000).

During the six-month period ended June 30, 2020, the Company recognized $90,000 (2019 - $25,000) gain on settlement of debt, write off of accounts payable of $460,000 (2019 - $Nil), and $25,000 (2019 - $Nil) loss on impairment of exploration ad evaluation assets.

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 $	June 30, 2020 ($)	March 31, 2020 ($)	December 31, 2019 ($)	September 30, 2019 ($)	June 30, 2019 ($)	March 31, 2019 ($)	December 31, 2018 ($)	September 30, 2018 ($)
Financial Results								
Net loss for period	(448)	(381)	(3,523)	(530)	(588)	(315)	(728)	(583)
Basic and diluted loss per share	(0.00)	(0.00)	(0.03)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)
Exploration expenditures, net of impairment (recovery)	472	1,033	(2,110)	998	175	190	33	387
Financial Position								
Cash and cash equivalents	2,153	2,899	2,903	2,904	2,813	576	937	1,466
Exploration and evaluation assets	51,944	51,472	50,439	52,549	51,551	51,376	51,186	51,153
Total assets	54,306	54,589	54,291	57,450	58,060	52,223	52,446	53,073
Shareholders' equity	53,771	53,696	53,467	56,724	57,129	51,552	51,710	52,507

Liquidity and Capital Resources

As of June 30, 2020, the Company had $2,153,000 in cash. Subsequent to period end, the Company announced closing of an oversubscribed non-brokered private placement with total subscriptions of $5,329,194.

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 June 30, 2020, the Company had an accumulated deficit of $130,431,000, a net loss for the six-month period ended June 30, 2020 of $829,000, has working capital of $1,730,000 and a cash balance of $2,153,000. Subsequent to period end, the Company announced closing of an oversubscribed non-brokered private placement with total subscriptions of $5,329,194. During the six-month period ended June 30, 2020, the Company had cash of $116,000 provided from operating activities, and had investing activities use of cash of $866,000 which was mainly used for the acquisition of equipment and expenditures for the exploration and evaluation assets. 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.

Related Party Transactions

The Company incurred the following amounts for related party services:

a) During the six-month period ended June 30, 2020, the Company incurred $18,000 (2019 - $21,150) to BridgeMark Financial Corp. and $18,900 (2019 - $15,750) to Regiis Oak Capital Corp., companies with an officer in common for management and accounting services.

b) During the six-month period ended June 30, 2020, the Company incurred $289,946 (2019 - $275,000) to companies with an officer in common for management services.

c) During the six-month period ended June 30, 2020, the Company incurred director's fees of $255,000 (2019 - $139,000) to current directors.

d) During the six-month period ended June 30, 2020, the Company incurred consulting fees of $10,000 (2019 - $28,000) to a director of the Company.

e) At June 30, 2020, the Company owed $278,821 (December 31, 2019 - $227,411) in accrued directors' fees in accounts payable.

f) During the six-month period ended June 30, 2020, the Company issued 2,483,480 common shares with a fair value of $99,339 to settle $144,000 payables owing to officers and directors of the Company. During the six-month period ended June 30, 2019, the Company issued 683,467 common shares with a fair value of $79,306 to settle $91,500 payables owing to the officers and directors of the Company.

Compensation of key management personnel

In thousand $		**June 30, 2020**		June 30, 2019
Management, chairman, directors, and audit committee fees	**$**	**592**	$	479
Share-based payments*		**148**		62
	$	**740**	$	541

** The estimated fair value of the stock options vested 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 August 31, 2020.

	Price ($)	Expiry date	Number of common shares
Common shares, issued and outstanding			208,161,047
Securities convertible into common shares			
Warrants	***various***	***various***	115,806,940
Stock options	***various***	***various***	14,789,531
			338,757,518

Subsequent to period end on August 26, 2020, the Company announced closing of an oversubscribed non-brokered private placement to issue up to 53,291,940 new common shares and 53,291,940 warrants with a two-year term post closing and $0.25 strike price.

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 Standards Adopted

IFRS 16 "*Leases*"

The Company adopted IFRS 16 which sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The adoption did not result in any impact on the financial statements as the Company did not have any lease during the periods presented.

As at the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the "right-of-use" asset) unless the underlying asset has a low value or the lease term is twelve months or less, which are expensed in the period incurred. At this date, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The right-of-use asset is then depreciated using the straight-line method from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset may also be reduced for any impairment losses, if any.

At the lease commencement date, the lease liability is measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate, which is the rate the Company would pay for similar assets at similar locations over a similar term. The lease liability is measured at amortized cost using the effective interest method.

Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

Interest Rate Risk
The Company has non-material exposure at June 30, 2020 to interest rate risk through its financial instruments.

Currency Risk
The Company's operations are focused on Australia and Mongolia, where many exploration and administrative expenses are incurred in the Australian Dollar, Mongolian Tugrik and the US Dollar. The Company's ability to advance funds to Australia and Mongolia is subject to changes in the valuation of the Australian Dollar, Tugrik and the US Dollar, as well as rules and regulations of the Mongolian government. Fluctuations in the value of the Australian Dollar, Tugrik and the US Dollar may have a positive and/or adverse effect on the operations and operating costs of the Company. The Company does hold balances in foreign currencies, the Australian Dollar, Mongolian Tugrik and United States dollar, which provide exposure to foreign exchange risk. Management seeks to limit foreign current risk, primarily seeking to retain funds in Canada wiring funds as and when needed to foreign subsidiaries to met operating expenditures, and believes this risk to be minimal.

Credit Risk
The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Mongolia. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

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 June 30, 2020, the Company had a cash balance of $2,153,000 (December 31, 2019 - $2,903,000), to settle current liabilities of $535,000 (December 31, 2019 - $824,000). Subsequent to period end, the Company announced closing of an oversubscribed non-brokered private placement with total subscriptions of $5,329,194.

Fraud Risk
Fraud risk is the vulnerability that the Company faces from entities capable of intentional misconduct because of pressure, opportunity and rationalization. Fraud risk comes from sources both internal and external to the Company. The Company closely monitors its operations to determine the appropriate course of action to be taken.

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 interim condensed consolidated 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 consolidated 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 six-month period ended June 30, 2020.

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 interim condensed consolidated statement of loss and note disclosures contained in its interim condensed consolidated financial statements for the six-month period ended June 30, 2020. 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 Consolidated Financial Statements

The information provided in this report, including the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and related financial reporting and internal control matters before the consolidated 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 consolidated 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 consolidated 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.