Kincora Copper Limited

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expressed in Canadian Dollars

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

As at May 13, 2022

Introduction

The following Management's Discussion and Analysis (*"MD&A"*) of the Company has been prepared as of May 13, 2022, and reported in Canadian dollars. This MD&A should be read in conjunction with the interim condensed consolidated financial statements of Kincora Copper Limited and the notes thereto for the three-month period ended March 31, 2022, 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.

Additional information relating to the Company, including most recent financial reports, are available on the Canadian System for Electronic Document Analysis and Retrieval ("*SEDAR*") at www.sedar.com, on the Australian Securities Exchange ("*ASX*") announcements platform under the Company's code 'KCC' and on the Company's website at www.kincoracopper.com.

Description of Business

Kincora Copper Limited (the "*Company*" or "*Kincora*") is an active explorer and project generator focused on world-class copper-gold discoveries with the near-term ambition to become the leading listed pure play explorer in what we believe is one of the most significant gold rich porphyry regions in the world, the Lachlan Fold Belt ("*LFB*") of Australia.

The Company has assembled an industry leading technical team who have made multiple world-class copper and gold discoveries, who have "*skin in the game*" equity ownership, who are backed by a strong institutional shareholder base and more recently Australian capital market investors through a dual listing on the Australian Securities Exchange ("*ASX*") in March 2021.

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

In the last 6 months, drilling has taken place at the Company's Trundle, Nyngan and Fairholme projects in the Central West of New South Wales ("NSW"), with neighbouring explorer drilling testing common geochemical and geophysical anomalies at our Cundumbul project. Furthermore, the Company expanded its project portfilio via the direct application and securing the Mulla gold-copper project (covering 616km^2).

Drilling results have been positive since drilling commenced at Trundle in April 2020, confirming our targeted geological setting, with Trundle situated in the western section of the Northparkes Intrusive Complex (the Northparkes mine situated in the eastern portion, hosting over 5.5Moz gold and 4.5Mt copper and being Australia's second largest porphyry mine). In the last quarter a new discovery, the Southern Extension Zone, has been made at the Trundle Park prospect at Trundle. Activities are taking place advancing the remainder of the 2,388km^2 project pipeline in NSW, including having completed one hole with State co-operative funding support (for up to A$120,000) for drilling the Nyngan porphyry project and having completed drilling at Gateway prospect at the Fairholme gold-base metals project (funding A$200,000). Subsequent to period end, the Company received a further three project grants for co-operative funding to include the Fairholme, Jemalong and Nevertire projects for total financial support of A$389,500.

The State co-operative funding program is another example of the favourable operating environment Kincora benefits from in NSW, particularly at a time of increasing hurdles and ESG considerations across the industry, and notably in the copper sector.

In Mongolia, during the second half of 2020 the Company gained a mining license for a key portion of the large copper-gold porphyry discovery at the Bronze Fox Intrusive Complex project, which is currently the focus a maiden JORC and/or NI 43-101 resource[1]. Encouraging field results have taken place in both the 2020 and 2021 field seasons at the adjacent Tourmaline Hills Intrusive Complex project, with a new intrusive complex discovered on the southern portion of the same license during 2021 (Shuteen North).

Kincora's Mongolian assets are the focus of an agreement with Resilience Mining Mongolia ("*RMM*"). The transaction with RMM provides Kincora significant upside to exploration, project generation and development successes for the Mongolia portfolio, and enables a streamline in focus for our NSW portfolio and strategy.

On March 26th, 2021, the Company was admitted to the official list of the ASX with official quotation of the Company's Chess Depositary Interests ("*CDI's*") representing fully paid ordinary shares at a ratio of 1:1. The listing commenced on March 30th, 2021 following the Company having raised $9,620,000 (A$10,000,000) pursuant to the offer under its prospectus dated March 1st, 2021 by the issue of 50 million shares (settled on ASX in the form of CDIs) at an issue price of A$0.20 per share.

Kincora has corporate offices in Vancouver and Melbourne, an operating office in Ulaanbaatar, current drilling activities at the Trundle and Fairholme projects in NSW and a year-round camp in the Southern Gobi.

The Company is a reporting issuer in Ontario, British Columbia and Alberta, Canada, with its common shares trading on the TSX Venture Exchange and CDIs trading on the ASX under the symbol **KCC**. As at May 4, 2022, the Company has 47.5 million shares on the TSX Venture Exchange and 73.2 million CDIs on the ASX.

For further information please refer to our website: www.kincoracopper.com

Operational and Corporate Highlights

Highlights for the three-month period ended March 31, 2022 include:

- **Drilling at the Trundle project:** Kincora has announced the discovery of a newly identified Southern Extension Zone at the Trundle Park mineralised system.

  Highlights:
  - Assay results confirm diamond hole TRDD029 as an important new geological discovery along the Southern Extension Zone at Trundle Park:
    o Cumulative gold and copper mineralisation across 196m returned in three skarn zones in TRDD029, including:
      - Upper Skarn: 36m @ 0.68 g/t gold and 0.29% copper.
      - Middle Skarn: 129m @ 0.17 gold and 0.12% copper, including:
        - 34m @ 0.38g/t gold and 0.30% copper.
  - Skarn mineralization and quartz sulphide veining in overlying volcanics in this Southern Extension Zone discovery provide important geological and mineral vectors for the targeted causative intrusive porphyry source.
  - An air-core drilling program of 50 holes for 1,550 metres completed at the Trundle project, testing the wider intrusive complex and extent of identified anomalous copper-gold mineralisation at open pit target depths to the north of Trundle Park.

The latest assay results and drilling update on the Southern Extension Zone discovery are included in the Subsequent Events Section of this MD&A.

- **Co-operative funding grants:** On January 31, 2022, the Company announced the awarding of three separate project drilling grants totaling A$389,500 under the latest New Frontiers Cooperative Drilling program (Round Four) from the NSW Government (this is in addition to the existing A$120,000 grant for the Nyngan project from Round Three). Grants were received for the Fairholme, Jemalong and Nevertire projects, supporting the completed five-hole diamond drilling program at the Gateway prospect within the Fairholme project and for a completed 9-hole follow up air-core program (with assay results and review pending).

  The grants follow a competitive expert panel review process, monies are non-dilutionary and fund direct per meter drilling costs on a matched dollar-for-dollar basis. Kincora notes other grants issued to neighboring explorers for drilling on adjacent licenses and potentially common mineral systems to our Trundle and Cundumbul projects.

- **Mongolian exploration and corporate update:** On February 11, 2022, the Company provide a positive exploration update on 2021 field season results from activities in Mongolia and announced a conditional extension to the existing corporate agreement covering the Mongolian portfolio with Resilience Mining Mongolia.

  Surface mapping, rock chip sampling and ground magnetics have defined multiple porphyry targets at newly identified Shuteen North prospect, associated with the regionally significant Shuteen Intrusive Complex. This is the third intusive complex identfied on the adjacent two licenses at the Bronze Fox project.

  Further mapping, rock chip and soil sampling, coupled with ground magnetics, expanded the mineralised system and refined mineralising controls at the West Fox prospect, which is situated on the western margin of the Tourmaline Hills Intrusive Complex.

  On March 1, 2022, the Company announced Resilience Mining Mongolia had commenced (at Resilience's expense) resource estimate work to convert the Exploration Target to a JORC and/or NI 43-101 resource for the Bronze Fox Intrusive Complex[1].

[1] Resilience to convert (at Resilience's expense) the existing exploration target[2] for Bronze Fox to a JORC &/or NI 43-101 resource prior to IPO on the ASX with a deadline date provide for April 15th, 2022.

[2] *"76 holes for 24,129m supports an exploration target of 416-428Mt at 0.26-0.30% Cu for up to 2,437 Mlb copper & 0.84 Moz gold or 1.3-1.5Mt CuEq.*

This estimate of the Exploration Target is conceptual in nature and there is currently insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the target being delineated as a mineral resource. Since, some 24,000 m of drill core at the Bronze Fox Intrusive Complex has been reviewed and relogged by Kincora, adding to 8,000 m previously relogged.

This exercise addressed an issue with geological data quality that prevented reporting of a Mineral Resource in accordance with JORC and NI43-101 guidelines. A conceptual study undertaken at the same time as the Exploration Target explored the potential for a small, near surface oxide SX-EW project at Bronze Fox."

Sourced from the Mining Associates Technical Export Report February 25th, 2021. Please refer to this report for further details.

- **First phase drilling results and commencement of phase two at the Fairholme project:** On March 31, 2022, the Company provided an exploration update for drilling activities at the Fairholme project, located in the Macquarie Arc of the Lachlan Fold Belt in NSW, Australia.

  Highlights:
  - Air-core drilling program commenced at up to six prospects, including the Gateway and Anomaly 2 prospects commenced, seeking to follow up and expand previous geochemical anomalies, often with coincident geophysical anomalies across the wider Fairholme project
  - Maiden completed 5-holes for 1,684 metres diamond-drilling program by Kincora at the Gateway prospect returned broad anomalous copper, gold and base metal mineralisation (eg KFHD003 with 80m @ 0.11 g/t gold & 0.16% copper), with localised higher grade zones (eg KFHD001 with 1m @ 1.42 g/t gold & 2m @ 0.91 g/t gold), and, identified zonation and controls to mineralisation. The system's strike at Gateway is over 600m with the commenced 9-hole air-core program focused on strike extension and higher grade potential.

Highlights for event subsequent to the three-month period ended March 31st, 2022 include:

- **Drilling update at the Trundle project:** Subsequent to period end, the Company provided an exploration update from continuing drilling at Trundle Park prospect situated at the brownfield Trundle project.

  Highlights:
  - Assay results for TRDD030 return cumulative gold and copper mineralization across 164 metres in three skarn zones:
    - Localized higher-grade intervals of up to 1.68 grams per tonne gold and 3.61 per cent copper;
    - Middle skarn: 29 m at 0.54 g/t gold and 0.22 per cent copper, including five m at 1.46 g/t gold and 0.56 per cent copper;
    - Lower skarn: 22 m at 0.51 g/t gold.
  - Most recent hole TRDD032 has intersected cumulative skarn intervals of over 170 metre below multiple zones and phases of moderate to strong potassic and later epidote alteration, in places cut by quartz veinlets with chalcopyrite, bornite and covellite mineralization in volcanics.
  - Assay results pending for completed holes TRDD031 and TRDD032
  - Tabular, bedded, mineralized skarn system across three zones confirmed by holes TRDD029, TRDD030, TRDD031 and TRDD032 over 325 metre northwest-southeast strike and over 225 metre west-east wide (and open) in the Southern Extension Zone discovery.
  - Skarn alteration, widths and mineral zonation, coupled with sulphide veining in overlying volcanics, supports working interpretation of targeted causative intrusive source on a lateral setting.
  - Hole TRDD033 commenced stepping out a further 225 metre east and testing the southern extension for mineralized intrusions.
  - Internal and external specialist geological reviews of the southern extension zone commenced, seeking to maximize vectors for follow-up drilling.
  - Assay results are pending for eight prospects across the Trundle and Fairholme projects, including for two diamond holes (from the SEZ discovery) and 72 air core holes. Within the Mongolian license portfolio, completion of resource estimate work for the Bronze Fox project is expected shortly.

A full summary of significant intervals for completed drilling at the Trundle project are available on Kincora's website under: https://kincoracopper.com/the-trundle-project.

Further details on the Trundle project and recent drill results are also available in the latest corporate presentation available at: https://kincoracopper.com/corporate-presentation.

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 Paul Cromie (BSc Hons. M.Sc. Economic Geology, PhD, member of the Australian Institute of Mining and Metallurgy and Society of Economic Geologists), Exploration Manager Australia, who is the Qualified Persons for the purpose of NI 43-101.

JORC Competent Person Statement
Information that relates to Exploration Results, Mineral Resources or Ore Reserves has been reviewed and approved by Mr. Paul Cromie, a Qualified Person under the definition established by JORC and have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Paul Cromie (BSc Hons. M.Sc. Economic Geology, PhD, member of the Australian Institute of Mining and Metallurgy and Society of Economic Geologists), is Exploration Manager Australia for the Company. Mr. Paul Cromie consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The review and verification process for the information disclosed herein for the Trundle project has included the receipt of all material exploration data, results and sampling procedures of previous operators and review of such information by Kincora's geological staff using standard verification procedures.

Results of Operations

Three-Month Period Ended March 31st, 2022

The Company's loss for the three-month period ended March 31st, 2022 (the "*Current Period*") was $608,000 or $0.01 per share as compared with $1,006,000 or $0.01 per share for the three-month period ended March 31st, 2021 (the "*Comparative Period*").

General and administrative expenses were $398,000 lower in the Current Period at $608,000 compared with $1,006,000 in the Comparative Period. This difference was due to lower consultants ($37,000 versus $58,000), lower corporate administrative and office services ($75,000 versus $89,000), lower foreign exchange loss ($13,000 versus $38,000), lower insurance cost ($27,000 versus $115,000), lower legal and accounting ($27,000 versus $50,000), lower share-based compensation ($185,000 versus $402,000), and lower transfer agent and filing fees ($37,000 versus $62,000). These decreases were offset by higher investor relations ($47,000 versus $32,000).

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, 2022 ($)	December 31, 2021 ($)	September 30, 2021 ($)	June 30, 2021 ($)	March 31, 2021 ($)	December 31, 2020 ($)	September 30, 2020 ($)	June 30, 2020 ($)
Financial Results								
Net loss for period	(608)	(1,185)	(424)	(19,966)	(1,006)	(466)	(30,261)	(1,123)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.17)	(0.01)	(0.01)	(0.17)	(0.01)
Exploration expenditures, net of impairment (recovery)	1,120	1,352	2,154	(17,366)	883	1,410	(28,978)	(270)
Financial Position								
Cash and cash equivalents	3,348	4,831	6,736	9,031	12,360	4,461	6,021	2,153
Exploration and evaluation assets	11,777	10,657	9,305	7,151	24,517	23,634	22,224	51,202
Total assets	15,710	16,286	16,693	16,702	37,294	28,531	28,663	53,661
Shareholders' equity	15,303	15,605	15,999	16,287	36,419	27,699	28,146	53,181

Liquidity and Capital Resources

As of March 31st, 2022, the Company had $3,348,000 in cash.

On March 26th, 2021, the ASX announced that the Company was admitted to the official list of ASX Limited with official quotation of the Company's CDI's to commence on March 30th, 2021, following the Company having raised $9,620,000 (A$10,000,000) in a heavily oversubscribed offering pursuant to its prospectus dated March 1st, 2021, by the issue of 50,000,000 shares (settled on the ASX in the form of CDIs). In connection with the offering, the Company paid share issuance costs of $526,404 and accrued an obligation to issue 10,000,000 brokers' options as of March 31st, 2022. Each option is exercisable at $0.29 (A$0.30) per share for a period of three years. The fair value of the options was determined to be $1,700,078.

The Company does not have any positive 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, the novel coronavirus (COVID-19) pandemic, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets.

As at March 31st, 2022, the Company had an accumulated deficit of $185,022,000 working capital of $3,253,000 and a cash balance of $3,348,000, and a net loss for the three-month period ended March 31st, 2022 of $608,000.

During the three-month period ended March 31st, 2022, the Company had cash of $400,000 used in operating activities, $Nil provided from financing activity, and $1,116,000 used in investing activities 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 positive 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 caliber of its management, corporate activity and exploration results. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities and industry conditions. 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 three-month period ended March 31, 2022, the Company incurred $18,450 (2021 - $18,450) to a company with an officer in common for management and accounting services.

b) During the three-month period ended March 31, 2022, the Company incurred $75,000 (2021 - $75,000) to an officer and a company with an officer in common for management services.

c) During the three-month period ended March 31, 2022, the Company incurred director's fees of $78,500 (2021 - $78,500) to current directors.

d) During the three-month period ended March 31, 2022, the Company incurred consulting fees of $5,000 (2021 - $5,000) to a director of the Company.

e) At March 31, 2022, the Company owed $466,585 (December 31, 2021 - $498,474) in accrued directors' fees and management and accounting fees in accounts payable and obligation to issue shares.

f) During the three-month period ended March 31, 2021, the Company issued 926,739 common shares to settle $252,001 payables owing to officers and directors of the Company. No shares were issued to settle payables owing to officers and directors of the Company during the three-month period ended March 31, 2022.

Compensation of key management personnel

In thousand $		**March 31, 2022**		March 31, 2021
Management, chairman, directors, and audit committee fees	**$**	**177**	$	177
Share-based payments*		**171**		331
	$	**348**	$	508

** The estimated fair value of the stock options vested during the comparative 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 March 31, 2022.

	Price ($)	Expiry date	Number of common shares
Common shares, issued and outstanding			120,712,026
Securities convertible into common shares			
Warrants	***$0.750***	***August 26, 2022***	17,763,962
Stock options	***various***	***various***	11,671,090
Performance rights		***Various***	5,520,449
			155,667,527

The Company consolidated its capital on the basis of three existing shares for one new share effective January 8, 2021. All shares figures and references have been retroactively adjusted to reflect the share consolidation and are disclosed prior to the Company's ASX offering under the prospectus dated March 1st, 2021.

As of May 13, 2022, the Company has an obligation to issue 10,000,000 stock options as share issuance cost for successfully completed initial public offering on the ASX on March 26th, 2021.

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 Company's business or financial condition.

During the year ended December 31, 2021, the Company's Mongolian subsidiary, Golden Grouse IBEX LLC ("GGI"), has received a tax act for 2.7 billion tugriks (MNT), approximately $950,000 (U.S.), from the Mongolian Tax Authority ("MTA"). The 2021 tax assessment comprises four items, of which the Company strongly refutes the merit of three including the very vast majority of the liability sought relating to the 2016 merger with IBEX (the agreed liability owed is 16.2 million MNT or approximately $5,700 (U.S.)).

The 2016 IBEX merger required a tax assessment, which followed an audit of the IBEX entity's prior-year periods and the on-shore and off-shore agreements to the merger (IBEX and parent entities). The 2016 tax assessment was a condition precedent to close the merger with any adverse liability enabling both counterparties to walk away from the merger. In the company's view, supported by three independent external legal opinions, the 2021 tax assessment's retrospective liability is not in line with the 2016 tax assessment and Mongolian law, and there is no basis for a different determination.

Shortly after the IBEX merger closed, in mid-2017, a tax audit commenced on the merged entity to validate that the merger transaction completed as it was presented to the Mongolian authorities in 2016. This review has only completed in the fourth quarter of 2020, with a fourth audit review team, including a team member from the original 2016 review, delivering the 2021 tax assessment. A statute of limitation for the MTA to review and retrospectively enable a contradictory tax act expired on February 10th, 2021.

The exploration licenses included in the IBEX merger, and the core focus of the 2021 tax assessment, have been thoroughly explored, and subsequently all have been properly relinquished back to the State. The basis of the tax liability sought is referenced to the historical invested capital of the IBEX entity counterparty to the 2016 merger, all of which has since been written off.

The Company is pursuing its defence of the 2016 tax ruling and objection to the 2021 tax act via the Mongolian administrative courts. Subsequent to the 2021 tax assessment Kincora has executed a definitive agreement with RMM that provides significant upside to exploration, project generation and development successes in Mongolia without near to medium term funding obligations.

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.

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 March 31, 2022 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 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 Australian Dollar, Tugrik and the US dollar may have positive and/or adverse effect on the operations and operating costs of the Company. Management seeks to limit foreign current risk, primarily seeking to retain funds in Canada and Australia wiring funds as and when needed to foreign subsidiaries to meet 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 Australia, with more limited funds held in Mongolia. As most of the Company's cash is held by three 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 March 31, 2022, the Company had a cash balance of $3,348,000 (December 31, 2021 - $4,831,000) to settle current liabilities of $407,000 (December 31, 2021 - $681,000). On March 19, 2021, Company raised $9,620,000 (A$10,000,000) through an initial public offering ahead of commencement of trading and dual listing on the ASX.

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.

Confirmation or otherwise of our more advanced geological models, advancement of earlier stage project pipeline and exploration success is expected to materially impact the value of the Company. The ability of the Company to systematically advance its district scale project pipeline from a technical perspective is a fundamental value driver, upside and downside, to the Company and its valuation. The ability of the Company to commercially advance and effect its exploration strategy is also a fundamental value driver.

The Company will be required to negotiate access arrangements and pay compensation to landowners, local authorities, transitional land users, the NSW Government and others who may have an interest in the area covered by a tenement/license. The Company's ability to resolve access and compensation issues may have an impact on the future success and financial performance of the Company's operations.

The Company continues to closely monitor the development of the novel coronavirus (COVID-19), and its spread globally and within Australia. Early preventative measures were taken and a formal COVID-19 safety and management plan was implemented to modify how contractors and the Company conduct business and implement best practice recommendations and policies. Health and safety considerations, and appropriate risk assessments, continue to dictate various project generation functions, exploration and marketing activities.

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on senior management, the exploration team and contractors, who are an integral part of the business. Should there be resignations, there may be difficulties in recruiting similar high-quality personnel and overall team balance. There can be no assurance given that there will be no negative impact on the Company if one or more of these key team members cease their employment.

The Company's core focus is its relatively recent entry into NSW and the NSW project pipeline, with previous projects and subsidiaries viewed as non-core. The Company has announced a binding term sheet for its Mongolian assets with Resilience Mining Mongolia ("RMM") and notice of a Mongolian tax claim from the Mongolian Tax Authority ("MTA") relating to one of its subsidiaries. These non-core assets may have certain ongoing contractual obligations and operations, which have inherent business risk and potential legacy risks. The Company has been listed since 1983, operating in emerging and frontier markets such as Brazil and then Mongolia.

The material changes to known and unknown risks and uncertainties during the three-month period ended March 31st, 2022 have been noted in these accounts.

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 consolidated statement of loss and note disclosures contained in its condensed interim condensed consolidated financial statements for the three-month period ended March 31, 2022. These statements are available on Kincora's website at www.kincoracopper.com or on its SEDAR Page Site accessed through www.sedar.com or the Australian Securities Exchange ("ASX") at https://www2.asx.com.au.

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.

This announcement has been authorized for release by the Board of Kincora Copper Limited (ARBN 645 457 763)

Executive office Canada
400 – 837 West Hastings Street
Vancouver, BC V6C 3N6, Canada
Tel: 1.604.283.1722
Fax: 1.888.241.5996
Email: enquiries@kincoracopper.com

Subsidiary office Australia
Vista Australia (formerly Leydin Freyer Corp Pty Ltd)
Level 4, 100 Albert Road
South Melbourne, Victoria 3205

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.