Third Quarter 2021 Financial Statements and Management's Discussion & Analysis

Kincora Copper Limited

ARBN: 645 457 763

Please find attached for release to the market, Kincora Copper Limited's Third Quarter 2021 Financial Statements and Management's Discussion & Analysis, prepared in accordance with National Instrument 51-102 Continuous Disclosure Obligations and NI 51-102F1 Management's Discussion and Analysis, issued by the Canadian Securities Administrators, for lodgement on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR).

November 16, 2021

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

Website: www.kincoracopper.com Email: enquiries@kincoracopper.com

Kincora Copper Limited

(An Exploration Stage Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

For the nine-month periods ended September 30, 2021 and 2020

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by and the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

Kincora Copper Limited

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Financial Position

As at

(Figures in tables are expressed in thousands of Canadian dollars)

		September 30, 2021		December 31, 2020
		(Unaudited)		(Audited)
ASSETS				
Current				
Cash and cash equivalents	**$**	**6,736**	$	4,461
Receivables, prepaids and deposits (Note 7)		**557**		344
		7,293		4,805
Equipment (Note 11)		**95**		92
Exploration and evaluation assets (Note 6)		**9,305**		23,634
	$	**16,693**	$	28,531
LIABILITIES				
Current				
Accounts payable (Note 7 and 9)	**$**	**694**	$	765
Accrued liabilities		**-**		67
		694		832
SHAREHOLDERS' EQUITY				
Share capital (Note 7)		**186,237**		178,484
Share-based payment reserve (Note 7)		**11,241**		10,847
Obligation to issue shares (Note 7)		**2,007**		201
Foreign currency translation reserve		**(257)**		-
Deficit		**(183,229)**		(161,833)
		15,999		27,699
	$	**16,693**	$	28,531

Nature of Operations and Going Concern (Note 1)
Contingencies (Note 12)
Subsequent Event (Note 13)

Approved and authorized by the Board of Directors on November 15, 2021

"Ray Nadarajah"	*"Sam Spring"*
Ray Nadarajah	Sam Spring
Director	Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Kincora Copper Limited

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
For the,

(Figures in tables are expressed in thousands of Canadian dollars, except per share amounts)
(Unaudited - Prepared by Management)

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020	**Nine-month period ended September 30, 2021**	Nine-month period ended September 30, 2020
Expenses				
Consultants	**$ 50**	$ 86	**$ 155**	$ 177
Consultants – Geologists (Note 9)	**5**	9	**15**	116
Consultants – Technical	**18**	21	**56**	65
Corporate administrative and office services (Note 9)	**150**	59	**363**	143
Directors and audit committee fees (Note 9)	**61**	61	**183**	183
Exploration costs (recovery)	**-**	(128)	**-**	-
Foreign exchange loss (gain)	**(27)**	42	**53**	36
Insurance	**12**	11	**86**	20
Investor relations	**39**	34	**109**	112
Legal and accounting	**36**	16	**392**	108
Management fees (Note 9)	**75**	75	**225**	270
Share-based compensation (Notes 7 and 9)	**10**	24	**421**	219
Transfer agent and filing fees	**3**	31	**144**	58
Travel	**1**	10	**6**	42
	(433)	(351)	**(2,208)**	(1,549)
Other items				
Gain on settlement of debt (Note 7)	**-**	-	**-**	45
Write off of accounts payable	**9**	-	**9**	416
Loss on impairment of exploration and evaluation assets (Note 6 and 13)	**-**	(29,910)	**(19,197)**	(30,677)
Net loss for the period	**$ (424)**	$ (30,261)	**$ (21,396)**	$ (31,765)
Foreign currency translation	**(56)**	-	**(257)**	-
Comprehensive loss for the period	**$ (480)**	$ (30,261)	**$ (21,653)**	$ (31,765)
Loss per share – basic and diluted	**$ (0.00)**	$ (0.52)	**$ (0.20)**	$ (0.62)
Weighted average number of common shares outstanding (*000's*)	**120,713**	58,455	**105,196**	51,641

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Kincora Copper Limited

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Cash Flows
For the nine-month periods ended September 30,

(Figures in tables are expressed in thousands of Canadian dollars)
(Unaudited – Prepared by Management)

Cash provided by (used in):		**2021**		2020
Operating activities				
Loss for the period:	**$**	**(21,396)**	$	(31,765)
Items not affected by cash:				
Gain on settlement of debt		**-**		(45)
Obligation to issue shares		**299**		156
Share-based compensation		**411**		219
Write-down of mineral property		**19,197**		30,677
Write off of accounts payable		**(9)**		(416)
Issuance of bonus shares		**-**		85
Changes in non-cash working capital items:				
Receivables, prepaids and deposits		**(230)**		580
Accounts payable and accrued liabilities		**37**		298
Net cash used in operating activities		**(1,691)**		(211)
Investing activities				
Acquisition of equipment		**(67)**		(81)
Exploration and evaluation asset expenditures		**(4,804)**		(1,759)
Net cash used in investing activities		**(4,871)**		(1,840)
Financing activity				
Proceeds from private placement, net of issue costs		**9,094**		5,169
Net cash provided by financing activity		**9,094**		5,169
Effect of foreign exchange translation		**(257)**		**-**
Change in cash and cash equivalents		**2,275**		3,118
Cash and cash equivalents – beginning of period		**4,461**		2,903
Cash and cash equivalents – end of period	**$**	**6,736**	$	6,021

Supplemental Disclosure of Cash Flow Information (Note 10)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Kincora Copper Limited

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
For the nine-month periods ended September 30, 2021 and 2020

(Figures in tables are expressed in thousands of Canadian dollars, except number of share amounts)
(Unaudited – Prepared by Management)

	Share capital (Number of shares*)	Share capital $	Obligation to issue shares $	Share-based payment reserve $	Foreign currency translation reserve $	Deficit $	Total $
Balance, December 31, 2019	45,153,892	172,402	-	10,667	-	(129,602)	53,467
Shares issued for private placement, net	17,763,980	5,169	-	-	-	-	5,169
Shares issued for exploration and evaluation assets	4,983,333	598	-	-	-	-	598
Shares issued for settlement of debt	827,827	144	-	-	-	-	144
Shares for services to be issued	-	-	156	-	-	-	156
Bonus shares issued	657,933	197	-	-	-	-	197
Share-based compensation	-	-	-	180	-	-	180
Loss for the period	-	-	-	-	-	(31,765)	(31,765)
Balance, September 30, 2020	**69,386,965**	**178,510**	**156**	**10,847**	**-**	**(161,367)**	**28,146**
Balance, December 31, 2020	69,386,944	178,484	201	10,847	-	(161,833)	27,699
Shares issued for private placement	50,000,000	9,620	-	-	-	-	9,620
Share issuance costs	-	(2,226)	1,700	-	-	-	(526)
Shares issued for debt and services	1,325,082	359	(193)	-	-	-	166
Shares for services to be issued	-	-	299	-	-	-	299
Share-based compensation	-	-	-	394	-	-	394
Loss for the period	-	-	-	-	(257)	(21,396)	(21,653)
Balance, September 30, 2021	**120,712,026**	**186,237**	**2,007**	**11,241**	**(257)**	**(183,229)**	**15,999**

*The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a 3:1 basis effective January 8, 2021 (Note 7).

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. Nature of Operations and Going Concern

Kincora Copper Limited ("the Company" or "Kincora") was incorporated in British Columbia on September 24, 1983. The Company is engaged in the acquisition and exploration of exploration and evaluation assets. The Company's shares are listed on the TSX-Venture Exchange ("TSXV") and began trading on the Australian Securities Exchange ("ASX") effective March 30, 2021, both under the symbol KCC.

The head office of the Company is located at Suite #400 - 837 West Hastings Street, Vancouver, British Columbia V6C 3N6 and the registered address and records office is located at 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1D3.

These interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation assets projects. These material uncertainties may cast a significant doubt on the validity of this assumption.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to continue operations. As at September 30, 2021, the Company has an accumulated deficit of $183,229,000, a net loss for the nine-month period ended September 30, 2021 of $21,396,000 (primarily driven by an impairment loss on exploration and evaluation assets of $19,197,000 undertaken in the quarter ended June 2021 – see Note 6 for further details), has working capital of $6,599,000 and a cash balance of $6,736,000. If the going concern assumption was not appropriate for these interim condensed consolidated financial statements, adjustments would be necessary to the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

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 it conducts its business, to protect staff, contractors and the communities where it operates. These measures include international and domestic travel restrictions, remote work and supplemental health care, particularly for its Ulaanbaatar based staff and for the drilling programs commenced in Central West New South Wales ("NSW"), Australia. Health and safety considerations, and appropriate risk assessments, continue to dictate various project generation functions, exploration and marketing activities. In Mongolia, Canada and Australia, the Company will continue to pay close attention to the rapidly changing landscapes it faces and the measures mandated by the National and State provincial governments. While the continued longevity and further extend of the impact is uncertain, field operations and exploration to date have continued largely without significant interruption and commodity prices remain above pre-COVID-19 levels, but the Company highlights the risk that the outbreak might increase the difficulty in capital raising and at times adversely impact operations which may negatively impact the Company's business and financial condition.

2. Basis of Preparation

Statement of Compliance

These unaudited interim condensed consolidated financial statements, including comparatives have been prepared accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Financial Accounting Standards ("IAS") 34 Interim Financial Reporting.

These interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these interim condensed consolidated financial statements. The interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2020 prepared in accordance with IFRS applicable to annual consolidated financial statements.

Critical Accounting Estimates

The preparation of these interim condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the interim condensed consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on capitalized acquisition and expenditure costs, facing review for impairment based on factors including the planned exploration budgets and activities, commodity prices, drill results of exploration programs, and strategic direction of the Company;
- The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes Option Pricing Model;
- The valuations of shares issued in non-cash transactions using the quoted share price as the fair value-based measurement on the date the shares are issued for the transaction; and
- The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.

3. Significant Accounting Policies

a) Basis of consolidation

The interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Kincora Group Ltd ("KGL"), Nadmin IBEX LLC ("Nadmin"), Golden Grouse IBEX LLC ("Golden Grouse"), BSG Investments Inc. ("BSGII"), Game Creek Company Limited ("Game Creek"), Samsul Mineração Ltda. ("Samsul"), Kincora Australia Limited and Kincora Copper Australia Pty Ltd. Inter-company balances and transactions are eliminated on consolidation. BSGII, Game Creek, Kincora Australia Limited and KGL are British Virgin Island incorporated companies. Nadmin and Golden Grouse are incorporated in Mongolia. Samsul is incorporated in Brazil. Kincora Copper Australia Pty Ltd was incorporated in Australia in 2019.

KGL, Nadmin and Golden Grouse are party to the acquisition and joint venture agreement entered by the Company with Resilience Mining Mongolia Pty. Ltd. ("RMM") on June 30, 2021 which remains conditional as at November *15*, 2021.

b) Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period. A corresponding increase in share-based payment reserve is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in share-based payment reserve. Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

c) Cash and cash equivalents

Cash equivalents consist of highly liquid investments that are readily convertible into cash with maturities of three-months or less when purchased.

d) Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.
Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

3. Significant Accounting Policies – *continued*

d) Exploration and evaluation assets – *continued*

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.
Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

e) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

f) Equipment

Equipment is carried at cost less amortization and amounts written-off. The assets residual value, amortization methods and useful lives are reviewed, and adjusted, if appropriate, at each reporting date. Amortization is provided for over the estimated lives of the related assets based on annual rates as follows:

Exploration equipment	10 Years - Straight-line
Computers	10 Years - Straight-line

g) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income

3. Significant Accounting Policies – *continued*

g) Income taxes – *continued*

for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

h) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries (except Kincora Copper Australia Pty Ltd), for the nine-month period ended September 30, 2021 is the Canadian Dollar, and the functional currency of Kincora Copper Australia Pty Ltd is the Australian Dollar. The functional currency of the Company and its subsidiaries for the year ended December 31, 2020 was the Canadian Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21"). The Company's presentation currency is the Canadian dollar ("$").

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the statements of comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

i) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

3. Significant Accounting Policies – *continued*

i) Provision for environmental rehabilitation – *continued*

Under the legislative environments the Company may operate in, environmental bonds and prepayments can be required to support gaining operational and exploration approvals, and held until such work is completed and rehabilitation completed. Such payments are recorded as a prepayment until return and receipt to the Company. The Company's estimates of reclamation costs, environmental bonds and prepayments could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures.

These changes would be recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, would be charged to profit or loss for the period. At September 30, 2021 and December 31, 2020, the Company had no provisions for environmental rehabilitation.

j) Impairment of assets

The carrying amount of the Company's long-lived assets (which includes equipment and exploration and evaluation assets) is periodically reviewed, including following the reduction in any mineral tenure rights and at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount is the greater of an asset's fair value, less cost to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows, largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

k) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or 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

3. Significant Accounting Policies – *continued*

k) Financial Instruments – *continued*

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.

Financial assets/liabilities	Classification
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Accounts payable	Amortized cost

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 statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of loss and comprehensive loss in the period in which they arise.

Fair value measurement disclosure includes classification of financial instrument 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 and accounts payable approximate the carrying value due to their short-term nature.

3. Significant Accounting Policies – *continued*

k) Financial Instruments – *continued*

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's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, 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 statements of comprehensive loss. 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 statements of loss and comprehensive loss.

l) Leases

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.

3. Significant Accounting Policies – *continued*

l) Leases – *continued*

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.

4. 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 commence the development of its exploration and evaluation assets 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. Further information relating to liquidity risk is disclosed in Note 5. 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. 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. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

5. 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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is periodically exposed to interest rate risk on its cash equivalents as these instruments are exposed to interest rate fluctuations on renewal. Management has assessed this risk as low.

5. Management of Financial Risk – *continued*

Currency risk

Currency risk is the risk that the fair values of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. 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 is subject to the valuation of the Australian dollar, and the 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

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. 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 in 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. The Company has secondary exposure to credit risk on its receivables. This risk is minimal as receivables consist primarily of refundable goods and services taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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 September 30, 2021, the Company had a cash balance of $6,736,000 (December 31, 2020 - $4,461,000) to settle current liabilities of $694,000 (December 31, 2020 - $832,000). 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 Australian Securities Exchange.

Historically, the Company's sole source of funding has been the issuance of equity and debt financing. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant financing. Liquidity risk is assessed as high.

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.

5. Management of Financial Risk – *continued*

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.

6. Exploration and Evaluation Assets

For the nine-month period ended September 30, 2021 (000's)

		Bronze Fox		Golden Grouse		Macquarie Arc		Total
Acquisition costs								
Acquisition & maintenance	$	-	$	-	$	-	$	**-**
Total current acquisition costs	$	-	$	-	$	-	$	**-**
Exploration costs								
Amortization	$	37	$	27	$	-	$	**64**
Assaying		-		1		283		**284**
Camp		-		3		40		**43**
Drilling		-		-		2,282		**2,282**
Fuel		-		-		142		**142**
License/fees/taxes		-		1		1		**2**
Rental/utilities		-		2		250		**252**
Salaries/labor		72		115		1,355		**1,542**
Supplies/safety gear		-		-		151		**151**
Transportation/travel		-		4		102		**106**
Total current exploration costs	$	109	$	153	$	4,606	$	**4,868**
Total costs incurred during the period	$	109	$	153	$	4,606	$	**4,868**
Balance, opening		19,213	$	1,137	$	3,284		**23,634**
Impairment		(18,043)		(1,154)		-		**(19,197)**
Balance, ending	$	1,279	$	136	$	7,890	$	**9,305**
Cumulative costs:								
Acquisition	$	36,624	$	1,094	$	773	$	**38,491**
Exploration		13,153		3,593		7,117		**23,863**
Impairment		(48,498)		(4,551)		-		**(53,049)**
	$	1,279	$	136	$	7,890	$	**9,305**

6. Exploration and Evaluation Assets – *continued*

For the year ended December 31, 2020 (000's)

	Bronze Fox	Golden Grouse	Macquarie Arc	Total
Acquisition costs				
Acquisition & maintenance	$ -	$ -	$ 773	$ **773**
Total current acquisition costs	$ -	$ -	$ 773	$ **773**
Exploration costs				
Amortization	$ 84	$ 45	$ -	$ **129**
Assaying	-	-	134	**134**
Camp	1	5	143	**149**
Drilling	-	-	1,089	**1,089**
Fuel	-	-	104	**104**
Geological/geophysics	-	-	20	**20**
License/fees/taxes	1	2	5	**8**
Rental/utilities	2	15	167	**184**
Salaries/labor	48	125	667	**840**
Sampling	240	-	-	**240**
Supplies/safety gear	-	-	109	**109**
Transportation/travel	1	9	73	**83**
Total current exploration costs	$ 377	$ 201	$ 2,511	$ **3,089**
Total costs incurred during the year	$ 377	$ 201	$ 3,284	$ **3,862**
Balance, opening	49,291	1,148	-	**50,439**
Impairment	(30,455)	(212)	-	**(30,667)**
Balance, ending	$ 19,213	$ 1,137	$ 3,284	$ **23,634**
Cumulative costs:				
Acquisition	$ 36,624	$ 1,094	$ 773	$ **38,491**
Exploration	13,044	3,440	2,511	**18,995**
Impairment	(30,455)	(3,397)	-	**(33,852)**
	$ 19,213	$ 1,137	$ 3,284	$ **23,634**

Exploration and evaluation assets – Mongolia – Bronze Fox

The Company acquired a 100% interest in the shares of KGL in consideration for $35,882,000 in cash, common shares and warrants. KGL indirectly holds title to the Bronze Fox copper/gold project in Mongolia.

Following the issuance of the Bronze Fox mining license approximately 85% of the eastern Bronze Fox license was relinquished as part of the conversion of the exploration to mining license. Following a detailed review of historical acquisition and expenditure relating to the eastern Bronze Fox license an impairment has been undertaken to reflect:

- the pro-rata amount of the capitalised acquisition costs for the eastern license; and,
- for the capitalised specific exploration costs for activities undertaken on ground no longer retained.

6. Exploration and Evaluation Assets – *continued*

Exploration and evaluation assets – Mongolia – Bronze Fox - continued

The review has resulted in a write down of $29,713,000 relating to the area that has been relinquished.

Such a methodology is consistent with the Company's standard review process as per the prior ground held and relinquished in Mongolia (or any other jurisdiction).

During the year ended December 31, 2020, the Company recorded total impairment loss of $30,455,000 relating to the write-off of exploration license, which includes $742,000 write-off of IBEX acquisition cost.

During the nine-month period ended September 30, 2021, the Company assessed the property for impairment in relation to the acquisition and joint venture agreement entered by the Company with Resilience Mining Mongolia Pty. Ltd. ("RMM") on June 30, 2021, and recorded an impairment loss of $18,043,000.

Exploration and evaluation assets – Mongolia – Golden Grouse

On April 18, 2012, the Company acquired a 100% interest in Golden Grouse from the optionor, Temujin Mining Corp. ("Temujin"), which held two mineral exploration licenses adjoining the Company's Bronze Fox project in Mongolia.

On October 28, 2016, the Company obtained seven mineral exploration licenses and two new license applications in mergers with IBEX Land Mongolia LLC ("IBEX Land") and IBEX Mongolia LLC ("IBEX"). The fair value in excess of the net assets of IBEX Land and IBEX was allocated to Bronze Fox ($742,000) and Golden Grouse ($1,094,000). The Company retains the full regional exploration dataset across the IBEX portfolio and various infrastructure associated with the merger, including the White Pearl camp in the Southern Gobi, but as of December 31, 2019, all of the mineral exploration licenses associated with the IBEX transaction that are no longer being explored by the Company have been written down for a total of $3,185,000.

During the year ended December 31, 2020, the Company recorded an impairment loss of $212,000 relating to the write-off of exploration license.

During the nine-month period ended September 30, 2021, the Company assessed the property for impairment in relation to the acquisition and joint venture agreement entered by the Company with Resilience Mining Mongolia Pty. Ltd. ("RMM") on June 30, 2021, and recorded an impairment loss of $1,154,000.

Impairment of evaluation and exploration assets – Mongolia

On June 30, 2021, the Company entered into a definitive acquisition and joint venture agreement with Resilience Mining Mongolia Pty. Ltd. ("RMM") in connection with the binding term sheet entered into by the parties on December 12, 2020. Pursuant to the agreement, RMM will acquire 80 percent interest in the Company's subsidiary, Kincora Group Limited ("KGL") which owns Nadmin and Golden Grouse ("Mongolian subsidiaries"), by granting an equity interest of 9.9 percent in RMM upon successful admission to the ASX and having raised a minimum of A$5,000,000 in new equity to the Company's subsidiary, BSG Investments Inc. through a share purchase agreement Kincora will also retain an effective carried asset level interest in the Mongolian subsidiaries until certain material project level milestones.

6. Exploration and Evaluation Assets – *continued*

Impairment of evaluation and exploration assets – Mongolia - continued

As of September 30, 2021, the estimated value of share consideration is estimated to be A$1,200,000 and carried asset level interest in the Mongolian subsidiaries to be 20 percent. As consideration for an exclusivity period granted by the Company, RMM agreed to pay A$20,000 for a two-month period ended January 31, 2021, and an additional A$15,000 per month from February 1, 2021 until the earlier of completion or termination of the agreement. As of September 30, 2021, a total of A$110,000 was received from RMM.

On July 7, 2021, Resilience has received in-principle approval from the Australian Securities Exchange (ASX) for its planned initial public offering (IPO, ticker reserved RM1) and completed a pre-IPO (initial public offering) financing and is in advanced preparations for a A$5-million to A$6-million raising alongside the IPO.

As of September 30, 2021, the transaction was still subject to various conditions precedent, including RMM raising a minimum of A$5,000,000 and listing on the ASX. Hence, the Company does not consider the sale transaction as highly probable as of September 30, 2021 and the RMM transaction remains conditional as at November *15*, 2021.

The Company assessed the exploration and evaluation assets of KGL for impairment based on the estimated fair value of consideration for the sale of 80 percent ownership interest of KGL as of September 30, 2021. The Company recognized an impairment loss of $19,197,000 on the Mongolian properties, Bronze Fox and Golden Grouse, pro-rated based on the respective carrying amount of the properties.

Exploration and evaluation assets – Mongolia – Badrakh

On November 11, 2019, the Company entered an agreement with Temuulen Orshikh LLC ("Temuulen"), a privately held Mongolian company that owns 100% of the Badrakh project that provided a staged pathway to earn up to 80% shareholding interest in the project. Following drilling three drill holes, the receipt of all exploration results and technical review, the Company notified Temuulen that it will not further pursue the project, and wrote off all its capitalized exploration costs of $294,000.

Exploration and evaluation assets – Australia – Nyngan, Nevertire and Mulla

On November 21, 2019, the Company announced an application for a new exploration licence covering 762 km^2 named the Nyngan project located in the Lachlan fold belt ("LFB"), central NSW, Australia. On January 6, 2020, the Company's application was formally approved and exploration license EL8929 granted.

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 km^2. On April 14, 2020, the Company was successfully granted a new exploration licence (EL8960) for the Nevertire project.

On June 9, 2021, the Company announced an application for the Mulla gold copper porphyry project (ELA6304), covering 616km^2 to the south of the existing Nyngan license and adjacent to the Nevertire license. The 100% owned Nyngan, Nevertire and Mulla projects cover an area of approximately 1,761km^2 in the Macquarie Arc of the Lachlan Fold Belt in NSW, Australia.

6. Exploration and Evaluation Assets – *continued*

Exploration and evaluation assets – Australia – Macquarie Arc

On January 30, 2020, the Company entered into a binding memorandum of understanding ("MoU") and made a non-refundable option payment of A$25,000 to RareX Limited ("RareX") providing the exclusive right to acquire a 65% interest in six mineral leases and five projects covering 587km2 in the LFB.

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

- Issuing 4,983,333 common shares of the Company upon closing (pre a subsequent 3:1 share consolidation by the Company), subject to a voluntary 12-month lockup and transfer of titles with the NSW regulator, resulting in RareX becoming a then 9.9% shareholder (issued on March 27, 2020) (Note 7);
- Payment of A$150,000 in cash to RareX upon closing as follows:
  - A$100,000 in cash consideration (paid on March 30, 2020); and,
  - A$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.

7. Share Capital

Authorized share capital: Unlimited Common shares without par value.

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.

Share issuances:

a) On March 27, 2020, the Company issued 4,983,333 shares (pre a subsequent 3:1 share consolidation by the Company) with a fair value of $598,000 to RareX as part of the consideration to acquire a 65% interest in six mineral leases and five projects covering 587km^2 in the LFB (Note 6).

b) On April 8, 2020, the Company issued 827,824 common shares for $144,000 of services rendered by certain directors, officers and service providers during the second half of 2019.

On June 12, 2020, following the Company's annual remuneration review, the Company issued an aggregate of 657,933 bonus shares awarded to management of the Company in consideration of services rendered with a fair value of $197,380. 374,600 of the bonus shares are vesting three years, with one third vesting at

7. Share Capital *– continued*

Share issuances: - continued

each of the calendar year ended 2020, 2021 and 2022. During the nine-month period ended September 30, 2021, the Company recorded share-based compensation of $27,178 for the common shares vested with the remaining recorded in prepaid services.

c) On August 26, 2020, the Company closed a private placement for gross proceeds of $5,329,194 through the issuance of 17,763,962 units at a price of $0.30 per unit. Each unit is composed of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.75 per warrant share for a period of two years from the date of closing of the private placement. The Company paid finders' fees of $185,640 in connection with this private placement.

d) On February 23, 2021, the Company issued 1,325,082 shares with a fair value of $359,300 to certain directors, officers and service providers for services rendered in 2020.

e) On March 19, 2021, the Company closed an initial public offering of $9,620,000 (A$10,000,000), ahead of commencement of trading and dual listing on the Australian Securities Exchange, through the issuance of 50,000,000 shares (settled on the ASX in the form of CHESS depositary interests (CDIs)) at a price of A$0.20 per unit. 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 September 30, 2021. The fair value of the options was determined to be $1,700,078.

Obligation to issue shares:

The Company has a share for services plan approved in 2019. Pursuant to the plan, the Company provides compensation to directors and officers in both shares and cash. The portion of compensation that will be paid by shares are recorded in obligation to issue shares and will be transferred to share capital upon issuance of the shares. During the nine-month period ended September 30, 2021, the Company accrued fees of $272,250 (2020: $281,250) to its officers and directors. As at September 30, 2021, the Company has a balance owing of $347,683, with $307,100 recorded in obligation to issue shares and the remaining in accounts payable.

As of September 30, 2021, the Company recorded obligation to issue shares of $1,700,078 for the fair value of 10,000,000 brokers options in connection with the initial public offering of $9,620,000 (A$10,000,000) that closed during the nine-month period ended September 30, 2021.

Stock options:

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

On September 27, 2019, the Company granted to directors, officers and employees a total of 3,272,353 stock options under the Company's stock option plan. 2,181,625 have a two-year term from issuance date exercisable at a price of $0.33 per share, vesting over a four-month period from the grant date. 1,090,728 have

(Expressed in Canadian Dollars)

7. Share Capital – *continued*

Stock options: – continued

a three-year term from issuance date exercisable at a price of $0.75 per share, vesting over a four-month period post the Company receiving the shareholder approvals required by the TSXV on August 2, 2019. The fair value of the options granted was determined to be $329,835. During the nine-month period ended September 30, 2021, the Company recorded share-based compensation of $Nil (2020 - $12,320) for the options vested.

On April 30, 2020, the Company granted 237,620 options to directors and officers of the Company, of which 118,810 are exercisable at $0.33 per share for a period of two years and 118,810 are exercisable at $0.75 per share for a period of three years. The Company has granted an additional 757,661 stock options to various directors, officers, employees and consultants of the Company, which are exercisable at a price of $0.255 for a period of three years. The total fair value of the options granted and vested was determined to be $167,452.

On January 8, 2021, the Company granted 2,004,506 options with a three-year term to certain directors, officers, employees and consultants of the Company, which are exercisable at $0.445 per share within the first two-year period and $0.48 per share in the final third year. The total fair value of the options granted and vested was determined to be $393,392.

On March 26, 2021, the Company recorded an obligation to issue 10,000,000 stock options as share issuance cost for the initial public offering of $9,620,000 (A$10,000,000) that closed during the nine-month period ended September 30, 2021. 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 fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions:

	March 26, 2021	January 8, 2021	April 30, 2020	April 30, 2020	September 27, 2019
Expected dividend yield	0%	0%	0%	0%	0%
Expected stock price volatility	136.49	125.36%	129.61%	142.81%	113%
Risk free rate	0.23%	0.18%	0.29%	0.29%	1.51%
Forfeiture rate	0%	0%	0%	0%	0%
Expected life of options	3 years	3 years	3 years	2 years	3 years

During the nine-month period ended September 30, 2021, 2,843,814 stock options (2020 – 500,000) expired unexercised.

(Expressed in Canadian Dollars)

7. Share Capital – *continued*

Stock options: – continued

A summary of the Company's stock option transactions is as follows:

	Number of options	Weighted average exercise price
Balance outstanding – December 31, 2019	**4,101,206**	**$0.63**
Granted	118,810	0.33
Granted	118,810	0.75
Granted	757,661	0.26
Expired	(166,664)	0.60
Balance outstanding – December 31, 2020	**4,929,823**	**$0.56**
Granted	2,004,506	0.48
Expired	(131,088)	1.29
Expired	(131,088)	1.62
Expired	(200,007)	1.58
Expired	(200,006)	1.13
Expired	(2,181,625)	0.33
Balance outstanding – September 30, 2021	**4,090,515**	**$0.51**

The weighted average life of the stock options are 1.73 years.

As at September 30, 2021, the following stock options are outstanding and exercisable:

Number	Price per share	Expiry date	Options exercisable
1,090,728	$0.75	September 27, 2022	1,090,728
757,661	$0.26	April 30, 2023	757,661
118,810	$0.33	April 30, 2022	118,810
118,810	$0.75	April 30, 2023	118,810
2,004,506	$0.48	January 8, 2024	2,004,506
4,090,515	**$0.51**		**4,090,515**

Subsequent to period end, on October 1, 2021, the Company announced Board approvals of a new Equity Incentive Plan ("EIP") and issuance of Stock Options. Details of the EIP, a consequence of the Company's dual listing on the Australian Securities Exchange, will be provided in the annual Management Information Circular for the upcoming Annual General Meeting, are subject to shareholder and regulatory approvals, and follows a detailed annual Remuneration Committee review.

Under the EIP it is proposed that 7,580,575 options with a two and a half year term will be issued to certain directors, officers, employees and consultants of the Company, which are exercisable at A$0.20 per share within the first eighteen-month period and A$0.30 per share after eighteen-months.

7. Share Capital – *continued*

Warrants:

On August 26, 2020, the Company issued 17,763,962 warrants with a fair value of $Nil pursuant to a private placement. Each warrant entitles the holder to purchase a common share of the Company for a period of two years at $0.75 per warrant. The fair value was determined using the residual value method.

A summary of the Company's warrant transactions is as follows:

	Number of warrants	Weighted average exercise price
Balance – December 31, 2019	**20,838,321**	**$0.750**
Issued	17,763,962	0.750
Balance – December 31, 2020	**38,602,283**	**$0.750**
Expired	(20,838,321)	0.750
Balance – September 30, 2021	**17,763,962**	**$0.750**

The weighted average life of the warrants is 0.90 year. As of September 30, 2021, the following warrants are outstanding and exercisable:

Number	Price per share	Expiry date
17,763,962	**$0.750**	August 26, 2022

During the nine-month period ended September 30, 2021, 20,838,321 warrants (2020 - Nil) expired unexercised.

Reserves: Share-based payment reserve represents the fair value of stock options or warrants until such time that the share-based instruments are exercised, at which time the corresponding amount will be transferred to share capital.

8. Segmented Information

The Company operates in two operating segments being the acquisition and exploration of exploration and evaluation assets in Mongolia and Australia. The Company's head office is located in Canada, and all of the Company's non-current assets are located in Mongolia and Australia as follows.

In thousand $		Mongolia		Australia		Total
Balance at September 30, 2021						
Mineral properties	$	1,415	$	7,890	$	9,305
Equipment	$	95	$	-	$	95

In thousand $		Mongolia		Australia		Total
Balance at December 31, 2020						
Mineral properties	$	20,350	$	3,284	$	23,634
Equipment	$	92	$	-	$	92

9. Related Party Transactions

The Company incurred the following amounts for related party services:

a) During the nine-month period ended September 30, 2021, the Company incurred consulting fees of $Nil (2020 - $27,000) to BridgeMark Financial Corp. and $Nil (2020 - $28,350) to Regiis Oak Capital Corp., companies with a former officer in common for management and accounting services.

b) During the nine-month period ended September 30, 2021, the Company incurred $55,350 (2020 - $Nil) to a company with an officer in common for management and accounting services.

c) During the nine-month period ended September 30, 2021, the Company incurred $225,000 (2020 - $270,144) to companies with an officer in common for management services.

d) During the nine-month period ended September 30, 2021, the Company incurred director's fees of $235,500 (2020 - $305,500) to current directors.

e) During the nine-month period ended September 30, 2021, the Company incurred consulting fees of $15,000 (2020 - $15,000) to a director of the Company.

f) At September 30, 2021, the Company owed $305,879 (December 31, 2020 - $375,206) in accrued directors' fees in accounts payable and obligation to issue shares.

g) During the nine-month period ended September 30, 2021, the Company issued 1,325,082 common shares to settle $359,300 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 nine-month period ended September 30, 2020.

Compensation of key management personnel

In thousand $		**September 30, 2021**		September 30, 2020
Management, chairman, directors, and audit committee fees	**$**	**531**	$	646
Share-based payments*		**331**		205
	$	**862**	$	851

** The estimated fair value of the stock options vested during the period was determined using the Black-Scholes Option Pricing Model.*

10. Supplemental Disclosure of Cash Flow Information

Supplemental Disclosure of Non-Cash Financing and Investing Activities include *('000):*		**September 30, 2021**		September 30, 2020
Amortization capitalized to exploration and evaluation assets	**$**	**64**	$	65
Shares issued in settlement of debt or services	**$**	**359**	$	144
Shares issued for exploration and evaluation assets	**$**	**-**	$	598

Supplemental Disclosure of Cash and Cash Equivalents *('000):*		**September 30, 2021**		September 30, 2020
Cash at bank	**$**	**6,736**	$	5,998
Bank term deposit		**-**		23
	$	**6,736**	$	6,021

11. Equipment

Net carrying costs at September 30, 2021 and December 21, 2020 are as follows ('000):

		Computers		Exploration Equipment		Total
Cost						
Balance as at December 31, 2019	$	25	$	1,051	$	1,076
Additions		-		58		58
Balance as at December 31, 2020		25		1,109		1,134
Additions		-		67		67
Balance as at September 30, 2021	$	25	$	1,176	$	1,201
Accumulated amortization and impairment						
Balance as at December 31, 2019	$	(22)	$	(891)	$	(913)
Amortization		(3)		(125)		(128)
Impairment		-		(1)		(1)
Balance as at December 31, 2020		(25)		(1,017)		(1,042)
Amortization		-		(64)		(64)
Balance as at September 30, 2021	$	(25)	$	(1,081)	$	(1,106)
Net book value						
At December 31, 2020	$	-	$	92	$	92
At September 30, 2021	**$**	**-**	**$**	**95**	**$**	**95**

12. 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 nine-month period ended September 30, 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.)).

12. Contingencies – *continued*

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 relied upon by Mongolian government departments to facilitate the merger and was a condition precedent to close the merger with any adverse liability enabling both counterparties to withdraw from the merger (Note 6). 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 expires on February 10, 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 fully 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.

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13. Subsequent Events

- **Equity Incentive and Stock Option Plans:** On October 1, 2021, the Company announced board approval of a new equity incentive plan ("EIP") and the issuance of stock options. Under the EIP, the Company has granted 7,580,575 options with a 2.5-year term to certain directors, officers, employees and consultants of the company, which are exercisable at 20 Australian cents per share within the first 18-month period and 30 Australian cents per share after 18 months. The options cannot be exercised until shareholder and exchange approval for the EIP have been received.

- **Annual General and Special Meeting:** On November 5, 2021, the Company announced the 2021 Annual General and Special Meeting is to be held in Vancouver, BC, on December 14, 2021, and will be a hybrid in-person and electronic event to facilitate ASX CDI shareholders and COVID-19 related considerations.

Additional Information

Additional information is available on the Company's website at www.kincoracopper.com or on SEDAR at www.sedar.com or the Australian Securities Exchange ("ASX") at https://www2.asx.com.au.

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

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Kincora Copper Limited

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expressed in Canadian Dollars

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

As at November 15, 2021

Introduction

The following Management's Discussion and Analysis (*"MD&A"*) of the Company has been prepared as of November 15, 2021, and reported in Canadian dollars. 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 nine-month period ended September 30th, 2021, 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") earlier in 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.

During the September 2021 quarter, drilling took 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, and the Company expanded its project portfilio via the direct application for 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 being the only brownfield project held by a listed junior in the LFB being in the Northparkes Intrusive Complex (Northparkes being Australia's second largest porphyry mine). Activities are taking place advancing the remainder of the 1649km^2 project pipeline in the Macquarie Arc, including having completed one hole with State co-operative funding support for drilling the Nyngan porphyry project and having commenced drilling at the Fairholme gold-base metals project.

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 and had encouraging field results at the adjacent Tourmaline Hills Intrusive Complex project. The Company commenced a strategic review for the Mongolian portfolio, which resulted in a binding term sheet executed with Resilience Mining Mongolia ("RMM") retaining significant upside to exploration, project generation and development successes for the Mongolia portfolio. RMM has recently undertaken a "pre-IPO" equity raising and during the September 2021 quarter completed a prospectus for listing on the ASX.

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, 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 (from March 30th, 2021) under the symbol **KCC**. As at November 2, 2021, the Company has 47.3 million shares on the TSX Venture Exchange and 73.4 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 September 30th, 2021 include:

Operational:

- **Drilling at the Trundle project:** Kincora's drilling activities commenced at the Trundle project in April 2020 and have continued uninterupted since. During the period, the Company announced assay results for 22 holes (14,452m of drilling) had been completed at the Trundle Park and wider Mordialloc prospects that are located approximately 8.5km apart. The Company is currently drilling hole 28 at the Trundle Park prospect.

  At the Trundle Park prospect the skarn mineralization zone has been extended to the northeast and northwest to over 500m total strike with significant positive progress vectoring to the targetted causative intrusive and larger porphyry source. Drilling has demonstrated a significant size and the presence of a multiple intrusive system with the features suggestive of being in a proximal environment to a target that offers clear scale potential.

  Drilling has also taken place at the wider Mordialloc prospect intrusive porphyry complex, including the Mordialloc North-East area.

  Highlights include:

  - Diamond hole TRDD022 at the Trundle Park prospect has provided to date the greatest proof of concept support for the targeted Northparkes/Macquarie Arc-style causative intrusive type complexes at the Trundle project;
    - Assay results have returned significant broad mineralized intervals, strongly indicating towards the core of a large porphyry intrusive system and providing vectors for commenced, follow-up drilling:
      - 162m at 0.24g/t gold and 0.04% copper from 670m, including:
        - 46m at 0.54g/t gold and 0.08 per cent copper from 684m;

        - 18m at 0.75g/t gold and 0.09 per cent copper from 712m.
    - Mineral tenor, particularly gold, and interpreted alteration is akin to a proximal setting to the gold-rich, high-grade copper Cadia-Ridgeway and the multiple intrusive deposits at the neighbouring Northparkes mine.

- Most recent drill hole TRDD014W1 has intersected multiple skarn horizons and broad intervals of porphyry style intrusions at the Trundle Park prospect (assay results pending);
    - This hole was a wedge drilling off previous hole TRDD014 and has confirmed previous skarn intervals and extended the intrusive systems returned in both TRDD014 (65.5m @ 0.25g/t gold & 0.04% copper, including 10m @ 0.73g/t gold & 0.10% copper) and TRDD022 (162m @ 0.24g/t gold & 0.04% copper, including 18m @ 0.75g/t gold & 0.09% copper).

- A follow up hole (TRDD028) has commenced to the west of TRDD014W1 and south of TRDD022 to further test the identified mineralized corridor and multiple phase intrusive system associated with holes TRDD022, TRDD014/W1 and TRDD001 (21.1m @ 0.25g/t gold and 0.03% copper to end of hole);

- The direction south and south-west from TRDD014/W1 and TRDD028 remains open for future drill testing.

➢ **Drilling at the Fairholme project:** A maiden diamond-drilling program by Kincora at the Gateway prospect has completed 5-holes for 1,684m with permits to hand for up to 6,000 metres of drilling.

The Fairholme project is host to a number of advanced to early stage exploration prospects, with relatively limited effective previous drilling having identified multiple, large mineralized systems. Kincora's initial focus is the Gateway prospect located less than 15km along strike from the five epithermal, carbonate base-metal deposits that comprise the Cowal mine (targeted endowment 15Moz gold[1])

The first phase program sought follow up multiple shallow to moderate depth, broad width and high-grade gold-copper intervals from previous explorer drilling (including hole DR004: 123m at 0.62g/t gold and 0.12% copper from 44m, with 4m at 2.39g/t, 8m at 1.07g/t and 5m at 8.21g/t gold and 0.85% copper). The Gateway prospect hosts a north-south-trending 2km long by 400m wide gold-copper-zinc corridor (and open) with a favorable structural setting. Assay results, petrographic analysis, structural and geological interperation and review are pending.

An air-core drilling program is planned post the annual harvest period seeking to build a gold-copper target pipeline, follow up and expand previous geochemical anomalies, often with coincident geophysical anomalies, at the Anomaly 2, Driftway C, Glencoe, Manna Creek, Kennel and Gateway prospects within the Fairholme project. The designed program is analogous to the original Geopeko shallow reconnaissance RAB drilling to bedrock program over targets largely selected on the basis geophysical data. This program ultimately led to the discovery of the Cowal gold deposits.

1 Evolution Mining Investor Webinar, September 2020

➢ **Drilling at the Nyngan project:** The first hole (NYDD001) of a maiden Kincora drilling program at the Nyngan project was completed to 628m testing one of a multiple magnetic complexes (interpreted to be Macquarie Arc terrane) on the license.

NYDD001 was a geological success intersecting basement volcanics (mainly basalts) from 306m (in-line with anticipated target depth) and various fossil inter bands. Geological logging, petrographic analysis and assay results are to hand with age dating of the fossils is currently taking place ahead of further potential follow up drilling.

Kincora has been awarded A$120,000 under the New Frontiers Co-Operative Drilling Grants program (Round Three) from the Government of NSW for a two hole drilling program at the Nyngan project. The grant monies are non-dilutionary and fund direct drilling costs on a matched dollar-for-dollar basis.

- **Drilling testing Cundumbul project**: Sultan Resources (SLZ.ASX) has commenced actively drilling two porphyry system prospects in close proximity, on or near to, the license boundary of, and share common geophysical and/or geochemical anomalies to, Kincora's Cundumbul project.

  During the quarter, anomalous copper and pathfinder elements associated with porphyry-style alteration zones returned in maiden 3-hole program for 1,136m within 300m of license boundary at the Big Hill prospect with future step out drilling proposed[1].

  A further maiden-drilling program of up to 9-holes commenced in late October at the Razorback Ridge prospect testing an Au-Cu geochemical anomaly. On November 8, 2021, Sultan reported *"significant altered and veined structural zones beneath mineralised outcrop"* was intersected in the first two holes of this program[2].

1 Refer to Sultan Resources press release Sep 21st, 2021

2 Refer to Sultan Resources press release Nov 8th, 2021

- **New exploration license for the Mulla project:** The Company successfuly applied directly to the NSW State Government for a new exploration license on the Mulla gold-copper porphyry project and received notifation of the grant of EL9320 on November 4, 2021. The Mulla project covers 616km^2 and is located south the Nyngan project and adjacent to the Nevertire project.

  The Mulla license covers a regionally significant, multiple phase intrusive complex as indicated by an extensive gravity low and some minimal past drilling. Past hydro-geochemical sampling of water bores identified two relatively shallowly covered target zones.

  The 100%-owned Nyngan, Nevertire and Mulla gold copper projects cover an area of approximately 1,761km^2 in a highly prospective geologic terrane. The portfolio covers a strategic portion of the interpreted northern extension of the Junee-Narromine Belt of the Macquarie Arc, with encouraging limited previous explorer drilling and increasing neighbouring ground pegging and drilling activities.

Corporate:

- **Acquisition and joint venture agreement with Resilience Mining Mongolia:** The Company has entered into a definitive acquisition and joint venture agreement with Resilience Mining Mongolia ("RMM") in connection with the binding term sheet entered into by the parties on December 12th, 2020. Pursuant to the agreement, RMM will acquire 80 percent interest in the Company's subsidiary, Kincora Group Limited ("KGL") which owns Nadmin and Golden Grouse ("Mongolian subsidiaries"), by granting an equity interest of 9.9 percent in RMM upon successful admission to the ASX and having raised a minimum of A$5,000,000 in new equity to the Company's subsidiary, BSG Investments Inc. through a share purchase agreement Kincora will also retain an effective carried asset level interest in the Mongolian subsidiaries until certain material project level milestones.

As of September 30th, 2021, the estimated value of share consideration is estimated to be A$1,200,000 and carried asset level interest in the Mongolian subsidiaries to be 20 percent. As consideration for an exclusivity period granted by the Company, RMM agreed to pay A$20,000 for a two-month period ended January 31st, 2021, and an additional A$15,000 per month from February 1st, 2021 until the earlier of completion or termination of the agreement. As of September 30th, 2021, a total of A$110,000 was received from RMM.

As of September 30th, 2021, the transaction was still subject to various conditions precedent, including RMM raising a minimum of A$5,000,000 and listing on the ASX with an Initial Public Offering prospectus lodged during the quarter. Hence, for accounting standard purposes, the Company does not consider the sale transaction as highly probable as of September 30th, 2021.

The Company assessed the exploration and evaluation assets of KGL for impairment based on the estimated fair value of consideration for the sale of 80 percent ownership interest of KGL as of September 30, 2021. The Company recognized an impairment loss of $19,197,000 on the Mongolian properties, Bronze Fox and Golden Grouse, pro-rated based on the respective carrying amount of the properties.

- **Well funded:** The Company's closing cash balance at the end of September 30th, 2021, was $6,736,000.

Commenting on the September period President & CEO, Sam Spring, said:

"The last quarter saw an acceleration executing the strategy presented when listing on the ASX at the end of March, both driven by positive progress for drilling and project generation/divestment activities.

Drilling has generated very encouraging results at the Trundle Park prospect while maiden Kincora drilling programs commenced at our Nyngan and Fairholme projects, with results pending, and neighboring junior explorer drilling is advancing the understanding of our Cundumbul project.

The Company has secured a third new project via grant (Mulla) and benefitted from the New South Wales government's cooperative funding drilling program. The transaction with Resilience for the Mongolian portfolio continues to advance with field season activities planned to shortly commence.

At Trundle Park our drilling has demonstrated a significant size and multiple intrusive system is present with the features suggestive of being in a proximal environment to a target that offers clear scale potential and confirmed hallmarks to the neighboring Northparkes mine. From here, only further systematic drilling will confirm or downgrade this target and we are in a very exciting phase for the project.

Phase one drilling at the Gateway prospect at Fairholme project has recently completed, with understanding of mineral controls and drivers being currently reviewed benefiting from new diamond core and assay results, in what is clearly a large system, in a very prospective location.

Preparations are in place for air-core drilling post the harvest period at both the Trundle and Fairholme projects."

Highlights for events subsequent to the period ended September 30th, 2021 include:

- **Remuneration Review**: On October 1, 2021, the Company's board approved a new equity incentive plan ("EIP") and the issuance of stock options.

  Details of the EIP, a consequence of the Company's dual listing on the Australian Securities Exchange, will be provided in the annual Management Information Circular for the upcoming Annual General Meeting, are subject to shareholder and regulatory approvals, and follows a detailed annual Remuneration Committee review.

  Under the EIP, the Company granted 7,580,575 options with a 2.5-year term to certain directors, officers, employees and consultants of the Company, which are exercisable at A$0.20 per share within the first 18-month period and A$0.30 per share after 18 months. The options cannot be exercised until shareholder and exchange approval for the EIP have been received.

- **Annual General and Special Meeting:** On November 5th, 2021, the Company announced the 2021 Annual General and Special Meeting is to be held in Vancouver, BC, on December 14th, 2021, and will be a hybrid in-person and electronic event to facilitate ASX CDI shareholders and COVID-19 related considerations.

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 September 30th, 2021

The Company's loss for the three-month period ended September 30th, 2021 (the "*Current Period*") was $424,000 or $0.00 per share as compared with $30,261,000 or $0.52 per share for the three-month period ended September 30th, 2020 (the "*Comparative Period*").

General and administrative expenses were $82,000 higher in the Current Period at $433,000 compared with $351,000 in the Comparative Period. This difference was due to higher corporate administrative and office services ($150,000 versus $59,000), higher insurance cost ($12,000 versus $11,000), higher investor relations ($39,000 versus $34,000), and higher legal and accounting ($36,000 versus $16,000). These increases were offset by lower consultants ($50,000 versus $86,000), lower consultants - geologists ($5,000 versus $9,000), lower consultants - technical ($18,000 versus $21,000), lower exploration costs ($Nil versus ($128,000)), lower foreign exchange loss (($27,000) versus $42,000), lower share-based compensation ($10,000 versus $24,000), lower transfer agent and filing fees ($3,000 versus $31,000), and lower travel expenses ($1,000 versus $10,000).

During the three-month period ended September 30th, 2021, the Company recognized write off of accounts payable of $9,000 (2020 - $Nil), loss on impairment of exploration and evaluation of assets of $Nil (2020 - $29,910,000).

Nine-month period ended September 30th, 2021

The Company's loss for the nine-month period ended September 30th, 2021 (the "*Current Period*") was $21,396,000 or $0.20 per share as compared with $31,765,000 or $0.62 per share for the nine-month period ended September 30th, 2020 (the "*Comparative Period*"). The loss is primarily driven by an impairment loss on exploration and evaluation assets of $19,197,000 (see note 6 of the Financial Statements for the Q3-Nine-month period ended September 30, 2021 for further details).

General and administrative expenses were $659,000 higher in the Current Period at $2,208,000 compared with $1,549,000 in the Comparative Period. This difference was due to higher corporate administrative and office services ($363,000 versus $143,000), higher foreign exchange loss ($53,000 versus $36,000), higher insurance cost ($86,000 versus $20,000), higher legal and accounting ($392,000 versus $108,000), higher share-based compensation ($421,000 versus $219,000), and higher transfer agent and filing fees ($144,000 versus $58,000). These increases were offset by lower consultants ($155,000 versus $177,000), lower consultants - geologists ($15,000 versus $116,000), lower consultants - technical ($56,000 versus $65,000), lower investor relations ($109,000 versus $112,000), lower management fees ($225,000 versus $270,000), and lower travel fees ($6,000 versus $42,000).

During the nine-month period ended September 30th, 2021, the Company recognized gain on settlement of debt of $Nil (2020 - $45,000), write off of accounts payable of $9,000 (2020 - $416,000), and loss on impairment of exploration and evaluation of assets of $19,197,000 (2020 - $30,677,000).

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 $	September 30, 2021 ($)	June 30, 2021 ($)	March 31, 2021 ($)	December 31, 2020 ($)	September 30, 2020 ($)	June 30, 2020 ($)	March 31, 2020 ($)	December 31, 2019 ($)
Financial Results								
Net loss for period	(424)	(19,966)	(1,006)	(466)	(30,261)	(1,123)	(381)	(3,523)
Basic and diluted loss per share	(0.00)	(0.17)	(0.01)	(0.01)	(0.17)	(0.01)	(0.00)	(0.03)
Exploration expenditures, net of impairment (recovery)	2,154	(17,366)	883	1,410	(28,978)	(270)	1,033	(2,110)
Financial Position								
Cash and cash equivalents	6,736	9,031	12,360	4,461	6,021	2,153	2,899	2,903
Exploration and evaluation assets	9,305	7,151	24,517	23,634	22,224	51,202	51,472	50,439
Total assets	16,693	16,702	37,294	28,531	28,663	53,661	54,589	54,291
Shareholders' equity	15,999	16,287	36,419	27,699	28,146	53,181	53,696	53,467

Liquidity and Capital Resources

As of September 30th, 2021, the Company had $6,736,000 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 September 30th, 2021. 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 September 30th, 2021, the Company had an accumulated deficit of $183,229,000, working capital of $6,599,000 and a cash balance of $6,736,000, and a net loss for the nine-month period ended September 30th, 2021 of $21,396,000 (the latter, primarily driven by an impairment loss on exploration and evaluation assets of $19,197,000 undertaken in the quarter ended June 2021 – see Note 6 in the accompany September 2021 quarterly Financial Statements for further details).

During the nine-month period ended September 30th, 2021, the Company had cash of $1,691,000 used in operating activities, $9,094,000 provided from financing activity, and $4,871,000 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 nine-month period ended September 30, 2021, the Company incurred consulting fees of $Nil (2020 - $27,000) to BridgeMark Financial Corp. and $Nil (2020 - $28,350) to Regiis Oak Capital Corp., companies with a former officer in common for management and accounting services.

b) During the nine-month period ended September 30, 2021, the Company incurred $55,350 (2020 - $Nil) to a company with an officer in common for management and accounting services.

c) During the nine-month period ended September 30, 2021, the Company incurred $225,000 (2020 - $270,144) to companies with an officer in common for management services.

d) During the nine-month period ended September 30, 2021, the Company incurred director's fees of $235,500 (2020 - $305,500) to current directors.

e) During the nine-month period ended September 30, 2021, the Company incurred consulting fees of $15,000 (2020 - $15,000) to a director of the Company.

f) At September 30, 2021, the Company owed $305,879 (December 31, 2020 - $375,206) in accrued directors' fees in accounts payable and obligation to issue shares.

g) During the nine-month period ended September 30, 2021, the Company issued 1,325,082 common shares to settle $359,300 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 nine-month period ended September 30, 2020.

Compensation of key management personnel

In thousand $		**September 30, 2021**		September 30, 2020
Management, chairman, directors, and audit committee fees	**$**	**531**	$	646
Share-based payments*		**331**		205
	$	**862**	$	851

** The estimated fair value of the stock options vested during the period was determined using the Black-Scholes Option Pricing Model.*

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Share Capital Information

The table below presents the Company's common share data as of November 15, 2021.

	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
			150,147,078

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.

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 nine-month period ended September 30th, 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.

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 September 30th, 2021 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 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 September 30th, 2021, the Company had a cash balance of $6,736,000 (December 31st, 2020 - $4,461,000) to settle current liabilities of $694,000 (December 31st, 2020 - $832,000). On March 19, 2021, Company raised

$9,620,000 (A$10,000,000) through a heavily oversubscribed initial public offering ahead of commencement of trading and dual listing on the ASX. The funds raised via the ASX listing are held in Australian dollars.

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 nine-month period ended September 30th, 2021 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 nine-month period ended September 30th, 2021. 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 authorised for release by the Board of Kincora Copper Limited (ARBN 645 457 763)

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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.