K92 MINING INC.

("K92" or "the Company")

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

Introduction

This Management's Discussion and Analysis ("**MD&A**") of K92 Mining Inc. (including its wholly owned subsidiaries, K92 Holdings International Limited (incorporated in British Virgin Islands), K92 Mining (Australia) Pty Ltd. (incorporated in Australia), K92 Mining Ltd. (incorporated in Papua New Guinea), and Kainantu Employee Trust Ltd. (incorporated in Canada)) is the responsibility of management and covers the year ended December 31, 2023. The MD&A takes into account information available up to and including April 1, 2024 and should be read together with the audited consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS), and is presented in thousands of United States dollars, except share and per share amounts, or unless otherwise indicated.

Throughout this document the terms *we, us, our, the Company* and *K92* refer to K92 Mining Inc.

Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca and on the Company's website at www.k92mining.com.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements." Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Please refer to the "Risk Factors" section included in the Company's Annual Information Form.

Description of Business

K92 Mining Inc. was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on March 22, 2010. The Company's shares are listed on the Toronto Stock Exchange (TSX) under the symbol "KNT" and quoted on the OTCQX under the symbol "KNTNF". The Company is currently engaged in the production of gold, copper and silver at the Kainantu Gold Mine as well as exploration and development of mineral deposits in the immediate vicinity of the mine, including Blue Lake, in Papua New Guinea.

Summary of Key Operating and Financial Results

(in thousands of United States Dollars, except per ounce and per share amounts)		Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Operating data					
Ore mined	t	155,062	111,448	506,318	448,079
Ore processed	t	151,908	121,686	503,484	448,087
Feed grade	g/t	7.4	8.8	6.8	8.3
Gold produced	Oz	33,309	31,204	100,533	107,546
Gold equivalent produced[1]	Oz	39,101	35,538	117,607	122,806
Gold sold	Oz	33,273	35,212	97,355	110,654
Cash costs per gold ounce sold[2]	$/Oz	430	512	585	538
All-in sustaining costs per gold ounce sold[2]	$/Oz	1,062	870	1,162	864
Financial data					
Revenue	$	75,316	61,980	200,255	188,186
Cost of sales	$	35,939	29,784	111,388	96,272
Net earnings	$	19,980	13,251	33,163	35,523
Cash flow from operating activities	$	31,540	21,122	74,430	73,128
Cash and short-term treasury bills, ending balance	$	79,115	109,938	79,115	109,938
Basic earnings per share	$/sh	0.09	0.06	0.14	0.16
Diluted earnings per share	$/sh	0.08	0.06	0.14	0.15

Performance Summary

Operational – Year Ended December 31, 2023

- **Gold Production:** 100,533 ounces of gold or 117,607 ounces of gold equivalent ("**AuEq**") produced in 2023, compared to 107,546 ounces of gold or 122,806 ounces of AuEq produced in 2022.[1] The decrease in gold production is primarily due to lower head grades, offset by higher ore tonnes processed. During the three months ended December 31, 2023 ("**Q4 2023**"), the Company achieved record quarterly production of 33,309 ounces of gold or 39,101 ounces of AuEq.

- **Record Ore Mined:** 506,318 tonnes of ore mined in 2023, representing a 13% increase compared to 448,079 tonnes mined in 2022. The Company also achieved record quarterly ore mined of 155,062 tonnes in Q4 2023, representing a 39% increase from the same quarter in the prior year.

- **Record Ore Processed:** 503,484 tonnes of ore processed in 2023, representing a 12% increase compared to the 448,087 tonnes in 2022. The Company also achieved record quarterly ore processed of 151,908 tonnes or 1,651 tonnes per day ("**tpd**") in Q4 2023, representing a 25% increase from the same quarter in the prior year. Additionally, in Q4 2023 multiple throughput records were achieved, with the latest daily record achieved on November 19 being 2,320 tonnes processed, and a 7-day throughput record achieved in November averaging 2,136 tpd. These throughput rates represent increases of 69% and 56%, respectively, over the Stage 2A Expansion plant's design rate.

- **Record Mine Development:** 9,327 metres achieved in 2023, with 7,474 meters in 2022 representing an increase of 25% from the comparative year. The twin incline significantly advanced during the period, with incline #2 (6m x 6.5m) to 2,863 meters and incline #3 (5m x 5.5m) to 2,838 meters, over 98% complete as December 31, 2023.

- **Metallurgical Recoveries:** 91.5% gold and 92.8% copper recoveries in 2023 which were achieved concurrent with the plant throughput records, compared to 90.4% gold and 90.5% copper recoveries in 2022.

[1] Gold equivalent calculated based on gold $1,950 per ounce (2022 - $1,793), silver $23 per ounce (2022 - $22) and copper $3.83 per pound (2022 - $3.95).

- **Cash Costs:** $585 per gold ounce in 2023 versus $538 per gold ounce in 2022. The increase is primarily due to a 12% reduction in gold ounces sold, down from 110,654 ounces in 2022 to 97,355 ounces in 2023, which was a result of processing lower grade material compared to the prior year, and an increase of 3,015 ounces of gold in ending inventory at December 31, 2023, compared to the prior year end due to the timing of sales.[2]

- **All-in Sustaining Costs:** $1,162 per gold ounce in 2023 versus $864 per gold ounce in 2022. The increase is attributed to both the lower grades referenced earlier and to a rise in sustaining capital expenditures. Sustaining capital expenditures totalled $43.8 million in 2023 compared to $29.3 million in 2022, driven primarily by an increase in capital development expenditures.[2]

Financial – Year Ended December 31, 2023

- **Revenue:** $202.7 million in revenue in 2023, a decrease of $1.6 million from 2022 ($204.3 million) before pricing and quantity adjustments. Net revenue, which includes fair value adjustments to settlement receivables, was $200.3 million in 2023 compared to $188.2 million in 2022. Sales of gold in concentrate and doré decreased by 12% to 97,355 ounces in 2023 from 110,654 ounces in 2022 resulting in $23.8 million in lower revenues. The decrease was partially offset by an increase in the average payable gold price of 9% (from $1,711/ounce in 2022 to $1,869/ounce in 2023), which contributed $16.5 million in additional revenue, and higher by-product revenue of $6.2 million, primarily from the sale of 7.5 million copper pounds in 2023 versus 6.1 million copper pounds in 2022.[3]

- **Cash and Short-term Treasury Bills:** $79.1 million as of December 31, 2023, compared to $109.9 million as of December 31, 2022. The decrease in cash and short-term treasury bills is primarily due to the Company spending $64.2 million on expansion capital and $19.8 million on exploration activities during the period.[4] In addition, the Company held 5,285 ounces gold in concentrate and doré inventory as of December 31, 2023, compared to 3,612 ounces gold at December 31, 2022.

- **Operating Cash Flow:** $82.1 million in operating cash flow (prior to working capital adjustments) in 2023 compared to $72.5 million in 2022.[5]

- **Gross Margins:** 45% and 44% before and after pricing adjustments respectively in 2023, down from 53% and 49% respectively in 2022, mainly due to lower head grades.[6]

- **EBITDA:** $84.1 million in 2023 compared to $82.2 million in 2022.[2]

- **Income Tax Payments:** $11.5 million in 2023 compared to $15.8 million in 2022.

Expansion

- **Stage 2A Expansion Completion:** In May 2023, the Company achieved completion of the Stage 2A Expansion following commissioning of the final upgrade, the rougher flotation expansion. The Stage 2A Expansion is expected to increase throughput to 500,000 tonnes per annum ("**tpa**") from 400,000 tpa and strengthen the Company's ability to fund the Stage 3 Expansion.

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[2] Non-IFRS – the definition and reconciliation of these measures are included in the non-IFRS performance measures section of this MD&A.

[3] Average payable gold price is calculated by the average finalized gold price during the period multiplied by the payable percentage under the off-take agreement.

[4] Expansion capital is calculated as the costs associated with the twin incline expansion and other expansion costs where these projects are anticipated to increase future production.

[5] Non-IFRS performance measure. Operating cash flow (prior to working capital adjustments) is calculated as the net cash provided by operating activities less the changes in non-cash working capital items.

[6] Non-IFRS performance measure. Gross margin before pricing adjustments is calculated using earnings from operations excluding pricing adjustments divided by revenue excluding pricing adjustments.

- **Contract Award for Stage 3 Expansion:** On July 24, 2023, the Company announced the achievement of a significant de-risking milestone with the award of an $81 million lump sum fixed price contract for the design and construction of the 1.2 million-tonnes-per-annum ("**mtpa**") Stage 3 Expansion Process Plant. This contract, along with previously awarded fixed-price contracts for process plant long-lead items, mitigates approximately 94% of the forecast capital cost for the Stage 3 Expansion, substantially reducing inflation risk. The Company's ability to self-fund the expansion has been notably strengthened by this development. The commissioning of the 1.2 mtpa plant is targeted for Q1 2025, with the construction contractor's mobilization scheduled for early 2024.

- **Exploration and Drilling Operations:** Exploration is primarily focused on resource growth, with up to 11 drill rigs operating at Kora, Kora South, Judd, Judd South and A1 porphyry target.

- **Extended Mining Lease and Approval for Expansions:** On December 6, 2022, the Government of Papua New Guinea granted an extension of Mining Lease 150 for the Kainantu Gold Mine in Papua New Guinea for a period of 10 years to June 13, 2034. In conjunction with this announcement, the board of directors of the Company approved the Stage 3 and Stage 4 expansions, which will increase the annual processing throughput to 1.2 mtpa and 1.7 mtpa, respectively. This represents increases of 140% and 240%, respectively, from the Stage 2A processing capacity of 500,000 tpa.

Corporate

- **Loan Agreement with Trafigura:** On September 26, 2023, the Company entered into a loan agreement (the "**Loan Agreement**") with Trafigura Pte Ltd (the "**Lender**" or the "**Offtaker**" regarding concentrate sales), securing a $100.0 million senior secured loan (the "**Loan**"). The Loan, with a term of four years from the date of the first advance, carries an upfront fee, a commitment fee, and an interest rate, alongside a one-year interest-only repayment grace period. The Loan is secured by a charge over the Company's assets and a pledge of shares in the Company's subsidiaries (the "**Security**"). It is intended for general corporate purposes, working capital, and capital expenditures. The initial drawdown of $25.0 million is contingent on certain conditions, including regulatory approvals. In case of an event of default under the Loan, the Lender reserves the right to accelerate repayment of the Loan and convert all or any portion of the initial drawdown into common shares of the Company (the "**Conversion Right**"). This Conversion Right will expire upon satisfaction of having the Security registered. As of December 31, 2023, these conditions had not been satisfied, therefore, no drawdowns of the Loan were made.

- **Amended Offtake Agreement:** Concurrently on September 26, 2023, the Company's Papua New Guinea subsidiary, K92 Mining Limited, entered into an amended offtake agreement (the "**Amended Offtake Agreement**") with the Offtaker. This amendment is a revision to the existing offtake agreement which remains in effect until December 31, 2025. From this date, the Amended Offtake Agreement will commence and continue for an additional seven consecutive calendar years, or until a minimum of 600,000 dry metric tons of concentrate have been delivered. Under the Amended Offtake Agreement, the Offtaker will purchase gold and copper concentrates from the Kainantu Gold Mine in Papua New Guinea at London Metals Exchange spot prices, with terms more favourable than those in the Kainantu Integrated Development Plan and Preliminary Economic Assessment (refer to the September 12, 2022, press release - *K92 Mining Inc Announces Robust Kainantu Gold Mine Integrated Development Plan*). The implementation of the Amended Offtake Agreement is contingent upon certain conditions, including approval from the Bank of Papua New Guinea in line with the Central Banking (Foreign Exchange and Gold) Regulation, and the satisfaction of conditions outlined in the Loan Agreement. As of December 31, 2023, these conditions had not been satisfied.

- **Short-Term Commodity Contracts:** Reduced exposure to gold price fluctuations during the provisional pricing period (the "**Quotational Period**") by entering into short-term commodity contracts with a total of 26,203 gold ounces hedged at December 31, 2023. The Company currently hedges out three months to cover fluctuations during the Quotational Period, which resulted in a $2.1 million loss on derivative instruments recognized during 2023.

Last 4 Quarters of Production Data

		2023				
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Tonnes processed	t	117,903	112,471	121,201	151,908	503,484
Feed grade Au	g/t	5.2	8.2	6.2	7.4	6.8
Feed grade Cu	%	0.70	0.66	0.72	0.87	0.75
Recovery (%) Au	%	89.1	92.4	92.0	91.7	91.5
Recovery (%) Cu	%	91.3	92.8	93.0	93.6	92.8
Metal in concentrate produced Au	oz	17,593	27,405	22,227	33,309	100,533
Metal in concentrate produced Cu	t	749	692	809	1,238	3,488
Metal in concentrate produced Ag	oz	29,891	34,001	40,233	56,502	160,628
Gold equivalent ounces produced	oz	21,488	30,794	26,225	39,101	117,607

2024 Operational Outlook

- Gold equivalent production between 120,000 and 140,000 ounces, with the latter half of the year anticipated to be the strongest as operations progressively ramp up ahead of the Stage 3 Expansion.

- Cash costs from $820 to $880 per ounce gold and AISC costs from $1,440 and $1,540 per ounce gold. Cash costs and AISC have moderately increased compared to last year's guidance, primarily due to the acceleration of operating capital and capitalized development in anticipation of the Stage 3 Expansion. This increase also reflects the shift of certain development and equipment acquisitions, originally planned for 2023, to 2024.

- Exploration expenditures between $17 - $20 million. Surface exploration will target Arakompa, Kora South, Judd South, and the A1 porphyry. Meanwhile, underground drilling will concentrate on the Kora, Kora South, Kora Deeps, Judd, Judd South, Judd Deeps, and Northern Deeps targets.

- Growth capital is forecasted at $145 to $160 million for 2024 and $40 to $50 million for 2025. For the Stage 3 and 4 Expansions, the total growth capital is now forecasted to be $210 million. This represents a 12% increase from the initial projections in the Stage 4 Expansion Preliminary Economic Assessment as outlined in the Integrated Development Plan. The moderate increase is attributed to global cost inflation over the past two years since the study's effective date of January 1, 2022, and minor scope changes.

Operations

The Company holds the mining rights to Mining Lease 150 which is due for renewal on June 13, 2034.

During Q4 2023, the Company produced 39,101 ounces AuEq or 33,309 ounces of gold, 2,728,623 pounds of copper and 56,502 ounces of silver. In 2023, the Company produced 117,607 ounces AuEq or 100,533 ounces gold, 7,690,477 pounds copper and 160,628 ounces silver, exceeding the updated production guidance range for 2023 of 111,000 to 116,000 ounces AuEq.

During Q4 2023, the process plant delivered yet another quarterly ore tonnes processed record of 151,908 tonnes or 1,651 tpd, an increase of 25% from Q4 2022 and 25% from Q3 2023, and 21% greater than the Stage 2A Expansion plant design of 1,370 tpd or 500,000 tpa. In 2023, a record 503,484 tonnes of ore were processed, increasing 12% from 2022. Importantly, during Q4 2023, multiple throughput records were achieved, with the latest daily throughput record achieved on November 19 of 2,320 tonnes processed (69% higher than the Stage 2A Expansion design) and a 7-day throughput record achieved in November averaging 2,136 tpd (56% higher than the Stage 2A Expansion plant design). The plant performance records demonstrate a meaningful opportunity of the operation currently having significantly greater plant capacity than expected.

Concurrent with the record throughput rates, during the fourth quarter, the process plant delivered strong metallurgical recoveries of 91.7% for gold and 93.6% for copper. Head grades during the quarter averaged 8.7 g/t AuEq or 7.4 g/t gold, 0.87 % copper and 13.9 g/t silver.

In Q4 2023, the mine also delivered yet another material movement record, with 155,062 tonnes of ore mined an increase of 39% from Q4 2022, and 347,529 tonnes of total mined material (ore plus waste), increasing 21% from Q4 2022. During Q4 2023, 10 levels were mined, with mining on Kora conducted on the 910, 1110, 1150, 1170, 1285, 1305 and 1325 levels, and Judd on the 840, 1325, and 1345 levels. Long hole open stoping performed to design.

Overall mine development achieved a record in Q4 2023 totaling 2,649 metres, an increase of 19% from Q4 2022 and 19% from Q3 2023. The large increase in development advance during the quarter was driven predominantly through continuous improvement initiatives and importantly, ahead of the significant gains that we expect as new equipment arrives and major underground infrastructure projects are progressively completed through 2024.

Capital Expenditure

Stage 3 Expansion

In December 2022, the Company announced the Kainantu Gold Mine's Stage 3 and 4 expansions. The Stage 3 expansion is set to increase annual throughput to 1.2 mtpa, with the Stage 4 expansion aiming for 1.7 mtpa. These expansions represent increases of 140% and 240%, respectively, compared to the throughput from the Stage 2A expansion.

In July 2023, the Company awarded GR Engineering Services Limited the engineering, procurement, construction, and commissioning lump sum contract for the Stage 3 expansion process plant. The contract, valued at $81.0 million, is a fixed-price agreement, substantially mitigating the risk of cost escalations for the Company. Alongside this contract award, all contracts for long-lead items for the process plant have been secured on a fixed-price basis (excluding freight). This includes the SAG and ball mills, filter press, tank flotation cells, flash flotation cells, and high-rate thickeners.

The Company aims to commission the 1.2 mtpa Stage 3 Expansion Plant by the end of Q1 2025. Construction mobilization is forecasted for early 2024, with completion of the bulk process plant earthworks anticipated beforehand.

Twin Incline

Twin incline development continues to make significant progress with incline #2 (6m x 6.5m) advanced to 2,863 metres and incline #3 (5m x 5.5m) advanced to 2,838 metres as of December 31, 2023, marking over 98% completion of its 2.9 km design.

The twin incline will provide the major mine access infrastructure for increased production capability required for Stage 3 and 4 Expansions and potentially beyond to further expansions.

Puma Ventilation Incline

The Puma portal is being repurposed as an intake, which is currently the main exhaust for the existing workings. The Puma ventilation incline is scheduled for completion mid-2024.

Exploration

Underground grade control and exploration

Kora Vein System

The Company continued its exploration diamond drilling program from underground using up to six Company owned drill rigs at the Kora and Judd deposits. The Company has now updated the Mineral Resource Estimates ("**MRE**") for the Kora and Judd Vein System, the MRE update used a total of 935 drill holes and has an effective date of September 12, 2023. The Kora/Judd resource continues to be drilled from surface with continual encounter of the Kora and Judd lode systems with drilling density suitable for both resource definition and expansion.

Please see the Company's news release dated December 5, 2023, *'K92 Mining Reports Updated Kora and Judd Resource Estimate - Measured and Indicated Resource of 2.6 Moz AuEq and Inferred Resource of 4.5 Moz AuEq'* for the latest resource estimate update at the Kora and Judd deposits.

Please see the Company's news release, dated August 15, 2023, '*K92 Mining Announces Latest-High-Grade Drilling Results, Including Potential High-Grade Zone at Northern Deeps Target ~50Metres West of the Twin Incline'* for the latest released drill results from the underground and surface diamond drilling programs.

Judd Vein System

The Judd Vein System at the Kainantu gold mine continues to be explored both with development and diamond drilling. The System is sub-parallel in orientation to the Kora Vein System and is located east of Kora. The mineralization style is similar to that of the Kora Vein System, comprising mainly gold-copper-silver sulphide veins (akin to an Intrusion Related Gold Copper (IRGC) deposit type). The Company continued its underground and surface drilling programs to test the extents of the Judd Vein System. The primary focus of drilling has been to drill out the J1 vein, with some longer holes extended to test the J2 to J4 vein targets. For the latest released drill results please see the press release dated August 15, 2023, '*K92 Mining Announces Latest-High-Grade Drilling Results, Including Potential High-Grade Zone at Northern Deeps Target ~50 Metres West of the Twin Incline'*.

Development and production activities continue at J1, including ore extraction via drives and long hole stoping.

Surface Exploration

Exploration drilling was conducted at Kora South/Judd South (EL470), Judd (ML150), A1 (EL470), Asupuia (EL2619), Moimo (EL2619) and Arakompa (EL693). During Q4 2023, 14 holes were completed and an additional 5 are currently in progress, totaling 5,929.4 meters.

Surface geochemical sampling and detailed geological mapping continued at Yarr Tree (EL2619) with 192 geochemical samples collected.

Arakompa (EL693)

At the end of Q4 2023, Exploration commenced drilling at Arakompa, which hosts a historic resource partially drilled by Renison Goldfields Consolidated Limited and later by Highlands Gold Limited. The current program represents the first drilling conducted in over 32 years.

The first two holes from K92's maiden drill program at Arakompa, located ~4.5 km from the Kainantu process plant, recorded significant mineralization, with 4 high grade lodes intersected in hole KARDD0002 recording 7.20 m at 24.76 g/t AuEq, 5.70 m at 9.94 g/t AuEq, 5.30 m at 6.06 g/t AuEq and 3.60 m at 3.38 g/t AuEq, and similar mineralization to the producing high-grade Kora and Judd vein systems. The target size is very large, with mineralization demonstrated from drill holes, rock samples and surface workings for at least 1.7km of strike, hosted within ~150-225m wide mineralized intense phyllic alteration package, and exhibits a vertical extent of +500m.

Kora South/Judd South (EL470)

Two diamond rigs continued operating throughout Q4 2023 to conduct infill and extension drilling (on approximately 100m centres) of the Kora/Judd Lodes, immediately SW and along strike of ML150. A total of three drill holes for 1098.0m were drilled. Drilling to date has extended the Kora/Judd Vein system by at least 600m beyond the limits of the current Mining Lease. Early in November these rigs were mobilized to Asupuia and Moimo Prospects.

Judd Vein [Upper] Expansion (ML150)

Two diamond drill rigs continued to explore the up-dip and lateral extensions of the Judd Vein System within ML150. A total of seven diamond holes were completed or currently being drilled for a total of 2600.7m. One of these was abandoned due to ground conditions. Late in the quarter one of the rigs was moved to Arakompa for further drilling.

A1 (EL470)

Diamond drilling at A1 continued during the quarter and targeted Au/Cu porphyry style mineralization. Two deep holes were completed during Q3 2023, for a total of 1219.2m. Geochemical and visual results suggest these holes have tested the lower portion of a broad lithocap masking the A1 Prospect area.

Asupuia (EL470)

Drilling commenced in late November to test a large coincident copper-gold anomaly, identified by a significant grid soil sampling program. One drill hole has been completed to 516.8m during the quarter.

Moimo (EL2619)

Drilling commenced early December to test a geochemical anomaly from a recent soil sampling program. Five holes were completed with a total of 410.3m drilled. Skarn style mineralization was observed in the core and gold grades in the assays reflect this. We have now met our statutory obligations for the reporting period on EL2619.

Qualified Persons

K92 Mine Geology and Mine Exploration manager, Andrew Kohler, PGeo, a qualified person under the meaning of Canadian National Instrument 43-101 – Standards Disclosure for Mineral Projects ("**NI 43-101**"), has reviewed and is responsible for the technical content in the underground grade control and exploration section of the MD&A. Data verification by Mr. Kohler includes significant time onsite reviewing drill core, face sampling, underground workings, and discussing work programs and results with geology and mining personnel.

K92 Executive Vice President of Exploration Chris Muller, PGeo, a qualified person under the meaning of NI 43-101, has reviewed and is responsible for the technical content in the surface exploration sections of this MD&A. Data verification by Mr. Muller includes significant time on site reviewing drill core, soil and outcrop sampling, artisanal workings, as well as discussing work programs and results with geology personnel and external consultants.

Community Relations

Memorandum of Agreement ("MOA")

The Company continues to work towards signing a revised MOA, which has suffered repeated delays outside of the control of the Company or the Bilimoia Landowners Association, including due to the COVID-19 pandemic. The MOA provides a framework for the relationship between the Company, the Community, and Government and sets out commitments from the various parties. In July 2020, the Company had a formal MOA meeting involving the Bilimoian landowners, the State, and the Provincial Government. Attending the meeting were representatives from local clans, the PNG Mining Minister, the Managing Director of the Mineral Resources Authority of PNG, and the Provincial Governor. In principle, the parties agreed on a revised MOA, which requires approval from the National Executive Council of the PNG Government. The original MOA framework will remain in place as mining operations and associated expansions continue, until a new MOA is formally approved.

Community Programs

The Company has been actively engaged in community programs aimed at improving the quality of life for local communities. The programs to support community development include freshwater systems, road maintenance, medical clinic funding, school refurbishment, adult literacy programs, agricultural livelihood and training programs, and support for small enterprises.

In December 2023, the Company was recognized by the PNG Chamber of Resources and Energy (CORE) with an award for Outstanding Community Humanitarian Initiative. The award recognizes the Company's contributions and achievements related to its Women in Mining program, which focuses on female-targeted community investment programs in local communities, including training initiatives, preventative health programs, support for small enterprises, and scholarship awards.

The Company continues to implement its Adult Literacy Program in partnership with local communities. The program, which was initiated by the Company in late 2019, offers three levels of English and Tok Pisin, the local language in PNG, for those who cannot read or write. Approximately 150 participants have graduated from the program annually, 90% of whom are women. The Company's Sustainable Agriculture Livelihoods Program continues to advance, enabling local farmers to scale production and further access local vendors. This program had approximately 180 participants in 2023, 80% of whom are women.

The Company is now participating in the Infrastructure Tax Credit Scheme (ITCS) of the PNG Government, through which up to two percent of the Company's assessable income can now be allocated by the Company for spending on approved community projects, including local infrastructure, health programs, and educational initiatives, and deducted from future corporate tax payable. This is in addition to the Company's various community and social programs. The first project for implementation was formally approved by the PNG Department of National Planning in December 2023 for local road upgrades. Construction works will commence in early 2024.

Scholarship Programs

The Company supports education and skills development of the mining industry in PNG through a variety of programs and initiatives. The Company has established the K92 Mining Tertiary Scholarship Program, which includes six tertiary scholarships for 2024 in the fields of mineral processing, mine engineering, geology, and agriculture. The Company has also partnered with a local company to award two scholarships for Women in Mining to students studying logistics, commercial, or business management. In addition, the Company has signed multiple memoranda of understanding with universities in PNG to support areas of mutual benefit. These partnerships include financial support for the university, work experience for students and undergraduates, technical cooperation, and project generation.

The Company continues to implement a program to assist employees with school enrollment fees. The Company pays 50% of school fees for primary and secondary schools for children of employees on condition that the employee contributes the remaining 50%.

Local Business Opportunities

The Company has created multiple business opportunities for the local communities in the vicinity of the mine to benefit from its operation. These include four major joint venture contracts between local communities and PNG companies for the provision of services, as well as numerous smaller contracts with local businesses. The major contracts include catering and camp management, security, road transportation, and ancillary mobile services. During the twelve months ended December 31, 2023, these contracts generated $24.5 million in revenue, supporting the local community.

Sustainability

In December 2023, the Company received a revised environmental permit from the PNG Conservation and Environment Protection Authority (CEPA) for the Stage 3 Expansion. The receipt of the permit followed a standard, government-sanctioned environmental impact assessment process.

The Company continues to advance its climate strategy in support of its energy and GHG emissions reduction target that was set in June 2023 (see June 21, 2023 press release *K92 Mining Announces 2030 GHG Reduction Target*). A core component of the strategy is to enhance the Company's access to local hydroelectricity, which is being advanced through partnerships with the local electricity provider, PNG Power Ltd.

In July 2023, the Company released its fourth annual Sustainability Report, which was prepared in alignment with the Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard. Climate-related disclosures were guided by the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The Company continues to closely monitor regulatory developments related to the newly released IFRS S1 and S2 standards issued by the International Sustainability Standards Board (ISSB) related to general sustainability and climate disclosures.

The Company is currently preparing its annual disclosures related to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act. The Company is considered an "entity" under the Act and, as such, is required to meet the annual disclosure requirements of the Act, which are required by May 31, 2024.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the consolidated financial statements.

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Net income	$ 33,163	$ 35,523	$ 27,241
Revenue	200,255	188,186	154,326
Basic income per share	0.14	0.16	0.12
Diluted income per share	0.14	0.15	0.12
Total assets	412,832	370,715	273,023
Working capital	99,623	125,171	88,502
Total non-current liabilities	14,066	13,251	14,871

Results of Operations for the year ended December 31, 2023 as compared to December 31, 2022

In 2023, the Company had net earnings of $33.2 million (2022 – $35.5 million) and earnings before taxes of $51.3 million (2022 - $59.8 million). Significant items making up earnings, and changes from the prior year, are as follows:

Revenue of $200.3 million (2022 - $188.2 million) from the sale of gold concentrate and doré. The increase in revenue is primarily due to higher realized payable gold prices of $1,869/ounce in 2023 versus $1,711/ounce in 2022, offset by a decrease in the quantity of gold ounces sold of 97,355 gold ounces in 2023 versus 110,654 gold ounces in 2022.

Cost of sales of $111.4 million (2022 - $96.3 million) consists of mining, processing, mine technical services, maintenance, site related finance and administration, operational health and safety, share-based payments, depreciation and net smelter royalties. Cost of sales before non-cash items on a per tonne basis decreased versus the comparative period due to efficiencies created with the Stage 2A Expansion, which resulted in the Company increasing throughput from 448,079 tonnes of ore mined in 2022 to 506,318 tonnes in 2023.

Earnings from mine operations of $88.9 million (2022 - $91.9 million), which is calculated by subtracting cost of sales from revenue.

General and administrative costs of $7.7 million (2022 – $6.8 million). The increase is primarily related to an increase in corporate hires and higher management fees, wages, office, and travel expenses.

Exploration and evaluation expenditures of $19.8 million (2022 – $16.2 million) related to drilling, assaying, trenching, surveying and other related expenditures. The increase in exploration costs is related to additional exploration activity versus the comparative period as the Company has expanded its exploration campaign.

Share-based payments of $4.7 million (2022 - $3.2 million) representing Restricted Share Unit ("**RSU**") and Performance Share Unit ("**PSU**") grants to directors, employees and consultants of the Company. The increase in share-based payments relates to the timing, valuation and the number of equity instruments granted during the period.

Interest and finance expenses of $3.9 million (2022 – $3.3 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The increase is primarily due to higher interest rates on concentrate sales versus the comparative period, offset by lower lease liabilities.

Interest income of $2.9 million (2022 – $1.2 million) representing interest income earned on cash and cash equivalent balances. The increase in interest income is due to higher interest rates versus the comparative period.

Loss on derivative instruments of $2.1 million (2022 – $1.5 million) relates to realized and unrealized losses on commodity contracts. The loss is primarily driven by the increase in gold prices from $1,812 per ounce as of December 31, 2022, to $2,062 per ounce at December 31, 2023.

Income tax expense of $18.1 million (2022 – $24.2 million) relates to current taxes, the estimated use of the deferred income tax asset and the recognition of a deferred tax liability.

Summary of Quarterly Results

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

(in thousands of United States Dollars, except per share amounts)	December 31, 2023 (Unaudited)	September 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	March 31, 2023 (Unaudited)
Total assets	$ 412,832	$ 388,271	$ 388,107	$ 371,926
Working capital	99,623	97,335	112,510	117,306
Equity	350,892	328,533	327,033	316,340
Revenue	75,316	32,814	51,759	40,366
Net earnings (loss)	19,980	(619)	8,793	5,009
Net earnings (loss) per share, basic	0.09	(0.00)	0.04	0.02
Net earnings (loss) per share, diluted	0.08	(0.00)	0.04	0.02

	December 31, 2022 (Unaudited)	September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	March 31, 2022 (Unaudited)
Total assets	$ 370,715	$ 344,308	$ 302,583	$ 298,784
Working capital	125,171	120,064	94,007	92,086
Equity	309,306	294,096	253,846	242,650
Revenue	61,980	36,438	37,356	52,412
Net earnings	13,251	3,054	5,136	14,082
Net earnings per share, basic	0.06	0.01	0.02	0.06
Net earnings per share, diluted	0.06	0.01	0.02	0.06

Total assets have increased over the past eight quarters, primarily driven by the construction and completion of the Stage 2A Expansion and the ongoing development of the Kainantu gold mine.

Results of Operations for the three months ended December 31, 2023 as compared to December 31, 2022

During the three months ended December 31, 2023, the Company had net earnings of $20.0 million (2022 – $13.3 million) and earnings before taxes of $28.5 million (2022 - $23.3 million). Significant items making up earnings, and changes from the comparative period, are as follows:

Revenue of $75.3 million (2022 - $62.0 million) from the sale of gold concentrate and doré. The increase in revenue is primarily due to higher realized payable gold prices of $1,898/ounce in Q4 2023 versus $1,652/ounce in Q4 2022, offset by a decrease in the quantity of gold ounces sold from 35,212 gold ounces in Q4 2022 to 33,273 gold ounces in Q4 2023.

Cost of sales of $35.9 million (2022 - $29.8 million) include costs associated with mining, processing, mine technical services, maintenance, site related finance and administration, operational health and safety, share-based payments, depreciation, and net smelter royalties. Cost of sales before non-cash items on a per tonne basis decreased versus the comparative period due to efficiencies created with the Stage 2A Expansion, which resulted in the Company increasing throughput from 111,448 tonnes of ore mined in Q4 2022 to 155,062 tonnes in Q4 2023.

Earnings from mine operations of $39.4 million (2022 - $32.2 million), which is calculated by subtracting cost of sales from revenue.

General and administrative costs of $2.2 million (2022 – $1.8 million). The increase is primarily related to an increase in corporate hires, higher management fees and wages, and higher office and travel expenses.

Exploration and evaluation expenditures of $4.4 million (2022 – $5.0 million) related to drilling, assaying, trenching, surveying and other related expenditures.

Share-based payments of $0.8 million (2022 - $0.7 million) representing option, RSU and PSU grants to directors, employees and consultants of the Company. The increase in share-based payments relates to the timing, valuation and the number of equity instruments granted during the period.

Interest and finance expenses of $1.0 million (2022 – $1.1 million) representing interest and finance expenses recorded on lease agreements and concentrate sales. The decrease is primarily due to lower lease liabilities versus the comparative period, offset by higher interest rates on concentrate sales.

Interest income of $0.6 million (2022 – $0.7 million) representing interest income earned on cash and cash equivalent balances. The decrease in interest income is due to a lower cash and cash equivalents balance versus the comparative period.

Loss on derivative instruments of $1.4 million (2022 – $1.8 million) relating to realized and unrealized losses on commodity contracts. The loss is primarily driven by the increase in gold prices from $1,871 per ounce as of September 30, 2023, to $2,062 per ounce at December 31, 2023.

Income tax expense of $8.5 million (2022 – $10.0 million) relates to current taxes, the estimated use of the deferred income tax asset and the recognition of a deferred tax liability.

Non-IFRS Performance Measures

This document includes certain non-IFRS performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used by other issuers, and may not be comparable to such measures as reported by other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis. The following tables below provide a reconciliation of these non-IFRS measures to the most directly comparable IFRS measure.

Cash Costs per Ounce

Cash costs of sales include all costs absorbed into concentrate inventory, treatment and refining costs, less non-cash items such as depreciation, and by-product credits. Total cash cost per ounce sold is calculated by dividing the aggregate of the applicable costs by gold ounces sold.

All-in Sustaining Cost per Ounce

All-in sustaining costs of sales include all cash costs above plus accretion costs of environmental provisions, corporate costs and sustaining capital expenditures. Total all-in sustaining cost per ounce sold is calculated by dividing the aggregate of the applicable costs by gold ounces sold.

(In thousands of United States Dollars, except as noted)	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2023
Cost of Sales	$ 35,939	$ 29,784	$ 111,388	$ 96,272
Add: treatment and refining costs	2,662	2,140	7,626	7,103
Less: non-cash costs included into cost of sales	(704)	(352)	(1,857)	(1,343)
Less: depreciation	(11,883)	(6,924)	(31,855)	(20,340)
Less: by-product credits	(11,721)	(6,605)	(28,322)	(22,153)
Cash cost of sales	14,293	18,043	56,980	59,539
Add: accretion	143	29	592	116
Add: general and administrative costs	2,222	1,755	7,658	6,811
Add: sustaining capital expenditures[7]	18,733	10,826	48,178	29,321
Less: business development	(71)	(20)	(274)	(149)
All-in sustaining costs	35,320	30,633	113,134	95,638
Gold ounces, sold	33,273	35,212	97,355	110,654
Cash cost per gold ounce, sold	$ 430	$ 512	$ 585	$ 538
All-in sustaining cost per gold ounce, sold	$ 1,062	$ 870	$ 1,162	$ 864

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

EBITDA is profit attributable to shareholders before net finance expense, provision for income taxes, and depreciation and amortization. EBITDA is used as a supplemental financial measure by management and by external users of our MD&A, such as investors, industry analysts, lenders and ratings agencies, to assess the Company's operating performance as compared with the operating performance of other companies in our industry, without regard to financing methods, historical cost basis or capital structure. The IFRS measure most directly comparable to EBITDA is Net Income. EBITDA should not be considered an alternative to net income or loss or any other measure of financial performance or liquidity presented in accordance with IFRS.

(In thousands of United States Dollars)	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Net earnings for the period	$ 19,980	$ 13,251	$ 33,163	$ 35,523
Add: Income taxes	8,489	10,013	18,124	24,248
Add: Depreciation of property, plant and equipment	11,883	6,924	31,855	20,340
Add: Interest and finance expense	994	1,052	3,903	3,335
Less: Interest income	(630)	(702)	(2,921)	(1,220)
EBITDA	$ 40,716	$ 30,538	$ 84,124	$ 82,226

Liquidity

As at December 31, 2023, the Company had a cash and cash equivalents and short-term treasury bills balance of $79.1 million (December 31, 2022 - $109.9 million) and working capital of $99.6 million (December 31, 2022 - $125.2 million)[8], which consisted of current assets of $147.5 million (December 31, 2022 - $173.3 million) less current liabilities of $47.9 million (December 31, 2022 - $48.2 million).

[7] Sustaining capital expenditures for the year ended December 31, 2023 is the purchase of property, plant and equipment ("PPE") from the statement of cash flows of $101.0 million (2022 - $67.4 million), plus other sustaining expenditures of $4.2 million (2022 - $4.6 million), plus net PPE amounts included in accounts payable related to expansion costs of $4.6 million (2022 – negative $0.2 million), plus net deposits for equipment $3.6 million (2022 - $0.1 million), less expansion and exploration capital costs of $65.2 million (2022 - $42.4 million).

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

Operating Activities: During the year-ended December 31, 2023, the Company generated $74.4 million in cash from operating activities (2022 - $73.1 million).

Investing Activities: During the year-ended December 31, 2023, the Company paid $101.0 million (2022 - $67.4 million) for property, plant, and equipment and $1.3 million for deposits on equipment (2022 – $4.3 million).

Financing Activities: During the year-ended December 31, 2023, the Company received $1.8 million (2022 - $8.3 million) from the exercise of stock options and paid $5.3 million (2022 - $4.9 million) in principal lease payments.

The Company's financial position on December 31, 2023, and the operating cash flows that are expected over the next twelve months, are expected to be sufficient to fund operational costs, capital requirements, debt repayments and other commitments.

Capital Resources

The Company manages its capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the Company's assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Related Party Transactions

Key management consists of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, President, and the Board of Directors. During the below period, compensation paid or accrued to key management or companies they controlled is presented in the table below:

(In thousands of United States Dollars)	Year ended	December 31, 2023	December 31, 2022
Share-based compensation		$ 4,430	$ 3,015
Management, consulting and wages		3,539	3,612
Professional fees		313	257

Included in accounts payable and accrued liabilities is $0.9 million (December 31, 2022 - $0.9 million) due to key management of the Company, of which $0.3 million (December 31, 2022 - $0.3 million) is due to Mining, Processing and Project Consulting Pty Ltd. which is owned by the CEO and Director for management services and $0.2 million (December 31, 2022 - $0.2 million) is due to the law firm Gowling WLG (Canada) LLP, where one director of the Company is a partner, for professional fees in the normal course of business, non-interest bearing and due on demand.

Outstanding Share Data

As at the date of this report the Company had 235,197,737 common shares issued and outstanding.

The following incentive stock options were outstanding at the date of this report:

Range of exercise prices (in $CAD)	Number of outstanding options	Number of options exercisable	Weighted-average exercise price (in $CAD)	Weighted-average years to expiry
1.00 – 1.99	1,601,750	1,601,750	1.79	0.28
2.00 – 2.99	235,000	235,000	2.17	0.64
3.00 – 3.99	871,500	871,500	3.84	0.84
4.00 – 4.99	-	-	-	-
5.00 – 9.99	4,580,900	4,580,900	7.27	1.71
	7,289,150	7,289,150	5.49	1.26

Off-Balance Sheet Arrangements

At December 31, 2023, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

Material Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements requires management to make estimates about, and apply assumptions or judgment to, future events and other matters that affect the reported amounts of the Company's assets, liabilities, revenues, expenses and related disclosures. Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's consolidated financial statements are prepared.

The Company's material accounting judgements, estimates and assumptions are disclosed in Note 2 of the audited Consolidated Financial Statements for the year ended December 31, 2023.

Material Accounting Policies

The Company's material accounting policies are presented in Note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2023 and have been consistently applied in the preparation of the audited consolidated financial statements.

Financial Instruments and Risk Management

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The levels in the fair value hierarchy into which the Company's financial assets and liabilities that are measured and recognized at fair value were categorized as follows:

As at	December 31, 2023		December 31, 2022	
	Level 1	Level 2	Level 1	Level 2
Trade receivables	$ -	$ 15,030	$ -	$ 15,462
Derivative liabilities	-	(1,206)	-	(1,747)
	$ -	$ 13,824	$ -	$ 13,715

The fair value of the Company's trade receivables and derivative liabilities were determined using observable market prices and market-derived inputs. There were no transfers between Level 1 and Level 2 during the year-ended December 31, 2023.

As at December 31, 2023, and December 31, 2022, the carrying amounts of cash and cash equivalents, short-term treasury bills, prepaids, other receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Concentration of credit risk

The Company's cash and cash equivalents are held with financial institutions in Canada, Papua New Guinea, and Australia. As of December 31, 2023, a single Canadian chartered bank holds approximately 42% of the total cash and cash equivalents. Substantially all of the Company's cash and cash equivalents exceed government-insured limits. The Company continually assesses and manages its exposure to credit risk of financial institutions.

Internal Control Over Financial Reporting and Disclosure Controls and Procedures

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"), to enable this information to be reviewed and discussed so that appropriate decisions can be made regarding the timely public disclosure of the information.

The Company's management, including the CEO and CFO, have evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2023 and have concluded the Company's disclosure controls and procedures are effective and provide reasonable assurance material information is communicated to them by others within the Company on a timely basis.

Internal Controls over Financial Reporting

The Company's management, including the CEO and CFO, are responsible for establishing adequate internal controls over financial reporting. The Company's internal controls over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS as issued by the International Accounting Standards Board. As at December 31, 2023, the Company's CEO and CFO have assessed the Company's internal controls over financial reporting and concluded they are effective and provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no changes to the Company's internal controls during the year ended December 31, 2023 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting or disclosure controls and procedures.

The Company's internal control over financial reporting may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

Cautionary Statement Regarding Certain Measures of Performance

This MD&A presents certain measures, including "cash costs", "all-in-sustaining costs" "gold equivalent" and "EBITDA" that are not recognized measures under IFRS. This data may not be comparable to data presented by other gold producers. For a reconciliation of these measures to the most directly comparable financial information presented in the consolidated financial statements prepared in accordance with IFRS, see Non-IFRS Financial Performance Measures in this MD&A. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in performing year-over-year comparisons. However, these non-IFRS measures should be considered together with other data prepared in accordance with IFRS, and these measures taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Note Regarding Forward-Looking Statements

Except for historical information, this MD&A may contain forward-looking statements within the meaning of applicable Canadian securities legislation. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following:

General economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued production, exploration and development of the Company's properties.

This MD&A contains certain forward-looking statements inclusive of, but not limited to, timing of the mine development, twin incline construction, metals production, cash costs, all-in sustaining costs, exploration costs and growth capital costs. Although forward-looking statements and information contained in this MD&A are based on the beliefs of K92 management, which we consider to be reasonable, as well as assumptions made by and information currently available to K92 management, there is no assurance that the forward-looking statement or information will prove to be accurate. The assumptions made include assumptions about K92's ability to move forward with the development and mine expansion arrangements. The forward-looking statements and information contained in this MD&A are subject to current risks, uncertainties and assumptions related to certain factors including, without limitations, obtaining all necessary approvals, feasibility of the Company's mine and plant development in PNG, the accuracy of mineral reserve and mineral resources estimates, exploration and development risks, expenditure and financing requirements, title matters, the Company's dependency on the Kainantu Gold Mine for operating revenue and cash flows in the near term, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, the Company's ability to adequately account for potential mine closure and remediation costs, seasonality, technological change, industry practices, and one-time events as well as risks, uncertainties and other factors identified and described in more detail under the heading "Risk Factors" in the Company's most recent Annual Information Form, which may be viewed at www.sedar.com. Should any one or more of these risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements and information may vary materially from those described herein.

The list is not exhaustive and although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended that should be considered carefully, and reasons should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any person assumes responsibility for the accuracy and completeness of these forward-looking statements. We undertake no obligation to update forward-looking statements or information except as required by law.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources.

This discussion uses the terms "measured resources" and "indicated resources". The Company advises investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.