



Kincora Copper Limited
(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

Expressed in Canadian Dollars

**FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2019**

As at November 29, 2019

Introduction

The following Management's Discussion and Analysis ("MD&A") of the Company has been prepared as of November 29, 2019. 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 30, 2019, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). In addition, the interim condensed consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

Description of Business

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

In late 2015, the Company again consolidated the western license at Bronze Fox, restoring unencumbered access to the West Kasulu prospect, and in late 2016, completed a transformational transaction with a private company (IBEX). The merger with IBEX formed the dominant landholding in the most prospective areas of the copper belt between and on strike from Rio Tinto's largest global expansion project, the Oyu Tolgoi mine, and the private Tsagaan Suvarga Serven Sukhait development open pit project. The portfolio and targets included has attracted a first-class Technical Team who are credited with multiple discoveries of Tier 1 copper projects.

During the third quarter of 2017, Kincora closed the first significant capital raising post the consolidation of Bronze Fox and the IBEX transaction, providing a multiple phase budget for multiple projects and commencing the first modern district scale systematic exploration program in the Southern Gobi copper belt. The Company also strengthened and accelerated its project generation function, becoming the foremost international group pursuing further countercyclical expansion opportunities in Mongolia, focused on copper, gold and VMS targets, and other jurisdictions that lend itself to a complementary exploration approach, scale of targets and regional experience.

Unfortunately in late 2017, significant shareholder overhangs emerged which negatively impacted the ability to fully execute our strategy and our share price. Over a six-month period, these issues were fixed. Three of the five -person board were replaced and 29% of the register transitioned. In June 2018, a new cornerstone shareholder was in place (taking out the overhangs at 13c v the prior raising price of 33c/sh). The final piece of the reform was the appointment of a new Chairman, Cameron McRae (who had advised the Kincora board from 2014-17 and has been an active shareholder).

In 2018, Kincora overcame multiple corporate headwinds and remained focused progressing our two-pronged exploration and expansion strategy, and we conserved cash wisely in the process. In June 2019, Kincora completed an oversubscribed non-brokered private placement for of \$6,251,500. Approximately 60% of subscriptions were anchored by two large natural resource institutional investors and associated groups, who represent approximately 40% of Kincora's share capital.

Proceeds support a 12-month budget and accelerating Kincora's exploration and expansion strategy, including up to 18,000 metres of drilling. Since July 2019, the Company has commenced the first target testing drilling program and unimubered project generation fucntion under the current Technical Team.

Since the IBEX merger after over three years of systematic exploration by our new Technical Team the Company has refined our ground position in this belt from over 1500km² to less than 800km². Reinterpretation of existing data (including relogging, and block model analysis, of over 24,000 metres of drilling at Bronze Fox), the acquisition of additional geophysical data (induced polarization, gravity & magnetics at both projects) and first phase drilling at East TS have advanced both projects significantly with the recent funding supporting a multiple phase and extensive drilling program over 2019/2020, and an active project generation function.

Kincora is based in Ulaanbaatar, has a year-round camp in the Southern Gobi, and a corporate office in Vancouver. The Company is a reporting issuer in Ontario, British Columbia and Alberta, Canada, with its common shares trading on the TSX Venture Exchange under the symbol **KCC**.

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

Location

Kincora's dominate position between and on strike from the two existing copper mines in the Southern Gobi is within only several hundred kilometers from the border with China, the largest consumer of copper in the world. The region is sparsely populated, generally flat open desert, enjoys existing and rapidly improving infrastructure, is not at altitude and is within trucking distance to China. This is a favorable location for exploration and mine development, with some of the most competitive drilling rates globally. Indeed, in 2019 construction activities commenced for a new railway that will pass within 50km of our license portfolio in the Southern Gobi and provide connectivity to China.

Our portfolio covers 7 existing licenses for 791km² in the Southern Gobi, with a new exploration license located Darkhan-Uul province secured directly from the State under tender in Apr'19 covering 377km².

This is a strategic landholding in terms of scale and location, being the dominant position within the prospective Southern Gobi Devonian copper belt that offers the highest potential for further Tier 1 discoveries. Existing large incumbents are actively expanding portfolio and/or ramping up exploration within this belt. New entrants are also revisiting the belts potential following Stage 2 approvals of Oyu Tolgoi development, the IMF lead US\$5.5 billion total external financial package for the Government of Mongolia, Mongolia's *"third neighbor policy"*, China's *"one belt, one road"* strategy and improving commodity prices, particularly given the favorable outlook for copper.

The Southern Gobi Devonian copper belts' existing copper mines include two large-scale greenfield copper construction projects. At Oyu Tolgoi invested capital to date is over US\$10 billion with Stage 1 open pit production (since 2012) and target production of up to 160,000t/day via Stage 2 underground development, with a further US\$5.5 billion available from the existing project financing facility. Oyu Tolgoi ("OT") is owned by Rio Tinto, Turquoise Hill Resources ("TRQ") minority shareholders and the Government of Mongolia ("GoM"). According to SailingStone Capital's Apr'19 open letter, being a long term and current c.10% shareholder in TRQ, *"the project's (Oyu Tolgoi) sovereign risk profile has improved significantly over the last three years with the introduction of project finance and supportive commentary from Mongolian government officials"*.

The second major copper project is Tsagaan Suvarga, with estimated capex of at least US\$1 billion and over US\$370 million invested to date Tsagaan Suvarga ("TS") has targeted production of 40,000t/day from its open pit, is privately owned by MAK with project finance syndicated by the European Bank of Reconstruction and Development ("EBRD").

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

Initial exports from Oyu Tolgoi's open pit in less than four years from final investment agreements, with now over six years of production with an excellent safety record (best safety record in the Rio Tinto group in 2018) and the syndication of the underground project financing assists demonstrate the attractiveness of Mongolia as a place to do business and invest. This is reinforced by Rio Tinto in 2017 resuming regional drilling activities, in 2018 opening a new regional office in Mongolia and looking to expand its landholding in the belt. OT currently has over 16,000 employees and contractors at site, with over 90% being Mongolian, providing testament to the skill labor force in-country. OT is one of a few new large-scale copper mines built anywhere in the world in recent decades and is currently the largest expansion project globally.

Other significant mines, including the world class Erdenes Tavan Tolgoi mine and other coal mines, with associated infrastructure (including rail, power and water) are proposed or under construction in this general Gobi region, which is one of the most rapidly developing mining centers anywhere in the globe despite being one of the last under-explored frontiers. Xanadu Mines' flagship Kharmagtai copper-gold exploration project sits in close proximity outside of the interpreted Devonian belt where they are advancing from exploration to development, with recent encouragement from the new Zaraa discovery, a positive scoping study for the underlying copper project and current focus on oxide gold potential.

With the IBEX transaction, Kincora now operates the winterized "*White Pearl*" camp, located within 500 metres of recently installed power lines and within 50km of the ongoing new railway construction to provide connectivity to China.

History

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

Post Mongolia's own peaceful democratic revolution in 1990 and transition to a market economy, early exploration by western companies occurred during the ten-year period from 1996-2006 and saw the commercial discovery of the Oyu Tolgoi deposits. Significant regional exploration continued until through 2009 and included the JV between Ivanhoe and BHP Billiton, which included the Falcon survey, reconnaissance exploration and drilling. Ivanhoe Mines ("*Ivanhoe*", now Turquoise Hill Resources), under Robert Friedland's leadership, was responsible for the majority of exploration during this secondary phase, when its land inventory was at a point 126,626 km², about the same size as Japan or Italy, and at the time was the largest landholding in the mining industry.

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

The then Ivanhoe released the majority of its extensive regional landholding following windfall tax (announced May'06) and during extended negotiations with the Mongolian Government to form the original Oyu Tolgoi Investment Agreement for the open pit development (secured Oct'09). The repeal of the Mongolian copper and gold windfall profits tax only occurred in Aug'09 (effective January 1, 2011) with reform to the Mongolian Minerals Law in July 2014 leading to the repeal of the 5-year moratorium for issuing new exploration licenses (since mid'2010) only in January 2015. Limited land had been issued since this period with an on and off moratorium in place. Mongolia's Ministry of Mining and Heavy Industry re-opened the land tender system for new exploration licenses in 3Q'18, including total proposed land area covering 86,690km² (or ~5.5% of Mongolia's landmass). To date, over 350 tender areas have been announced, with Kincora recently securing a

new exploration license via the new tender system but the tender system has largely been un-effective and is not a globally competitive system.

Kincora Copper was formed in mid Jul'11 following the closure of the transaction between Origo Partners (Kincora's previous largest shareholder which was an overhang in 2018) and a TSXV listed "*shell*" company called Brazilian Diamond Ltd, raising C\$12.1m via a private placement and "reversing" the Bronze Fox license (15000X) into what then became known as Kincora.

The Bronze Fox license was originally part of the original Ivanhoe Bronze Fox project, which in 2005 was designated as one of four, alongside Oyu Tolgoi, Kharmagtai and Nariin Sukhait, high priority targets for large scale porphyry and skarn copper mineralization amongst its 126,626 km² land holding held in the wider Gobi region.

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

In 2012, Kincora acquired Golden Grouse LLC, a Forbes & Manhattan controlled company, to consolidate the rest of the original "Ivanhoe" Bronze Fox project (which hosted the Ivanhoe known "*West Fox*" and "*Tourmaline Hills*" prospects), including the Western license and extension of the West Kasulu target. The consolidated license portfolio now included the Bronze Fox Intrusive Complex and Tourmaline Hills Intrusive Complex, almost tripling Kincora's footprint from 223.2km² to 622km².

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

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

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

1. the dispute with the Government for the development of Stage 2 underground at Oyu Tolgoi;

2. our Golden Grouse licenses having been revoked as part of the 106 licenses dispute; and
3. uncertainty relating to the minerals law, with no new exploration licenses having been issued since 2010 due to a moratorium.

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

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

In May'16, Kincora announced it has reached agreement regarding Ibex Land Mongolia LLC and Ibex Mongolia LLC ("*IBEX*"), entities indirectly controlled by High Power Exploration Inc. ("*HPX*"), which resulted in Kincora more than tripling its landholding in the Southern Gobi copper belt, totaling over 1,500km². This transaction was closed in Nov'16.

Regional potential

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

Geologically, copper porphyries generally occur in clusters focused on key geological structures within established belts, they do not occur in isolation. There is increasing recognition of the Southern Gobi's copper potential, being one of the last under-explored known copper frontiers with various analogy's in terms of legislative roadmap, existing producing mines/development projects, limited exploration activities, key likely structural geological settings and understanding of geological potential to the development of Chile's copper industry in the early 1970's. In terms of landmass size and important geological structural features/controls, the Devonian belt in the Southern Gobi is particularly comparable to Northern Chile, where there are over 15 current large mines producing ~2Mtpa Cu (>12% of global production).

Exploration approach

Post the IBEX transaction, copper experts credited with multiple Tier 1 discoveries have joined Kincora's team, the Company has implemented an exploration strategy to replicate the systematic approach successfully applied in discovering similar profile Tier 1 gold rich copper porphyry discoveries.

In October 2017, Kincora completed a two tranche non-brokered private placement for total gross proceeds of \$5.92 million, the first significant capital raising post the IBEX transaction and new Technical Team, to support the commencement of the first modern Tier 1 drill testing and district scale reconnaissance exploration program in the Southern Gobi copper belt and advance further project generative expansion opportunities. Kincora has since become the foremost international group pursuing further countercyclical expansion opportunities in Mongolia focused on porphyry copper, gold and VMS targets.

Phase 1 exploration activities advanced Kincora's exploration pipeline: with positive results at Bronze Fox, with a significant scale exploration target announced and new high-grade drill targets; the East Tsagaan Survarga project, a confirmed Devonian age brownfield project with three targets identified for drilling; and, drilling at the Bayan Tal and Argalant projects down-grounded their prospectivity and were dropped not meeting our requirements for future exploration.

Commencement of the proposed Phase 2 activities and target testing drilling were impacted by corporate matters, with the turn-over of 3 of a 5-person board and associated 29% shareholder overhang. These corporate impediments were addressed in 2018, with the Technical Team retained and strengthened (with the addition of Barry de Wet as consultant geophysicist), exploration portfolio advanced in a prudent manner, and the Company significantly strengthening both its board and shareholder register.

In June 2019, Kincora completed an oversubscribed \$6.25 million capital raising, providing a 12-month budget, and supporting a maiden target testing, drilling for discovery program ramping up and an acceleration of the Company's project generation expansion strategy. The raising provides for up to 18,000 metres of drilling and Kincora being the most active foreign listed junior seeking to make the next Tier 1 discovery in Mongolia.

Corporate and Operational Highlights

Highlights for the nine-month period ended September 30, 2019 include:

- **New exploration license:** Mongolia's Ministry of Mining and Heavy Industry re-opened the land tender system in 3Q'18 for a short period of time, including total proposed land area covering 86,690km² (or ~5.5% of Mongolia's landmass). To date, over 350 tender areas have been announced, with Kincora securing a new exploration license via the new system directly from the State. The new exploration license is located Darkhan-Uul province, covering 377km², and adjoins mining licenses to its north-eastern and south-western boundaries.
- **Issuance of shares for private placement:** On June 11, 2019, the Company closed an oversubscribed private placement ("*Offering*") for gross proceeds of \$6,251,500 through the issuance of 62,515,000 shares at a price of \$0.10 per share. Each unit of the Offering is comprised of one share and one warrant, each warrant entitling the holder to acquire a further share at a price of \$0.25 for a term of 2 years. The Company paid finders' fees of \$170,374 in connection with this private placement.

Having completed an independent technical review of Kincora's targets and proposed work programs, our largest shareholder, the LIM Asia Special Situations Master Fund Limited (the "*LASSMF*"), was cornerstone to the Offering. Following discussions with the TSX Venture Exchange, LASSMF subscribed for 16,722,000 subscription receipts at a price of \$0.10 per subscription receipt instead of subscribing directly for the corresponding number of units. Under their terms, the subscription proceeds received of \$1,672,200 for the subscription receipts will be released from trust to the Company upon satisfaction of the final condition imposed by the Exchange, being receipt of disinterested shareholder approval to LASSMF retaining a control position and clearance of a Personal Information Form ("*PIF*"), as required under Exchange policies, by a designated representative of LASSMF. On August 2, 2019, the condition was satisfied, and the subscription receipts, without further consideration, were exchanged for the same number of units.

The Company also announced New Prospect Capital Management ("*New Prospect*"), on behalf of a special purpose managed vehicle, Century Development Ltd. ("*Century*"), via the placement became the Company's second largest shareholder. New Prospect secured an approximate 12% stake in Kincora, and has the right to a board seat. New Prospect is a Hong Kong based natural resource specialist investment manager with an extensive network and global investment experience.

The Exchange also required that the subscription for 16,000,000 units by Century to be closed in trust pending clearance of a PIF submitted by a designated representative of Century. This condition was the result of Century becoming an "*insider*" of the Company (as defined under Exchange policies) on closing of the Offering. Prior to period end, the units were released to Century.

As at September 30, 2019, 62,515,000 units were issued related to this private placement for gross proceeds of \$6,251,500, of which \$1,600,000 was held in trust relating to conditions imposed by the TSX Venture Exchange on the Century investment in the Offering.

- **Drilling at Bronze Fox:** On June 26, 2019, the Company commenced a multiple rig, multiple stage drilling program at its 100% owned Bronze Fox copper-gold porphyry project in the Southern Gobi, Mongolia.

Bronze Fox has an large mineralised footprint, was excluded and retained by Ivanhoe Mines from the BHP Falcon JV with Ivanhoe, and has previously only experienced two field seasons of unencumbered drilling.

An independent block model, relogging 24,000 metres of drill core, new geophysics and a full reinterpretation of previous results by the Kincora team been undertaken and vectored to two new large target zones.

Exploration results of phase 1 activities for the 2019 field season at Bronze Fox were announced to market on September 10th and November 18th, 2019.

Final assay results from drilling have been received (see Figure 2 of the November 18th press release), with the Kincora team relogging a total of 6,286.5 metres of core in the West West Kasulu target area to support detailed vein density and orientation, mineral paragenesis analysis and integration to geophysics. Results from field season activities are interpreted as having better defined the large lower grade porphyry system with localised higher-grade zones proximal to a key regional fault and localised parallel fault.

Activities have also supported the required datasets for conversion of the existing eastern exploration license to a mining license, which the Company will now pursue over the winter period as potential follow up phase 2 drilling targets for the 2020 drilling program are further considered (which is funded for).

The 2019 drilling and recent field activities (including gathering specific gravity samples for all prior drilling) have added geological information to support an updated block model, enhanced the dataset sufficiently for NI 43-101 purposes and a maiden resource. As announced in the January 25th, 2018 press release, prior activities supported an exploration target 416 Mt to 428 Mt grading 0.26% to 0.30% copper for up to 2,437Mlb of copper and 0.84Moz gold. The potential quantity and grade ranges are conceptual in nature and based on nearest neighbour and ordinary kriging estimates, and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the target being delineated as a mineral resource.

➤ **Issuance of shares for services:**

- On January 9, 2019, the Company issued 561,289 shares to certain directors, officers and service providers for services rendered to the Company of \$87,000, resulting in a gain on debt settlement of \$25,258.
- On February 20, 2019, the Company issued 787,500 shares to certain directors, officers and service providers for services rendered to the Company of \$94,500.

- **Issuance of bonus shares:** On August 7, 2019, the Company issued 1,037,376 bonus shares to the Company's president and CEO in consideration of services rendered over 24 months.
- **Results of Annual Meeting of Shareholders:** On September 26, 2019, the Company announced the results of voting at its Annual General Meeting ("AGM") of shareholders that was held the same day in Ulaanbaatar. The AGM was held concurrent with the 17th annual Discover Mongolia conference. All matters submitted to shareholders for approval as set out in the Company's Notice of Meeting and Information Circular, both dated September 6th, 2019, excluding the Deemed Re-pricing of Stock Options, were approved by the requisite majority of votes cast at the Meeting with 55.4% of shareholder proxies returned.
- **Grant of options to buy shares:** On June 18, 2019, the Company completed a comprehensive remuneration review to better align, incentivize and retain the board and technical and management teams, and ensure contributions to the Company, both past and present, have been recognized.

On September 27, 2019, the Company granted to directors, officers and employees a total of 9,817,085 stock options under the Company's stock option plan. 6,544,885 have a two-year term from issuance date exercisable at a price of \$0.11 per share, vesting over a four-month period from the grant date. 3,272,200 have a three-year term from issuance date exercisable at a price of \$0.25 per share, vesting over a four-month period post the Company receiving the shareholder approvals required by the Exchange on August 2, 2019. The fair value of the options granted was determined to be \$320,479.

Highlights for event(s) subsequent to the nine-month period ended September 30, 2019:

- **Issuance of shares for services:** On October 31, 2019, the Company issued 271,875 shares at a deemed price of \$0.08 per share and 197,728 common shares at a deemed price of \$0.11 per share as partial consideration for the services rendered by certain directors, officers and other service providers for the six months ended June 30, 2019.
- **Agreement with Temuulen Orshih LLC:** On November 11, 2019, the Company entered an agreement with Temuulen Orshih LLC, a privately held Mongolian company that owns 100% of the Badrakh project, that subject to final due diligence and definitive documentation, supports binding commercial terms. The Company has a staged pathway to earn up to 80% shareholding interest in the project.

Key milestones include:

1. Option period: Kincora will spend \$250,000 (U.S.) by June 30, 2020, to hold an option to earn-in to the Badrakh project.
2. Stage 1: Kincora will spend up to \$2-million (U.S.) within a two-year period (after the option period) to earn a 51% interest in the Badrakh project.
3. Stage 2: Kincora will spend up to \$4-million (U.S.) within three years (after stage 1) to earn a further 29% interest in the Badrakh project for total interest of 80 per cent, with ownership increments of 14.5% for every \$2-million (U.S.) in financing.

The agreement provides a path to control alongside a well-credentialed vendor and partner, for a priority drill ready project underpinned by large-scale porphyry targets, which are favourably located to existing infrastructure and on the doorstep to China.

- **Exploration update:** On November 18, 2019, the Company provide an update on results from activities to date from the 2019 field season following first phase target testing drilling at the Bronze Fox and East Tsagaan Suvarga ("East TS") projects, and drilling commenced at the Badrakh project.

A total of 9 holes for 6,112 metres were drilled testing 5 targets across both projects. It was announced that the first of a proposed 2-hole program had just commenced at the recently optioned Badrakh project.

Project generation and earlier stage project pipeline exploration activities continue as Kincora is the most active foreign listed junior seeking to make the next Tier 1 discovery in Mongolia.

Highlights included:

- Bronze Fox: 6 holes completed at two targets for 4,264 metres
 - Confirmed and better defined a large lower grade porphyry system with localised higher-grade zones at the West West Kasulu target.
 - Preparations ongoing for mining license application for the eastern exploration license.
 - Drilling has added geological information to support an updated block model, enhance the dataset sufficiently for NI 43-101 purposes and a maiden resource.
- East Tsagaan Suvarga: 3 holes completed at three targets for 1848.2 metres
 - Drilling has failed to confirm the targeted geological concepts meaning the project has become too high a risk proposition for a junior to solely fund.
- Badrakh: 2 holes proposed at two targets for a budgeted 1,000 metres with the first hole commenced.

- **Secures Strategic License in Australia's Leading Porphyry Belt:** On November 21, 2019, the Company announced it was to be granted a new exploration license (ELA5844) covering 762km² named the Nyngan project located in the Lachlan Fold Belt ("LFB"), central New South Wales ("NSW"), Australia.

The issued direct license application area followed a review of prospective underexplored undercover terrains in Australia by Kincora's Technical Committee and various new project opportunities. The Kincora team has previous Tier 1 discovery successes in the LFB.

The Nyngan project was selected based on its stratigraphic-structural setting and right rocks, is a large size (one of the largest licenses in the LFB) with previous favourable results of the last drilling program by Newcrest Mining Limited inadequately followed up.

The LFB lends itself to complementary exploration approach and scale of targets to ongoing activities in the Southern Gobi, Mongolia, and Kincora announced it will apply for recently announced State cooperative drilling funding.

Qualified Person

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

Results of Operations

Three-Month Period Ended September 30, 2019

The Company's loss for the three-month period ended September 30, 2019 (the "*Current Period*") was \$530,000 or \$0.00 per share as compared with a loss of \$583,000 or \$0.01 per share for the three-month period ended September 30, 2018 (the "*Comparative Period*").

General and administrative expenses were \$47,000 lower in the Current Period at \$530,000 compared with \$577,000 in the Comparative Period, including finders' fees and offering costs for the completed private placement, management fees, investor relations and corporate administrative and office services. This difference was due to lower consultants - geologists (\$11,000 recovery versus \$139,000), lower consultants - technical (\$21,000 versus \$41,000), lower corporate administrative and office services (\$91,000 versus \$100,000), lower foreign exchange gain (\$30,000 versus loss of \$7,000), lower insurance (\$5,000 versus \$6,000), lower share-based compensation (\$23,000 versus \$64,000), and lower travel expenses (\$4,000 versus \$22,000). These increases were offset by higher consultants' fees (\$36,000 versus \$28,000), higher investor relations (\$32,000 versus \$27,000), higher management fees (\$199,000 versus \$71,000), higher transfer agent and filing fees (\$12,000 versus \$10,000), higher directors and audit committee fees (\$79,000 versus \$35,000), and higher legal and accounting (\$69,000 versus \$27,000).

During the three-month period ended September 30, 2019, the Company recognized \$Nil (2018 - \$6,000) loss on settlement of debt.

Nine-Month Period Ended September 30, 2019

The Company's loss for the nine-month period ended September 30, 2019 (the "*Current Period*") was \$1,433,000 or \$0.02 per share as compared with a loss of \$1,589,000 or \$0.02 per share for the nine-month period ended September 30, 2018 (the "*Comparative Period*").

General and administrative expenses were \$110,000 lower in the Current Period at \$1,458,000 compared with \$1,568,000 in the Comparative Period, including finders' fees and offering costs for the completed private placement, management fees, investor relations and corporate administrative and office services. This difference was due to lower consultants - geologists (\$18,000 versus \$221,000), lower consultants - technical (\$65,000 versus \$122,000), lower corporate administrative and office services (\$196,000 versus \$231,000), lower foreign exchange gain (\$39,000 versus loss of \$98,000), lower insurance (\$11,000 versus \$14,000), lower share-based compensation (\$85,000 versus \$184,000), and lower travel expenses (\$42,000 versus \$61,000). These decreases were offset by higher directors and audit committee fees (\$183,000 versus \$156,000), higher consultants' fees (\$108,000 versus \$69,000), higher investor relations (\$118,000 versus \$71,000), higher management fees (\$474,000 versus \$214,000), higher transfer agent and filing fees (\$46,000 versus \$34,000), and higher legal and accounting (\$151,000 versus \$91,000).

During the nine-month period ended September 30, 2019, the Company recognized \$25,000 (2018 - \$41,000) gain on settlement of debt, \$Nil (2018 - \$81,000) on loss on impairment of exploration and evaluation assets, and \$Nil (2018 - \$19,000) gain on sale of assets.

Summary of Quarterly Results – 000's

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

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
<i>In thousand \$</i>	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Financial Results								
Net loss for period	(530)	(588)	(315)	(728)	(583)	(563)	(443)	(1,427)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Exploration expenditures	1,196	175	190	33	387	245	199	633
Financial Position								
Cash and cash equivalents	2,904	2,813	576	937	1,466	2,173	2,845	3,277
Exploration and evaluation assets	52,549	51,551	51,376	51,186	51,153	50,766	50,521	50,322
Total assets	57,450	58,060	52,223	52,446	53,073	53,406	53,783	54,243
Shareholders' equity	56,724	57,129	51,552	51,710	52,507	52,916	53,381	53,730

Liquidity and Capital Resources

As of September 30, 2019, the Company had \$2,904,000 in cash with a further \$1,600,000 held in trust.

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

At September 30, 2019, the Company had an accumulated deficit of \$126,079,000, a net loss for the nine-month period ended September 30, 2019 of \$1,433,000 and working capital of \$3,960,000. During the nine-month period ended September 30, 2019, the Company used cash of \$812,000 in operating activities, had cash provided by financing activity of \$4,481,000 from proceeds from private placement and had investing activities use of cash of \$1,702,000 which was mainly used for the acquisition of equipment and expenditures for the exploration and evaluation asset. The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required.

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

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

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

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

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

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

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

Related Party Transactions

The Company incurred the following amounts for related party services:

- During the nine-month period ended September 30, 2019, the Company incurred \$30,150 (2018 - \$58,350) to BridgeMark Financial Corp. and \$25,200 (2018 - \$Nil) to Regiis Oak Capital Corp., companies with an officer in common for management and accounting services.
- During the nine-month period ended September 30, 2019, the Company incurred management fees of \$474,485 (2018 - \$213,750) to Spring Resources Pty Ltd., a company with an officer in common.
- During the nine-month period ended September 30, 2019, the Company incurred director's fees of \$Nil (2018 - \$122,322) to three former directors and \$235,500 (2018 - \$35,081) to current directors.
- During the nine-month period ended September 30, 2019, the Company incurred consulting fees of \$15,000 (2018 - \$51,000) to a director of the Company.
- At September 30, 2019, the Company owed \$150,474 (December 31, 2018 - \$205,574) in accrued directors' fees in accounts payable.
- During the nine-month period ended September 30, 2019, the Company issued 683,467 common shares with a fair value of \$79,306 to settle \$91,500 payables owing to the officers and directors of the Company. During the year ended December 31, 2018, the Company issued 312,395 common shares with a fair value of \$49,863 to settle \$60,368 payables owing to the directors of the Company.

Compensation of key management personnel

<i>In thousand \$</i>	September 30, 2019		September 30, 2018
Management fees, chairman, directors and audit committee fees	\$	780	\$ 481
Share-based payments*		74	184
	\$	854	\$ 665

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

Share Capital Information

The table below presents the Company's common share data as of November 29, 2019.

	Price (\$)	Expiry date	Number of common shares
Common shares, issued and outstanding			135,461,827
Securities convertible into common shares			
Warrants	<i>various</i>	<i>various</i>	62,515,000
Stock options	<i>various</i>	<i>various</i>	12,303,660
			210,280,487

Commitments and Contingencies*Contingencies*

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

Capital Management

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

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

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

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

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

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

New Accounting Standard Adopted

IFRS 9 "Financial Instruments"

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model.

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

Classification

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

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

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

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on January 1, 2018.

Measurement

Financial assets at FVTOCI

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

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the 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 comprehensive loss in the period in which they arise.

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

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

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

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 comprehensive loss.

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 30, 2019 to interest rate risk through its financial instruments.

Currency Risk

The Company's operations are focused to Mongolia, where many exploration and administrative expenses are incurred in the Mongolian Tugrik and the US Dollar. The Company's ability to advance funds to Mongolia is subject to changes in the valuation of the Tugrik and the US Dollar, as well as rules and regulations of the Mongolian government. Fluctuations in the value of the Tugrik and the US Dollar may have an adverse effect on the operations and operating costs of the Company. The Company does hold balances in foreign currencies, Mongolian Tugrik and United States dollar, to give rise to exposure to foreign exchange risk. Management believes this risk to be minimal.

Credit Risk

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

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

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

Liquidity Risk

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at September 30, 2019, the Company had a cash balance of \$2,904,000 (December 31, 2018 - \$937,000), with a further \$1,600,000 held in trust, to settle current liabilities of \$726,000 (December 31, 2018 - \$736,000).

Fraud risk

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

Commodity Price Risk

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

Critical Accounting Estimates

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

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

Risks and Uncertainties

The Company is engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven copper/gold deposits and there is no assurance that the Company's exploration programs will result in proven copper/gold deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties. There have been no changes to any of the known and unknown risks and uncertainties during the nine-month period ended September 30, 2019.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Kincora's general and administrative expenses and exploration and evaluation costs is provided in the Company's interim condensed consolidated statement of loss and note disclosures contained in its interim condensed consolidated financial statements for the nine-month period ended September 30, 2019. These statements are available on Kincora's website at www.kincoracopper.com or on its SEDAR Page Site accessed through www.sedar.com.

Dividends

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

Management's Responsibility for Consolidated Financial Statements

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

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

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the Company's IFRS.

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

Nature of the Securities

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

Proposed Transactions

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

Approval

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

Additional Information

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

Forward-Looking Information

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