KORE MINING LTD.

Management's Discussion and Analysis

For the Years Ended December 31, 2019 and 2018

The following Management's Discussion and Analysis ("MD&A"), prepared as of April 27, 2020 and was reviewed and approved by the Board of Directors on April 27, 2020. The following discussion of operations, financial condition and future prospects should be read together with the audited annual consolidated financial statements of KORE Mining Ltd. ("KORE Mining" or the "Company") for the years ended December 31, 2019 and 2018, and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All references in this MD&A to "KORE" or the "Company" include KORE Mining Ltd and its subsidiaries, unless otherwise stated. All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance.

This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities laws. See the section in this MD&A titled "Cautionary Language regarding Forward-Looking Information" for further details. In addition, this MD&A has been prepared in accordance with the requirements of Canadian securities laws, which differ in certain material respects from the disclosure requirements of United States securities laws, particularly with respect to the disclosure of mineral reserves and mineral resources. See the section of this MD&A titled "Cautionary Note to U.S. Investors Regarding Mineral Resource Estimates" for further details.

This MD&A contains disclosure of certain non-IFRS financial measures. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. See the section in this MD&A entitled "Non-IFRS Measures" for further details.

Corporate Summary - Nature of Operations

The Company's business is the acquisition, exploration and development of North American gold projects. The Company currently owns 100% of four gold projects in California and British Columbia. All four projects have gold resources or gold discoveries with a resource base of 2.5 million ounces in the measured and indicated categories and 2.4 million in the inferred categories (see "*NI 43-101 Resource Summary*" below for further details). KORE is investing in both exploration and development to unlock value for shareholders. KORE is supported by strategic investors Eric Sprott and Macquarie Bank who, together with the management and Board of Directors own 64% of the basic shares outstanding.

The Company's most advanced gold project, the Imperial project in Imperial County California, is being prepared for mine development permitting and the surrounding Mesquite-Picacho District claim block is being explored for new discoveries. Imperial is ideally located in Imperial County California, with access to labour and infrastructure associated with the Mesquite gold mine, located 9 miles away. KORE delivered a mineral resource estimate December 30, 2019 followed by a positive preliminary economic assessment ("PEA") in April 2020 on its Imperial Project with a net present value ("NPV") at 5% of US$343 million and internal rate of return ("IRR") of 44% at US$1,450 per ounce gold (see "*PEA Summary*" for further details). KORE is actively exploring the Mesquite-Picacho District and plans to move Imperial into the formal permitting process in mid-2020.

KORE also owns three other exploration stage projects:

1) Long Valley – Mono County California - shallow oxide gold resource open for expansion at surface in oxides and at depth in sulphides. KORE is using geophysics and other modern exploration techniques to target drilling planned for the second half of 2020
2) FG Gold – Cariboo Region British Columbia – bulk disseminated orogenic resource with a current shallow low-grade resource. KORE is drilling to better define structural controls of higher-grade mineralization, opening up the unexplored portion of the 20 km trend and rock mass at depth to further exploration.
3) Gold Creek – Cariboo Region British Columbia – early stage orogenic gold discovery a large contiguous claim block near the Spanish Mountain gold project and the Mount Polley copper-gold mine. KORE plans to follow-up the discovery with further exploration.

The Company's head office is located at 960 – 1055 West Hastings Street, Vancouver, BC V6E 2E9.

The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") as a Tier 2 issuer under the symbol "KORE" in Canada and also trades in the United States on the OTCQB under the stock symbol "KOREF" and on the Frankfurt Stock Exchange under the symbol "EUSA".

2019 Q4 Highlights
During the three months ended December 31, 2019, the Company accomplished the following:

- Appointed Marc Leduc as Chief Operating Officer ("COO"). Mr. Leduc is a heap leach expert with California gold mine permitting experience;
    - Granted 500,000 options exercisable at $0.29 per share and a term of five years to the new COO;
- Listed on the OTCQB under the symbol 'KOREF' thus enabling better access for US investors to participate in KORE;
- Executed an amendment to the Newmont Goldcorp agreement for the acquisition of Imperial whereby the Company can now settle its US$1,000,000 obligation on announcement of a PEA or similar study with common shares, giving KORE more flexibility on cash in 2020. The PEA was announced in April 2020, triggering this obligation to issue shares.
- Completed an amended National Instrument 43-101 Technical Report and mineral resource estimate for the Company's 100% owned Long Valley Project. The revised Indicated resource of 1,247,000 ounces and Inferred resource of 486,000 ounces are from 66.8 million tonnes of 0.58 grams per tonne and 23.6 million tonnes of 0.65 grams per tonne respectively. See "*Long Valley Resource Estimate*" for more details.
- Completed a new National Instrument 43-101 Technical Report and mineral resource estimate for the Company's 100% owned Imperial oxide gold project which sets out an indicated resource of 877,000 ounces and an inferred resource of 1,336,000 ounces from 45.7 million tonnes of 0.59 grams per tonne gold and 90.9 million tonnes of 0.46 grams per tonne gold respectively. See "*Imperial Resource Estimate*" for more details.

2019 Overview
Imperial Expansion & Resource Estimate
2019 the Company made significant progress on its Imperial project, including staking an additional 1,005 claims on the highly prospective 28km trend that hosts the Imperial project and connect it between the nearby Mesquite Mine (operated by Equinox Gold Corp) and Picacho Mine (mined out by Glamis Gold in 2002), published a 43-101 Technical Report on the Imperial project ("Imperial 43-101"), followed by PEA results in April 2020, showing an NPV5% US$343 million with an IRR of 44% at US$1,450 per ounce gold.

Strategic Financing
The Company was successful in 2019 and raised over $7.4 million primarily through two key strategic financings:

- In May 2019, the Company completed a financing with Macquarie Bank Ltd and its affiliates for $4 million investment, including the issuance of a 1% net smelter royalty ("NSR") on the Imperial Project and the issuance of 6,000,000 common share at $0.25 per share, ultimately bringing Macquarie on board as a strategic partner
- In August 2019, the Company brought on another partner in the form of $3 million strategic investment from Mr. Eric Sprott through a private placement of 10,000,000 shares at $0.30 per share

Additions to the team
Throughout 2019, the Company strengthened its team by bringing on board Scott Trebilcock as President, CEO and Director, Marc Leduc as Chief Operating Officer, and Jessica Van Den Akker as CFO. They have joined the current board and management including James Hynes as Chairman and Robert (Don) MacDonald, Harry Pokrandt, Adrian Rothwell and Brendan Cahill as directors of the Company. Between Board and management, the team is very aligned with KORE shareholders, owning over 48% of the undiluted shares of KORE.

Outlook
The Company's primary focus in 2020 is the economic assessment and re-start of permitting of the Imperial Project, as a follow up to the Company's PEA. The Company is also investing in exploration of the new Imperial claims, Long Valley, and FG projects with drilling started at FG Gold in Q1 2020. In addition to the exploration at these Properties,

the Company may evaluate other prospects worthy of exploration and development. The ability of the Company to do so is contingent upon its ongoing ability to raise the risk capital necessary to advance such prospects.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds, however there has been no significant impact on the Company to date.

Marc Leduc, is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 and has reviewed and approved the technical information described herein.

Project Summaries

<u>Imperial, California, USA</u>

Imperial is located in Imperial County, southeastern California 26 miles northwest of the city of Yuma, Arizona, and 45 miles east-northeast of El Centro, California. The operating Mesquite Mine and the closed Picacho Mine are located roughly 10 miles to the west and east, respectively, and the closed American Girl Mine is about 8 miles south of the property.

Imperial consisted of 370 lode claims, 281 millsite claims and 3 placer claims for a total of 654 claims covering a total area of approximately 5,721 acres. In September 2019, the Company staked the Mesquite-Picacho District consisting of 1,005 new claims covering approximately 20,411 acres bringing the Company's total in the region to 26,132 acres. The claims were staked to capture the entire gold trend that connects Equinox's operating Mesquite mine to Imperial and then continuing onto the now closed Picacho mine. The trend is underexplored and has the potential to host additional gold deposits. The claims are administered by the U.S. Bureau of Land Management ("BLM") on federally owned lands. The unpatented mining claims (new and historic) are all in good standing with all holding fees paid for the current year. The claims will remain in effect for as long as the claim holding fees are paid to both the U.S. government and the county. The claims must also be maintained by ensuring that the claim posts and location notices are properly upright and visible.

<u>PEA Summary</u>

In April 2020, the Company announced the results of its PEA on the Imperial project – see the April 6, 2020 news release on the Company's website for full information and disclaimers. The PEA was prepared in accordance with National Instrument 43-101 ("**NI 43-101**") by Global Resource Engineering (Denver) ("GRE") - Terre Lane, RMSME MMSAQP, Todd Harvey, PhD, RMSME and supported by Geo-Logic Associates - Monte Christie, GE PE. The team was led by Marc Leduc, P.Eng. the COO of KORE Mining.

Note that a PEA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. This PEA is a conceptual study, and the disclosure in this MD&A contains forward-looking information about potential future results and events. Please refer to the cautionary statements in the footnotes below and the Cautionary Statements located at the end of this news release, which include associated assumptions, risks, uncertainties and other factors.

Unless otherwise stated, all masses are in short tons, which is the equivalent to 2,000 pounds or 907.2 kilograms.

Economics		**Pre-Tax**	**Post-Tax**
Net present value ($NPV_{5\%}$) at 0.75C$/US$	*C$ millions*	$583	$457
Net present value ($NPV_{5\%}$)	*US$ millions*	$437	$343
Internal rate of return (IRR)	*%*	52%	44%
Payback (undiscounted)	*years*	2.3	2.7
LOM avg. annual cash flow after tax & capital	*US$ millions*	$104	$90
LOM cumulative cash flow (undiscounted)	*US$ millions*	$694	$577
Gold price assumption	*per ounce*	$1,450	
Mine life	*years*	8	
Average annual mining rate	*million tons/yr*	43.4	
Average annual gold production	*thousand ounces/yr*	146	
Total LOM recovered gold	*million ounces*	1.17	
Initial capital costs	*US$ millions*	$142	

Life-of-mine ("LOM") calculation and "Mine Life" is defined as the duration of mining operations, 8 years. There are additional years of site work for residual leaching, washing, back-filling and reclamation modelled.

The following table demonstrates the post-tax sensitivities of NPV and IRR to gold price per ounce. The base case, highlighted in the table below, assumes US$1,450 per ounce of gold:

Economic Sensitivities to Gold Prices *(post-tax)*		
Per ounce of gold	**($NPV_{5\%}$) millions**	**IRR%**
US$1,300	US$234	34%
US$1,450	**US$343**	**44%**
US$1,600	US$450	52%
US$1,800	US$590	64%
US$2,000	US$729	75%

GRE notes that the Imperial Project has an abundant collection of data as a result of the exploration, engineering and environmental studies completed in the 1980s and 1990s. During that period, the Project had geotechnical drilling and modelling, heap leach designs, plant designs, surface water management designs, and hydrogeological modelling, to name just a few, that provided a credible data set to the project team. The Project also has metallurgical sampling and testing completed both by previous owners and an independent lab, reviewed by GRE, to support the initial engineering design. This data will act as an important background and aid in the design of future work on the project.

Mining & processing
The PEA presents an open-pit run-of-mine ("ROM") heap leach scenario where oxide ore is stacked on the leach pads directly from the mine and is not crushed, although the team considered several other scenarios. KORE management ultimately selected the scenario with the lowest pre-production capital. A more capital-intensive approach could yield a mine and processing plan with higher project NPV and gold production.

Mining Plan and Processing Summary		
Mine life	*years*	8
Mining rate	*average tons per day*	124,000
Strip ratio	*waste: mineralization*	2.8
Total tonnage mined	*million tons*	347.4

Total mineralized material mined	*million tons*	91.5
Heap leach stacking rate	*average tons per day*	33,000
Average LOM grade	*gram per metric tonne*	0.60
Average LOM recovery	*%*	73%

A detailed mine plan by year is included in the April 6, 2020 news release available on the Company's website.

Operating Costs
Mining costs for owner operated mining, processing and other costs were developed from a mix of first-principle engineering and benchmarked to the many ROM heap leach operations in California and nearby Nevada. The Imperial Project is located near a large skilled labour pool and on the same road and power infrastructure as the operating Mesquite mine, located nine miles away providing further confidence in the cost estimates.

Operating Costs (LOM average) (1)		
Mining costs (per ton mined)	*US$/st mined*	$1.47
Mining costs	*US$/st processed*	$5.57
Processing costs	*US$/st processed*	$1.85
G&A costs	*US$/st processed*	$0.74
Total site operating costs	*US$/st processed*	$8.16
Cash Costs * (Non-IFRS Measure)		
Cash costs (LOM)*	*US$/oz*	$676

(1) Not including post-production reclamation and backfilling. See LOM description above

Initial pre-production & sustaining capital costs
Initial capital costs in the PEA are US$142 million including a 25% contingency of US$23.6 million. The initial mine fleet will be expanded in Year 1 of operations. Infrastructure costs are low due to the proximity of road, water and power infrastructure. Initial capital also assumes KORE is the owner-operator of all equipment. Further enhancements may be possible with contract mining or processing of the gold from the carbon columns at an off-site treatment plant. Sustaining capital is mainly for heap leach pad expansion and additional mining equipment.

Pre-Production and Sustaining Capital Costs *(US$ millions)*	
Mining and mine infrastructure	$35.3
Heap leach pads and plant	$47.0
Infrastructure and G&A	$15.7
Working capital	$7.6
Contingency (25%)	$23.6
Pre-production mining	$12.6
Total Pre-Production Cost	**$141.8**
LOM sustaining capital	$60.2
Closure incl. backfill (1)	$144.6

(1) Closure cost includes final backfilling of the open pit and site reclamation to California's regulated standards. The cost includes US$107 million in mining cost, US$12 million in site operating G&A during back-filling of the final pit, in addition to US$25 million in other site closure costs. Backfill will return the site to plus 25 feet of original topography while re-establishing natural desert washes (drainages). A 95-million-ton clean alluvial sand and gravel stockpile remain and serve as an aggregate source for local and regional infrastructure. The balance of the closure cost is for normal non-backfill site closure costs to remediate disturbances, remove structures, etc.

All In Sustaining Cost (Non IFRS Measure)
All-in-sustaining costs ("**AISC**")* are competitive with peer projects and in the second quartile when compared to the World Gold Council AISC cost metric. Imperial's AISC* is built up as follows:

AISC* per ounce	
Operating cost (1)	US$647
Royalties (2)	US$29
Sustaining capital	US$52
Closure	US$124
Total AISC*	**US$852**

(1) Operating costs includes US$5 per ounce offsite refining.
(2) Royalties consist of: (a) 1% NSR royalty to Newmont-Goldcorp; and (b) 1% NSR royalty to Macquarie Bank that has a C$6.75 million buyout before May 6, 2020.

Imperial Resource Estimate

In December 2019, the Company completed a new National Instrument 43-101 Technical Report ("Imperial Technical Report") and mineral resource estimate ("Imperial Resource Estimate") for the Company's 100% owned Imperial oxide gold project. The Imperial Resource Estimate is similar to the previously disclosed historic 2012 resource estimate in category, tonnes and grade. The report, titled *"Technical Report for the Imperial Gold Project, California, USA"* was prepared by SRK Consulting (Canada) Inc. and authored by Glen Cole, PGeo, Anoush Ebrahimi, PEng., and Mark Willow, PEng., each of whom is independent of the Company. The effective date of the Imperial Resource Estimate is December 30, 2019.

The Imperial Resource Estimate expressed in imperial units is as follows:

Classification	Quantity ('000 tons)	Grade Gold (oz/t)	Contained Gold ('000 oz)
Indicated			
Grade Zone (Domains 100, 120)	50,379	0.0174	877
Total Indicated	**50,379**	**0.0174**	**877**
Inferred			
Grade Zone (Domains 100, 110, 120)	79,869	0.0156	1,245
Gravel with grade (Domain 200)	10,557	0.0041	43
Bedrock with grade (Domain 300)	9,748	0.0050	48
Total Inferred	**100,174**	**0.0133**	**1,336**

Reported at a cut-off grade of 0.003 oz/ton Au using a price of US$1,500 /oz Au inside a conceptual pit shell optimized using mining operating costs of US$1.40 per ton, metallurgical and process recovery of 80%, combined processing and G&A costs of US$2.30 per ton, US$0.50 per ton of sustaining capital and overall pit slope of 45 degrees. All figures rounded to reflect the relative accuracy of the estimates.

The Imperial Resource Estimate expressed in metric units is as follows:

Classification	Quantity ('000 tonnes)	Grade Gold (g/t)	Contained Gold ('000 oz)
Indicated			
Grade Zone (Domains 100, 120)	45,703	0.59	877
Total Indicated	**45,703**	**0.59**	**877**
Inferred			
Grade Zone (Domains 100, 110, 120)	72,456	0.54	1,245
Gravel with grade (Domain 200)	9,577	0.14	43
Bedrock with grade (Domain 300)	8,843	0.17	48
Total Inferred	**90,876**	**0.46**	**1,336**

Reported at a cut-off grade of 0.1g/ton Au using a price of US$1,500 /oz Au inside a conceptual pit shell optimized using mining operating costs of US$1.54 per tonne, metallurgical and process recovery of 80%, combined processing and G&A of US$2.53 per tonne, US$0.55 per tonne of sustaining capital and overall pit slope of 45 degrees. All figures rounded to reflect the relative accuracy of the estimates.

The Imperial Resource Estimate considers 349 boreholes drilled by various operators during the period of 1987-1996. Gold grades were estimated by ordinary kriging constrained within modeled grade zone domain solids. Gold grades were estimated within each domain separately using capped composites from within that domain and applying appropriate search parameters. The authors of the Imperial Resource Estimate considered that the blocks located within the conceptual pit envelope show "reasonable prospects for economic extraction" and can be reported as a mineral resource.

Imperial History

In March 2017, the Company purchased Imperial USA Corp. which owns the Imperial project ("Imperial") located in California. In settlement of the purchase price, the Company paid US$50,000 which had been deposited previously with the Newmont Goldcorp (formerly Goldcorp) (the "Vendor") in November 2016 related to a Letter Agreement, and US$100,000 on the date of closing the purchase. The agreement has provisions for two further payments to the Vendor, with US$1,000,000 payable upon the announcement of a revised Preliminary Economic Assessment (PEA) or similar report and US$1,000,000 payable 30 days after the date that gold is poured from ore the is mined from the related properties.

The Vendor retains a 1% net smelter return royalty on the property. The vendor has the option to receive shares in the Company in settlement of the remaining payments up to achieving a maximum 4.9% ownership interest in the Company, above which level further share consideration is at the option of the Company.

In November 2019, the Company entered into an amendment to the Imperial project purchase agreement where Newmont Goldcorp has agreed to accept common shares of the Company in settlement of a future US$1,000,000 payment due on announcement of a PEA or similar report. This election by Newmont Goldcorp will expire in November 2020 and all other provisions of the agreement remain in full force.

In addition, the Company has committed to incur US$5 million on the Imperial Project on or before March 2022, the fifth anniversary of the date of the Imperial Purchase Agreement of which US$1,796,863 ($2,344,580) has been incurred as of December 31, 2019. If the Company does not incur these expenditures in this time, the Company must then pay US$1,000,000 to the Vendor to retain ownership.

In May 2019, the Company received an investment by Macquarie Bank Ltd and its affiliates (collectively, "Macquarie") of $4,000,000. As part of the investment by Macquarie, Macquarie subscribed for 6,000,000 common shares and acquired a 1% NSR royalty (the "Macquarie Royalty") on the Imperial Project for a total cost of $4,000,000. The agreement provides for certain rights for Macquarie to provide project development financing, rights of refusal and offer on additional royalty issuances and sales, and prescribes the proceeds to be used primarily to advance permitting of the Imperial Project. The Company maintains a right to buy back the Macquarie Royalty on the following terms: i) within 6 months of the closing date for the Macquarie Royalty, if the Company is acquired at a price of no less than $0.75 per share, the Company may buy back the Macquarie Royalty for $4,750,000; or ii) within greater than 6 months but less than 12 months of the closing date for the Macquarie Royalty, if the Company is acquired at a price of no less than $1.00 per share, the Company may buy back the Macquarie Royalty for $6,750,000.

Long Valley, California, USA

The Long Valley Property is located in Mono County, east-central California, approximately 57 miles to the south of the town of Bridgeport and about 45 miles north of the town of Bishop, California. Both towns are connected by U.S. Highway 395, which passes a few miles west of the property. Access to the property from the highway is via a series of graded gravel roads. The claims are administered by the BLM on federally owned lands administered by the Inyo National Forest, U.S. Department of Agriculture. The surface rights in the area of the claims are owned by the U.S. government, with the area being subject to a surface grazing lease issued by the U.S. Forest Service.

In January and March 2020, KORE announced results from exploration programs at the Long Valley that defined a new exploration strategy for both oxides and sulphides. The ground re-logging, geophysics, mapping and field sampling generated data-driven, high priority oxide gold drill targets and defined clear targets for drilling sulphide "feeder" structures. KORE plans to drill the highest priority targets in 2020 subject to financing and permitting from the US Forest Service.

During the year ended December 31, 2019, the Company accrued $197,926 as a recovery of costs on the Long Valley project pursuant to certain due diligence activities. This recovery was received in full subsequent to December 31, 2019.

Long Valley Resource Estimate

In 2019, KORE updated, pit-optimized resource estimate by Mine Development Associates ("MDA), titled "*Amended Technical Report & Resource Estimate for the Long Valley Project, Mono County, California, USA"* was prepared by Mine Development Associates and authored by Neil Prenn, PE., and Steven I Weiss, C.P.G., each of whom is independent of the Company. The effective date of the Technical Report is November 15, 2019.

The Long Valley Resource Estimate presented herein amends and replaces the April 25, 2018 estimate by Mine Development Associates.

Long Valley Mineral Resource Estimate – Imperial Units

Classification	Cut-Off (oz / ton)	Quantity ('000 tons)	Grade Gold (oz / ton)	Contained Gold ('000 oz)
Indicated				
Oxide	0.005	35,945	0.018	636
Transition	0.006	4,263	0.014	59
Sulphide	0.006	33,428	0.017	552
Total Indicated		**73,635**	**0.017**	**1,247**
Inferred				
Oxide	0.005	9,192	0.020	185
Transition	0.006	1,314	0.016	21
Sulphide	0.006	15,464	0.018	280
Total Inferred		**25,970**	**0.019**	**486**

Gold resources that are contained in a US$1,500 per ounce optimized pit. Other pit optimization parameters summarised below in Note 1.

Long Valley Mineral Resource Estimate – Metric Units

Classification	Cut-Off (g / tonne)	Quantity ('000 tonnes)	Grade Gold (g / tonne)	Contained Gold ('000 oz)
Indicated				
Oxide	0.17	32,609	0.61	636
Transition	0.21	3,867	0.47	59
Sulphide	0.21	30,325	0.57	552
Total Indicated		**66,801**	**0.58**	**1,247**
Inferred				
Oxide	0.17	8,339	0.69	185
Transition	0.21	1,192	0.55	21
Sulphide	0.21	14,029	0.62	280
Total Inferred		**23,560**	**0.65**	**486**

Gold resources that are contained in a US$1,500 per ounce optimized pit. Other pit optimization parameters below in Note 1:

Note 1: Pit optimization parameters include:

- Pit Slope degrees 45 degrees
- Mining US$1.70 / ton mined
- Crushing US$1.40 / ton processed
- Heap Leach US$1.80 / ton processed
- Sulfide Mill US$8.60 / ton processed

(Expressed in Canadian dollars unless otherwise stated)

- G&A US$0.63 / ton processed
- Refining Cost US$5 / oz Au produced
- Recovery (Oxide - Less than 150' below surface) 80% heap recovery
- Recovery (Transition - 150-200' below surface) 90% mill recovery
- Recovery (Sulfide - Below sulfide surface) 90% mill recovery

Resources reported as oxide are the material situated above an oxide-sulfide boundary that was generally determined by recording the last occurrence of oxide minerals observed in the drill cuttings or core, and above a transition zone that occurs approximately between 150 and 200 feet (50 and 60 metres) below the surface. As such, not all material situated above this boundary can be considered as oxide in the context of metallurgical recovery, as it undoubtedly includes materials that will react differently metallurgically. The Company aims to develop a model that better defines the metallurgical characteristics of the deposit.

Long Valley History

On March 31, 2017 the Company purchased 95 mining claims in the Long Valley area of California from Vista Gold (the "Vendor"). Upon closing, the Company paid US$350,000 with provisions in the agreement for further payments of US$500,000 due 30 days after commencement of commercial production and US$500,000 payable on the 12-month anniversary of the commencement of commercial production. The Vendor has the option to receive shares in the Company in settlement of the outstanding payments. The mining claims were subsequently transferred to the Company's subsidiary, Kore USA Ltd.

The Vendor retained a net smelter return royalty on the claims ("the Seller NSR"). The Seller NSR provides for a royalty of 0.5% on sale of production when the price of gold is under US$1,400/oz, 1.0% when the price of gold is between US$1,401 to US$1,600/oz and 2.0% when the price of gold is above US$1,600/oz. The Company has the option to purchase 1% of the royalty when the price of gold is above US$1,600/oz for US$2 million if purchased prior to the announcement of a feasibility study or US$4 million if repurchased prior to commencement of commercial production. There is also a further 1% net smelter return royalty to Royal Gold on any gold production from the property. The property is not subject to any other production royalties or encumbrances.

FG Project, British Columbia, Canada

The 100% owned FG property ("FG Project") is an orogenic gold and early stage gold-copper porphyry project located in the Cariboo region of British Columbia, Canada. FG Project is located at the headwaters of the Horsefly River, 50 kms east of Horsefly, B.C. and consists of 35 contiguous claims (13,008 ha).

In February 2020, KORE announced a diamond drilling program had commenced at FG Gold. A minimum 2,000-meter drilling program was designed to test near-surface high-grade targets down structure from past drilling. The drill program was designed to define and delineate structural controls on existing higher-grade gold mineralization and target new higher-grade zones at depth. Shallow previous drilling leaves the host rock un-tested at depth and on the remainder of the 20-kilometer gold trend which is only partially explored. Results are pending at the time of publication.

FG Resource Estimate

The FG Project property has a resource estimate completed by K.V.Campbell of ERSi Earth Resource Surveys Inc. and G.H. Giroux of Giroux Consultants Ltd. in July 2015.

FG Project Resource Estimate, July 2015

	Size (tonnes)	Grade (g/t)	Au (oz)	Au Cutoff (g/t)
Measured	5,600,000	0.81	145,000	0.50
Indicated	9,570,000	0.76	231,000	0.50
Total M&I	**15,170,000**	**0.78**	**376,000**	
Inferred	27,493,000	0.72	634,900	0.50

Additional mineralization has been outlined over a 3 km strike length with five key zones of mineralization (NE Zone, Main Zone, SW Limb, Grouse Creek, Frasergold Creek) identified along a 10 km strike length of the sedimentary horizon. Further details on the gold resource can be found in the "NI 43-101 Technical Report, Frasergold Exploration Project, Cariboo Mining Division, dated July 27, 2015" available on SEDAR or on the Company's website.

The Project has also yielded highly prospective gold-copper porphyry targets within an intrusion called the Nova Zone. The Nova Zone, potentially 3.5 km by 1 km, was discovered in 2018 through compilation of historic soil geochemistry, and airborne geophysical studies. 2018 drilling demonstrated semi-massive and massive copper and iron sulphides and intersected (hole DDH-18-002) over 32 metres of 0.52% copper equivalent, including 8.65 metres of 1.1% copper equivalent.[1] Gold grades as high as 5.70 g/t, copper grades as high as 1.01%, and silver grades as high as 4.98 g/t were encountered in drill core.

Gold Creek Project, British Columbia, Canada

The 100% owned Gold Creek project ("Gold Creek") is located 2 km NE of the town of Likely in the Cariboo - the heart of British Columbia's historic "Gold Rush" district. Gold Creek consists of 34 claims totalling 9,673 ha and approximately 8 km to the NW of the Spanish Mountain deposit. Access is from Likely by an all-weather gravel road. The site has well developed infrastructure and is just 70km NE of Williams Lake, a major regional centre serviced by an airport and railway.

There is a 1% net smelter royalty on the property to a prior owner. The Company may purchase one-half of the royalty for $1,000,000.

Compilation of historical drilling, soil sampling, and geophysics were completed by KORE in 2018. The Company determined that gold mineralization is closely correlated with elevated arsenic and contained within a greywacke rock unit. The higher-grade gold intercepts in drill holes within the projects "Camp Zone" show similarities to the high-grade zone of the nearby Spanish Mountain Gold Deposit (TSX Venture: SPA). A large portion of the resource and the highest grades at Spanish Mountain occur at the contact between the greywacke and argillites, similar to mineralization at Gold Creek.

Historic drilling at the Camp Zone, based on gold in soils anomalies, from 2011 and 2017 confirmed large widths of mineralization in the silicified greywacke from surface with multiple higher-grade vein intercepts within a lower-grade halo. Intercepts included 1.5m of 13.4 g/t (GC11-27 10.7m to 12.2m), 9m of 5.5g/t (GC17-34 16.0m to 25.0m), including 1.5m of 18.0g/t, and 84.65m of 1.0g/t (GC17-35 85.85m to 170.50m).

Arsenic in soils indicates an 8.5km long NW-SE trend that is coincident with the NW-SE trending Camp Zone. KORE tested several arsenic anomaly targets in 2018 with four drill holes for 940 meters. All four of the holes encountered broad zones of alteration and mineralization within the greywacke, interbedded with argillites, mudstones, and conglomerates. Hole GC18-36 intercepted 25.7m of 1.3g/t, including 3 metres of 8.6g/t gold near surface and Hole GC18-39 intercepted 1.5m of 32.2 g/t gold, within an overall intercept of 9.0m of 5.8 g/t gold. Visible gold was observed in the 3rd (GC18-038) and 4th (GC18-039) hole. Maps, sections and a table of drill holes completed are available in KORE news releases dated November 13 and December 4, 2018.

The 2018 KORE drilling combined with historical trenching extends the Camp Zone to over 400 metres along strike and is open along both strike and at depth.

[1] Cu equivalent calculated using metals prices at April 29, 2019: USD$1,278/oz Au, $14.77/oz Ag, $2.90/lb Cu.

(Expressed in Canadian dollars unless otherwise stated)

NI 43-101 Resource Summary Estimate

	Size (tonnes)	**Grade (g/t)**	**Au (oz)**	**Au Cut-off (g/t)**
Measured				
FG Gold [2]	5,600,000	0.81	145,000	0.50
Total Measured	5,600,000	0.81	145,000	
Indicated				
Long Valley [3]	66,801,000	0.58	1,247,000	0.17 & 0.21
FG Gold [2]	9,570,000	0.76	231,000	0.50
Imperial [4]	45,703,000	0.59	877,000	0.1
Total Indicated	122,074,000	0.60	2,355,000	
TOTAL M&I	**127,674,000**	**0.61**	**2,500,000**	
Inferred				
Long Valley [3]	23,560,000	0.65	486,000	0.17 & 0.21
FG Gold [2]	27,493,000	0.72	634,900	0.50
Imperial [4]	90,876,000	0.46	1,336,000	0.1
TOTAL INFERRED	**141,929,000**	**0.54**	**2,457,000**	

[2] . "NI43-101 Technical Report, Frasergold Exploration Project, Cariboo Mining Division, BC" for Eureka Resources Inc. dated July 20, 2015 by K.V. Campbell of ERSi Earth Resource Surveys Inc. and G.H. Giroux of Giroux Consultants Ltd. See technical report for more details – available at www.koremining.com or www.sedar.com.

[3] "Amended Technical Report and Resource Estimate for the Long Valley Project, Mono County, California, USA" effective date Dec 18, 2019. Neil Prenn, P.E. and Steven I. Weiss, C.P.G. of Mine Development Associates. Oxide cut-off 0.17 g/t. Transition and sulphide cut-off 0.21 g/t. See technical report for more details – available at www.koremining.com or www.sedar.com.

[4] "Revised Technical Report for the Imperial Gold Project, California, USA" dated December 30, 2019 by Anoush Ebrahimi - PEng., Glen Cole - P.Geo. and Mark Willow - PEng. of SRK Consulting (Canada) Inc. See the technical report for more details – available at www.koremining.com or www.sedar.com.

(Expressed in Canadian dollars unless otherwise stated)

Exploration & Evaluation Expenses

Following is a summary of accumulated acquisition costs and exploration and evaluation expenses by project for the years ended December 31, 2019 and 2018:

As at December 31, 2019	Long Valley	Imperial	FG Gold-Copper	Gold Creek
Acquisition Costs	$ 504,271	$ -	$ 370,607	$ 498,136
For the year ended December 31, 2019	**Long Valley**	**Imperial**	**FG Gold-Copper**	**Gold Creek**
Exploration and evaluation expenses				
Assay and sampling	$ 31,850	$ 5,740	$ 10,432	$ -
Claim maintenance and staking	32,581	681,665	-	-
Engineering, metallurgy and geotechnical	-	219,101	-	-
Environmental	14,202	14,401	-	-
Geological and project evaluation	65,028	86,441	43,171	12,859
Geographic information system	-	14,166	-	-
Geophysics	-	138,410	-	-
Permitting	-	101,098	-	-
Property taxes	4,696	13,379	-	-
Travel	27,758	58,403	18,149	5,648
Cost recovery	(197,929)	-	-	-
Tax recovery – BC Mineral Exploration Tax Credit	-	-	(103,627)	(97,739)
	$ (21,814)	$ 1,332,804	$ (31,875)	$ (79,232)

As at December 31, 2018	Long Valley	Imperial	FG Gold-Copper	Gold Creek	General Exploration
Acquisition Costs	$ 527,374	$ 216,675	$ 370,607	$ 498,136	$ -
For the year ended December 31, 2018	**Long Valley**	**Imperial**	**FG Gold-Copper**	**Gold Creek**	**General Exploration**
Exploration and evaluation expenses					
Assay and sampling	$ -	$ -	$ 84,658	$ -	$ -
Claim maintenance	57,731	146,011	-	-	-
Engineering, metallurgy and geotechnical	3,434	82,414	-	-	1,881
Geographic information system	8,099	770	595	-	-
Permitting	36,128	397,865	-	-	-
Geological & project evaluation	13,252	25,113	-	5,406	-
Surveying	-	2,646	-	-	-
Travel	-	-	8,496	-	525
	$ 118,644	$ 654,819	$ 93,749	$ 5,406	$ 2,406

Selected Annual Information

The following is a summary of selected financial data for the Company for the three recent fiscal years ended December 31, 2019, 2018 and 2019, and should be read in conjunction with such financial statements, which have been prepared in accordance with IFRS:

(Expressed in Canadian dollars unless otherwise stated)

Item	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
Net loss	$1,790,324	$4,505,122	$1,296,244
Basic and diluted loss per common share	$0.02	$0.07	$0.09
Total assets	$ 4,872,875	$ 2,174,535	$ 818,016

Results of Operations

For the three months ended December 31, 2019

During the three months ended December 31, 2019, the Company's net loss was $1,105,631 (2018 - $3,077,613). The main contributors for the decrease were:

- Listing expense of $2,136,955 was incurred in October 2018 in connection with the Company's RTO which was a non-recurring event.
- Exploration and evaluation expenses increased by $81,777 for the three months ended December 31, 2019 to $232,894 (2018 - $151,117) as a result of increased activity primarily at Imperial and Long Valley.
- Professional fees increased by $276,058 for the three months ended December 31, 2019 to $293,451 (2018 - $17,393) as a result of increased activity at the Company's US operations.
- Share-based compensation costs decreased by $188,454 for the three months ended December 31, 2019 to $76,147 (2018 - $307,828) as a result of the timing of grants and vesting of stock options in 2018 and 2019.

For the year ended December 31, 2019

During the year ended December 31, 2019, the Company's net loss was $1,790,324 (2018 - $4,505,122). The main contributors for the decrease were:

- Listing expense of $2,136,955 was incurred in October 2018 in connection with the Company's RTO which was a non-recurring event.
- Gain on royalty sale of $2,140,749 was recorded in May 2019 in connection with the Company's sale of a royalty to Macquarie on the Imperial project, which was a non-recurring event.
- Exploration and evaluation expenses increased by $324,860 to $1,199,883 (2018 - $875,023) for the year ended December 31, 2019 as a result of increased exploration activity and additional staking of 1,005 claims in the Mesquite-Picacho district.
- Professional fees increased by $477,037 to $579,564 (2018 - $102,527) as a result of increased expenses for audit and tax as a result of becoming a public company, as well as increased legal assistance with the Company's US operations.
- Marketing and investor relations increased by $480,777 to an expense of $718,866 (2018 - $238,089) as a result of increased campaigns and conferences to increase the profile of KORE since becoming a public company in October 2018.

Summary of Quarterly Results

The following table shows selected quarterly financial information for each of the last eight quarters:

	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018
Net income (loss)	($1,105,631)	($1,728,325)	$1,555,871	($512,239)	($3,077,613)	($514,213)	($477,407)	($435,889)
Basic and diluted earnings (loss) per share	($0.01)	($0.02)	$0.02	($0.01)	($0.04)	($0.03)	($0.03)	($0.01)

Liquidity, Capital Resources and Going Concern
The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon the Company's ability to arrange adequate financing in the near term. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue operations. The Company will seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all.

As at December 31, 2019, the Company had a cash balance of $3,133,623 and working capital of $2,753,677 with current liabilities of $707,361. The Company has incurred losses since inception and does not generate any cash inflows from operations. For the year ended December 31, 2019, cash used in operating activities totaled $3,999,132.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities for at least the next twelve months is uncertain and dependent upon the continued financial support of its shareholders and on securing additional financing. There is, however, no assurance that any such initiatives will be sufficient and, as a result, there is significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. The Company's consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for at least 12 months following the year end. These adjustments could be material.

Cash Used In Operating Activities
Net cash used in operating activities during the year ended December 31, 2019 was $3,999,132 (2018 - $1,901,767). Cash used in operating activities primarily related to operations during the year, including exploration and evaluation expenses, professional fees, management fees and marketing costs, as well as the settlement of outstanding liabilities.

Cash Provided by (Used In) Investing Activities
Total cash provided by investing activities during the year ended December 31, 2019 was $2,348,745 (2018 – ($165,421)), related to the sale of the royalty to Macquarie on the Imperial project for $2,500,000.

Cash Generated by Financing Activities
Total net cash generated by financing activities during the year ended December 31, 2019 was $4,779,215 (2018 - $2,011,643), which consisted primarily of two private placements in 2019, being $1,500,000 from Macquarie and $3,000,000 from Eric Sprott.

(Expressed in Canadian dollars unless otherwise stated)

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. At December 31, 2019, there were 88,841,914 shares issued and outstanding.

As of the date of this MD&A, the following shares, warrants and options were outstanding:

	Number of Shares/Options/Warrants	Exercise Price	Expiry Date
Issued and Outstanding Shares	**89,246,674**		
Warrants	121,500	$1.25	June 10, 2020
Agents' Warrants	308,000	$0.50	October 21, 2020
Warrants	2,200,000	$0.75	October 21, 2020
Stock Options	300,000	$0.50	November 2, 2021
Stock Options	1,250,000	$0.50	November 1, 2023
Stock Options	2,595,240	$0.14	January 12, 2024
Stock Options	150,000	$0.25	May 9, 2024
Stock Options	2,600,000	$0.27	July 3, 2024
Stock Options	500,000	$0.29	October 18, 2024
Fully Diluted at April 27, 2019	**99,271,414**		

Financial Instruments and risk management

Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below (See Note 2).

a. Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash is held with reputable financial institutions in Canada.

b. Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at December 31, 2019, the Company had working capital of $2,753,677, and it does not have any long term monetary liabilities. The Company will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they fall due. As at December 31, 2019, the Company had cash of $3,133,623 to settle current liabilities of $707,361. The Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. See *Liquidity, Capital Resources and Going Concern"* for more information.

c. Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest, and may therefore be subject to a certain amount of risk, though this risk is considered by management to be immaterial.

d. Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains its cash reserves in Canadian and United States dollars. The portion of the Company's funds held in US dollars are subject to fluctuations in foreign exchange rates.

At December 31, 2019, the Company has certain monetary items denominated in United States dollars. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in an increase or decrease of $34,892 in the Company's net loss.

Fair Values

The carrying values of cash, deposits and other receivables and trade and other accounts payable approximate fair values due to their short-term to maturity nature or the ability to readily convert to cash.

Related party transactions and balances

During the year ended December 31, 2019, the related party transactions (excluding key management compensation) were as follows:

a) A company owned by a relative of a director and officer provided marketing consulting services of $28,250 (2018 - $44,740) for the year ended December 31, 2018.

b) Advances of $200,000 were provided by a director and CEO as of December 31, 2018 which was settled in full during the year ended December 31, 2019.

c) Amounts owing to related parties are unsecured, non-interest bearing and due on demand. As at December 31, 2019, $95,332 (2018 - $635,746) is due to related parties.

Key management compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the Chairman, President & Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Directors. For the year ended December 31, 2019, total key management compensation was $1,092,728 (2018 - $910,110), which includes management fees and salaries of $590,421 (2018 - $500,000) and share-based compensation of $502,307 (2018 - $410,110).

Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Judgments

The preparation of these consolidated financial statements requires the Company to make judgments regarding the going concern of the Company as discussed in Note 2.

The Company is also required to make significant judgments on the ongoing feasibility of exploration and evaluation assets, and whether there are indicators that the right to explore the specific area has expired or will be allowed to expire, that further exploration and evaluation plans have changed, or whether development of a specific area is unlikely to recover existing exploration and evaluation costs. If any of these indicators are present, management would need to assess whether the exploration and evaluation property is impaired.

Significant Estimates

The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, management interprets tax legislation in Canada and the US and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, the deferral and deductibility of certain items and the interpretation of the treatment for tax purposes for exploration and development activities. The Company is subject to assessment by Canadian and US tax authorities, which may interpret legislation differently which may affect the final amount or timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

Recent Accounting Standards
Effective January 1, 2019, the following standard was adopted:

- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting. The Company has no leases and therefore there was no impact on adoption of this standard.

Cautionary Note Regarding Forward Looking Statements
Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Certain statements contained in this MD&A constitute forward-looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions or their negatives or other comparable words are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Examples of where the Company uses forward looking statements include when discussing the outlook, plans and timing for the Company's exploration plans, operational plans and future expenditure expectations.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of the date of this MD&A.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Mining Risks" and "Business Risks".

Non-IFRS Measures
Items marked with a * or noted as "Non-IFRS Measure" in this MD&A are alternative performance measures. Alternative performance measures are furnished to provide additional information. These non-IFRS performance measures are included in this MD&A because the Company believes these statistics are key performance measures that provide investors, analysts and other stakeholders with additional information to understand the costs associated with the Project. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

"Cash Costs " and "Cash Costs (LOM)" are a non-IFRS measure reported by KORE on an ounces of gold sold basis. Cash costs include mining, processing, refining, general and administration costs and royalties but excludes depreciation, reclamation, income taxes, capital and exploration costs for the life of the mine, defined above as 8 years.

"All-In-Sustaining-Costs" ("ASIC") is a non-IFRS measure reported by KORE on a per ounce of gold sold basis that includes all cash costs noted above (mining, processing refining, general and administration and royalties), as well as sustaining capital and closure costs, but excludes depreciation, capital costs and income taxes.

Cautionary Note to U.S. Investors Regarding Mineral Resource Estimates
Information regarding mineral resource estimates has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States Securities and Exchange Commission ("SEC") Industry Guide 7. In October 2018, the SEC approved final rules requiring comprehensive and detailed disclosure requirements for issuers with material mining operations. The provisions in Industry Guide 7 and Item 102 of Regulation S-K, have been replaced with a new subpart 1300 of Regulation S-K under the United States Securities Act and will become mandatory for SEC registrants after January 1, 2021. The changes adopted are intended to align the SEC's disclosure requirements more closely with global standards as embodied by the Committee for Mineral Reserves International Reporting Standards (CRIRSCO), including Canada's NI 43-101 and CIM Definition Standards. Under the new SEC rules, SEC registrants will be permitted to disclose "mineral resources" even though they reflect a lower level of certainty than mineral reserves. Additionally, under the New Rules, mineral resources must be classified as "measured", "indicated", or "inferred", terms which are defined in and required to be disclosed by NI 43-101 for Canadian issuers and are not recognized under SEC Industry Guide 7. An "Inferred Mineral Resource" has a lower level of confidence than that applying to an "Indicated Mineral Resource" and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of "Inferred Mineral Resources" could be upgraded to "Indicated Mineral Resources" with continued exploration. Accordingly, the mineral resource estimates and related information may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal laws and the rules and regulations thereunder, including SEC Industry Guide 7. U.S. investors are cautioned not to assume that any part of an inferred mineral resource exists or is economically or legally mineable.

Risk Factors

<u>New diseases and epidemics (such as COVID-19) may adversely impact the Company's business</u>
In March 2020, the World Health Organization declared a global pandemic related to the novel coronavirus (COVID-19). The expected impact and extent of the spread of COVID-19, and the duration and intensity of resulting global business disruption and related financial and social impact, are uncertain, and such adverse effects are likely to be material. The mineral exploration sector is expected to be impacted significantly as many local and regional governments have issued public health orders in response to COVID-19, including restricting the movement of people, which could impact the Company's ability to access its properties and undertake exploration programs in the anticipated timeframes.

The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in commodity prices and the value of Kore's stock price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

Risks Inherent in the Mining Business
The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, and other conditions involved in the drilling and removal of material; regulatory and permitting risks, including risks related to compliance with environmental legislation; uncertainty regarding resource estimates; fluctuating mineral prices; risks relating to title; availability of necessary equipment; competition for acquisition of claims and the recruitment of suitable personnel; and availability of necessary infrastructure. Below is a summary of these risks:

Exploration and Development Risks
The exploration for minerals and development of mineral properties involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, among other things, the following:

- the interpretation of geological data obtained from drill holes and other sampling techniques;
- feasibility studies (which include estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed);
- the particular attributes of the deposit, such as size, grade and metallurgy; expected recovery rates of metals from the ore;
- proximity to infrastructure and labour; the ability to acquire and access land; the availability and cost of water and power; anticipated climatic conditions;
    - cyclical metal prices; fluctuations in inflation and currency exchange rates;
    - higher input commodity and labour costs; and
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

Operational Risks
The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Regulatory Requirements and Permitting Risks
The operations of the Company will require permits from various governmental authorities, and such operations will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the conduct of exploration and development operations will be obtainable on reasonable terms or at all, or that applicable laws and regulations,

either now or in the future will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements (when and if any necessary permits are obtained) may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. The occurrence of any failure of compliance or enforcement action may have an adverse impact on our reputation and could adversely affect our results of operations.

In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that will likely, in the future, require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

Amendments to current laws and regulations governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new properties. There can be no assurances that future changes in regulations could cause a mining operation to be uneconomic.

Resource Estimates

There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond our control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Resource estimates may require revision (either up or down) based on actual production experience. Any future resource figures will be estimates and there can be no assurance that the minerals are present or will be recovered, or that the Company's projects can be brought into profitable production. Any material reductions in resource estimates could have a material adverse effect on our results of operations and financial condition. Inferred mineral resources do not have demonstrated economic viability and have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. A significant amount of exploration work must be completed in order to determine whether an inferred mineral resource may be upgraded to a higher confidence category.

Fluctuating Mineral Prices

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Company's properties can be mined at a profit and that estimated resources will be recovered or that they will be recovered at the rates estimated. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors, including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. Declining mineral prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Title to Properties

Transaction of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed and it is not uncommon in the United States for issues to arise with respect to surface rights. The Company may have to negotiate with third parties to secure its title, rights-of-way or surface rights. The Company cannot give any assurance that title to its properties or surface rights will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that Company, as the case may be, does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures.

The Company's quiet title action to discharge the royalty on the Imperial Project may not be successful

The Company has engaged an independent law firm to begin a quiet title action with respect to a 1.5% royalty interest held by a now- dissolved entity with respect to the Imperial Project in Imperial County, California. Pursuant to a title review performed by a separate independent law firm, there was no recorded conveyance or assignment of the 1.5% royalty interest held by a now-dissolved entity prior to the dissolution of such royalty holder. Accordingly, the Company has treated this royalty as if it no longer exists and is commencing a quiet title action to formally discharge this royalty. The results of such legal proceedings cannot be predicted with certainty and the outcome of such legal proceeding may not result favorably for the Company and may affect the overall profit and revenue stream of the Imperial Project if the royalty is not discharged. The process may also result in taking away certain time and effort from the Company's management and will include the payment of certain legal fees.

Lack of Availability of Resources

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to the Company on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Company's exploration programs.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's financial condition and results of operations.

Risks Related to the Stage of the Company's Development

The Company is subject to the risks typical of an enterprise in its early stages of development, including risks relating to limited financial resources, limited availability of additional financing, and potential dilution to existing shareholders; reliance on its management and key personnel; inability to obtain adequate or any insurance; exposure to litigation or similar claims; currently unprofitable operations; risks regarding the ability of the Company and its management to manage growth; and potential conflicts of interest. Below is a summary of these risks:

Financing Risks and Dilution to Shareholders

The Company has limited financial resources, no operations and no revenues. In order to execute its anticipated growth strategy, the Company will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures, or to undertake business combination transactions or other initiatives. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise additional financing could limit the Company's growth and may have a material adverse effect upon its business, operations, results, financial condition or prospects.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing Shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities.

Reliance on Management and Key Personnel
The success of the Company will be largely dependent upon the performance of the directors and officers, as well as the Company's ability to attract and retain key personnel. The loss of the services of any of these individuals may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company will be able to continue to retain the services of its directors, officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Uninsurable Risks
Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks. Although the Company intends to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, any such insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Litigation
The Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such decision could adversely affect the Company's ability to continue operating and the market price for its securities and could use significant financial and personnel resources of the Company. Even if the Company is involved in litigation and wins, litigation can redirect and consume significant resources.

In addition to being subject to litigation in the ordinary course of business, in the future, the Company may be subject to class actions, derivative actions and other securities litigation and investigations. This litigation may be time consuming, expensive and may distract the Company from the conduct of its daily business. It is possible that the Company will be required to pay substantial judgments, settlements or other penalties and incur expenses that could have a material adverse effect on its operating results, liquidity or financial position. Expenses incurred in connection with these lawsuits, which would be expected to include substantial fees of lawyers and other professional advisors, and the Company's obligations to indemnify officers and directors who may be parties to such actions, could materially adversely affect the Company's reputation, operating results, liquidity or financial position. Further, it is not known with certainty if any of this type of litigation or any resulting expenses will be fully or even partially covered by the Company's insurance. In addition, these lawsuits may cause insurance premiums to increase in future periods.

Unprofitable Operations
The Company has incurred losses since completion of the transaction with the former KORE Mining Ltd. in November 2018. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. It is not expected that the Company will generate any revenues from its activities for the foreseeable future.

Management of Growth
The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and on the Company's website at www.koremining.com.