

**KORE MINING LTD.**

**Management's Discussion and Analysis**

**March 31, 2023**



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*The following Management's Discussion and Analysis ("MD&A"), prepared as of May 29, 2023, should be read together with the unaudited consolidated interim financial statements of KORE Mining Ltd. ("KORE" or the "Company") for the three month period ended March 31, 2023, which are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of the interim financial statement, including International Accounting Standard 34, Interim Financial Reporting. 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 Note 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.*

**Corporate Summary - Nature of Operations**

The Company's business is the acquisition, exploration, and development of North American gold projects. The Company's primary focus is its two 100% owned gold projects in California. Both gold projects have completed positive, high return on capital, preliminary economic assessments (See "Project Summaries" for more information). KORE is investing in both exploration and development activities to unlock value for shareholders.

The Company's most advanced gold project, the Imperial project in Imperial County California ("Imperial" or "Imperial Project"), hosts a large oxide gold resource that 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 operating Mesquite gold mine, located ten miles away. KORE delivered a positive preliminary economic assessment for a simple, open pit heap leach mine at Imperial ("Imperial PEA") published in May 2020 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 "Imperial PEA Summary" for further details).

KORE also owns the Long Valley project located in Mono County, California, which is a shallow oxide gold resource open for expansion at surface in oxides and at depth in sulphides ("Long Valley" or "Long Valley project"). KORE is using geophysics and other modern exploration techniques to target drilling to expand the deposit on-strike and at depth. In October 2020, KORE published a positive preliminary economic assessment for a simple, open pit heap leach mine at Long Valley ("Long Valley PEA") that showed a net present value ("NPV") at 5% of US\$273 million and internal rate of return ("IRR") of 48% at US\$1,600 per ounce gold (see "Long Valley PEA Summary" for further details). KORE received a permit to drill the project from the U.S. Forest Service ("USFS") in October 2021.

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 OTCQX under the stock symbol "KOREF" and on the Frankfurt Stock Exchange under the symbol "EUSA".

**Outlook**

KORE's plan for 2023 is to conserve its capital while unlocking value through exploration and drill preparation activities. The Company is permitted to drill at Long Valley project and is undertaking drill preparation activities (See "Risk Factors"). At Imperial, the Company is permitting the highest priority exploration drill targets at the Mesquite-Imperial-Picacho District, while in parallel leveraging ACES to build the social license for mine permitting at the Imperial deposit. KORE continues to work with the BLM to determine the best path forward for Imperial Zone drilling and to start mine permitting. Drilling at both projects is subject to permitting (See "Risk Factors").

***Terre Lane, MMSA, registered member SME, 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.***

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#### **Imperial, California, USA**

The Company has focused on exploring the Mesquite-Imperial-Picacho district ("District") to discover new oxide gold deposits. Programs were designed to generate drill targets and complete mapping across the 28-kilometer District trend. Previous geophysical and geochemistry work successfully proved the "fingerprinting" target strategy for making new discoveries in the district and generated multiple high priority drill targets. Work continues with additional mapping, sampling, and person-portable "backpack" drilling.

The Company is engaging with the BLM to permit drilling to make new discoveries at the Mesquite-Imperial-Picacho district ("Regional Exploration Drilling") and to advance the existing Imperial Zone toward feasibility and mine permitting ("Imperial Zone Drilling"). KORE has separated permitting of Imperial Zone Drilling and Regional Exploration Drilling. The objective of this shift in strategy is to streamline permitting of Regional Exploration Drilling, while continuing a separate, parallel path for permitting the Imperial Zone Drilling, which is independent from, and subject to different regulatory and technical requirements from Regional Exploration Drilling.

The Company continues to work with the BLM to determine the path forward for Imperial Zone Drilling, which is intended to grow the current resource, develop a geology model, and deliver samples for metallurgical and geotechnical testing. The current Regional Exploration Drilling permit application includes exploration targets immediately east of the Mesquite Gold Mine (owned by Equinox Gold) - Mesquite East - and targets immediately west of the Imperial Project – Ogilvy. Permitting the Regional Exploration Drilling locations will leverage the already completed biological resource assessment and other work completed to-date at Mesquite East and Ogilvy. Cultural surveys to complete the studies required for the Environmental Assessment report which will be completed by independent consultants working for the BLM, but were halted in 2022. The earliest a permit could be expected is during the latter part of 2023. KORE intends to mobilize drilling to the targets as soon as a permit is received.

KORE submitted the Imperial Zone Plan of Operations to the BLM and is continuing to work closely with BLM to determine the appropriate path forward for progressing Imperial Zone MVE and drill permitting. (See "*Risk Factors*").

#### **Long Valley, California, USA**

KORE plans to drill the highest priority oxide and sulphide targets at the Long Valley project. Oxide targets are well defined by previous field mapping, sampling, and geophysics programs. Oxide targets are designed as step-outs to grow the current project mineral resources. In addition, several drill pads will support deeper drill holes to test sulphide targets in the potential "boiling zone" of the deposit which could yield higher grades and open up the potential for underground mining at Long Valley.

KORE received a permit to drill the project in October 2021 from the USFS. KORE had voluntarily limited any work at the Long Valley project pending the outcome of the court case between the NGOs and the USFS. The USFS's motion for summary judgement was granted in March 2023 and its authorization of KORE's proposed drill program was upheld. KORE intends to proceed with exploration at Long Valley during the summer/fall of 2023. (See "*Risk Factors*").

### **Project Summaries**

#### **Imperial Gold Project, California, USA**

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.

In addition to the Imperial claims, the Company staked additional claims in Mesquite-Picacho District.

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.

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The claims are administered by the BLM on federally owned lands. The unpatented mining claims are all in good standing with all holding fees paid until fall of 2023. The claims must also be maintained by ensuring that the claim posts and location notices are properly upright and visible.

In August 2021, the BLM changed its view on the validity of KORE's mill site claims hosting the Imperial PEA infrastructure and lode claims with the Indian Pass Mineral Withdrawal are subject of a Mineral Validity Examination (See "*Risk Factors*").

*Imperial PEA Summary*

In April 2020, the Company announced the results of its Imperial PEA on the Imperial project – see the April 6, 2020, news release; and published the full technical report in May 2020 and amended June 10, 2021 – see the Company's website for full information and disclaimers. The Imperial PEA, with an effective date of April 6, 2020 and amended report filed on June 10, 2021, 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 Glen Cole, P.Geo of SRK with support of Geo-Logic Associates - Monte Christie, GE PE.

The Imperial PEA scopes an open pit mine with run-of-mine heap leach processing of the 100% oxide mineralization. The Project benefits from nearby skilled labour, major highways, and power infrastructure in place for the Mesquite Mine (Equinox – TSX: EQX) which is a similar scale open pit-heap leach gold mine ten miles to the east. The mine plan is sequenced in the Imperial PEA to be in full compliance with California's stringent reclamation requirements including backfilling of the open pits at closure.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration,

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 Imperial PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. This Imperial 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.

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<b>Economics</b>		<b>Pre-Tax</b>	<b>Post-Tax</b>
Net present value (NPV <sub>5%</sub> ) at 0.75C\$/US\$	<i>C\$ millions</i>	\$584	\$458
Net present value (NPV <sub>5%</sub> )	<i>US\$ millions</i>	\$438	\$343
Internal rate of return (IRR)	<i>%</i>	52%	44%
Payback (undiscounted)	<i>years</i>	2.3	2.7
LOM avg. annual cash flow after tax & capital	<i>US\$ millions</i>	\$105	\$90
LOM cumulative cash flow (undiscounted)	<i>US\$ millions</i>	\$697	\$580
Gold price assumption	<i>US\$ per ounce</i>	\$1,450	
Mine life	<i>years</i>	8	
Average annual mining rate	<i>million tons/yr</i>	43.4	
Average annual gold production	<i>thousand ounces/yr</i>	146	
Total LOM recovered gold	<i>million ounces</i>	1.17	
Initial capital costs	<i>US\$ millions</i>	\$143.5	

Life-of-mine ("LOM") calculation and "Mine Life" are 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:

<b>Economic Sensitivities to Gold Prices (post-tax)</b>		
<i>Per ounce of gold</i>	<b>(NPV<sub>5%</sub>) millions</b>	<b>IRR%</b>
US\$1,300	US\$234	34%
<b>US\$1,450</b>	<b>US\$343</b>	<b>44%</b>
US\$1,600	US\$450	52%
US\$1,800	US\$590	64%
US\$2,000	US\$729	75%

**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 project originally consisted of 95 contiguous, unpatented mining claims that cover an area of approximately 1,800 acres. The claims are on federally owned lands administered by the U.S. Forest Service, 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 Long Valley that defined a new exploration strategy for both oxides and sulphides. The drill chip 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.

In December 2020, the Company staked 14,104 acres of new claims, increasing the scale of the Long Valley project by 750% to 15,965 acres. The new district scale land package covers all deep-rooted fault structures of similar genesis to the Hilton Creek fault, the primary 'conduit' for current Long Valley epithermal gold/silver deposit and is highly

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prospective to host new epithermal gold deposit discoveries as well as step-out growth for the known Long Valley deposit.

KORE received a permit to drill the project in October 2021 from the USFS. KORE is planning a Phase 1 drill program. (See “Risk Factors”).

Long Valley PEA Summary

In August 2020, KORE commenced work on a Preliminary Economic Assessment for Long Valley (“LV PEA”). In September 2020, the Company announced the results of its LV PEA (see the September 15, 2020, news release); and published the full technical report in October 2020 (amended June 7, 2021) – see the Company’s website for full information and disclaimers. The LV PEA, with an effective date of September 21, 2020 and filed on October 27, 2020, with an amended report filed on June 7, 2021, was prepared in accordance with NI 43-101 by GRE - Terre Lane, RMSME MMSAQP, Todd Harvey, PhD, RMSME in conjunction with a resource estimate prepared by Mine Development Associates and (“MDA”) authored by Neil Prenn, PE and recent site geological studies by Steven Weiss, PhD, CPD, also of MDA.

The LV PEA scopes an open pit mine with heap leach processing of oxide and transition materials. The Project benefits from nearby skilled labour, major highways, and power infrastructure. Long Valley has oxide metallurgical testing which showed the oxide and transition materials are amenable to heap leaching and has the potential for high recoveries. The shallow nature of the deposit enables the LV PEA to be in full compliance with California’s stringent reclamation requirements including backfilling of the open pit at closure.

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 LV PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. This LV 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 MD&A, 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.

<b>Economics</b>		<b>Pre-Tax</b>	<b>Post-Tax</b>
Net present value (NPV <sub>5%</sub> ) at 0.75C\$/US\$	<i>C\$ millions</i>	\$463	\$364
Net present value (NPV <sub>5%</sub> )	<i>US\$ millions</i>	\$347	\$273
Internal rate of return (IRR)	<i>%</i>	57%	48%
Payback (undiscounted)	<i>years</i>	1.6	1.8
LOM avg. annual cash flow after tax & capital	<i>US\$ millions</i>	\$96	\$83
LOM cumulative cash flow (undiscounted)	<i>US\$ millions</i>	\$475	\$385
Gold price assumption	<i>US\$ per ounce</i>	\$1,600	
Mine life	<i>years</i>	7	
Average annual mining rate	<i>million tons/yr</i>	18.5	
Average annual gold production	<i>thousand ounces/yr</i>	102	
Total LOM recovered gold	<i>million ounces</i>	717	
Initial capital costs	<i>US\$ millions</i>	\$161	

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Life-of-mine ("LOM") calculation and "Mine Life" is defined as the duration of mining operations, 7 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\$1,600 per ounce of gold:

<b>Economic Sensitivities to Gold Prices (post-tax)</b>		
<i>Per ounce of gold</i>	<b>(NPV<sub>5%</sub>) millions</b>	<b>IRR%</b>
US\$1,200	US\$97	25%
US\$1,400	US\$187	38%
<b>US\$1,600</b>	<b>US\$273</b>	<b>48%</b>
US\$1,800	US\$352	58%
US\$2,000	US\$438	67%
US\$2,200	US\$524	76%

***NI 43-101 Resource Estimate Summary***

	<b>Size (tonnes)</b>	<b>Grade (g/t)</b>	<b>Au (oz)</b>	<b>Au Cut-off (g/t)</b>
<b>Indicated</b>				
<b>Long Valley</b> <sup>1</sup>	63,669,000	0.58	1,217,000	0.17 & 0.21
<b>Imperial</b> <sup>2</sup>	45,703,000	0.59	877,000	0.1
<b>TOTAL M&amp;I</b>	<b>109,372,000</b>	<b>0.59</b>	<b>2,094,000</b>	
<b>Inferred</b>				
<b>Long Valley</b> <sup>1</sup>	22,052,000	0.65	453,000	0.17 & 0.21
<b>Imperial</b> <sup>2</sup>	90,876,000	0.46	1,336,000	0.1
<b>TOTAL INFERRED</b>	<b>112,928,000</b>	<b>0.54</b>	<b>1,789,000</b>	

**Exploration & Evaluation Expenses**

Following is a summary of exploration and evaluation expenses by project for the three months ended March 31, 2023 (the "Current Quarter"):

<b>For the three months ended March 31, 2023</b>	<b>Long Valley \$</b>	<b>Imperial \$</b>	<b>Other \$</b>	<b>Total \$</b>
Claim holding and taxes	2,206	-	-	2,206
Project administration and support	-	420	-	420
Contractors, professional fees and wages	-	33,594	-	33,594
	<b>2,206</b>	<b>34,015</b>	<b>-</b>	<b>36,220</b>

<sup>1</sup> "Preliminary Economic Assessment NI 43-101 – Technical Report Long Valley Project, Mono County, California", effective date September 21, 2020 and issued revised and amended June 7, 2021 by Terre Lane and Todd Harvey of Global Resource Engineering and Neil Prens and Steven I. Weiss of Mine Development Associates. Oxide cut off 0.17 g/t; Transition & sulphide cut-off 0.21 g/t. See the technical report for more details – available at [www.koremining.com](http://www.koremining.com) or [www.sedar.com](http://www.sedar.com).

<sup>2</sup> "Preliminary Economic Assessment – Technical Report Imperial Gold Project, California, USA" dated April 6, 2020 and revised and amended June 10, 2021 by Terre Lane, RMSME and Dr. Todd Harvey, RMSME of GRE and, Glen Cole - P.Geo. of SRK Consulting (Canada) Inc. See the technical report for more details – available at [www.koremining.com](http://www.koremining.com) or [www.sedar.com](http://www.sedar.com).



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Following is a summary of exploration and evaluation expenses by project the three months ended March 31, 2022 (the "Comparative Quarter"):

For the three months ended March 31, 2022	Long Valley	Imperial	Other	Total
	\$	\$	\$	
Engineering and development	-	49,087	-	49,087
Geophysics and ground prospecting	-	17,568	13,123	30,691
Permitting and environment	-	5,037	-	5,037
Project administration and support	379	8,382	-	8,761
Contractors, professional fees and wages	2,125	71,383	3,110	76,618
Technical reports and studies	-	51,629	-	51,629
Travel, logistics & camp costs	934	10,198	-	11,132
	<b>3,438</b>	<b>213,284</b>	<b>16,233</b>	<b>232,955</b>

**Results of Operations**

*For the Current Quarter compared to the Comparative Quarter.*

The Company incurred a net loss during the three months ended March 31, 2023, of \$321,355 compared to net loss of \$1,190,443 during the three months ended March 31, 2022, due to cost cutting measures.

Operating expenses during the Current Quarter were \$320,452 compared to \$1,180,336 in the Comparative Quarter, a decrease of \$859,884, attributable to a decrease in exploration and evaluation expenses of \$196,735, as well as in marketing and professional fees of \$63,142, due to the Company implementing its capital conservation plan. The management fees and wages were reduced (2023 - \$51,212; 2022- \$376,817) due to resignations in 2022. The Company's (non-cash) share-based payments net of forfeitures were also lower (2023 - \$42,417; 2022 - \$281,322) due to no new grants during the current period and the forfeiture of previously granted stock options.

All other costs of the Company remained relatively consistent during these two periods.

**Summary of Quarterly Results**

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

	31-Mar-2023	31-Dec-2022	30-Sep-2022	30-Jun-2022	31-03-2022	31-Dec-2021	30-Sep-2021	30-Jun-2021
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	(321,355)	(477,722)	(789,071)	(1,759,367)	(1,190,443)	(1,634,517)	(2,792,585)	(2,215,605)
Basic & diluted loss per share	(0.00)	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)

**Liquidity, Capital Resources and Going Concern**

The consolidated financial statements of the Company 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 financing consistently. In November 2022, the Company completed the Rights Offering to the holders of its common shares and raised \$864,970 through issuance of 86,497,010 common shares. The Rights Offering was issued at a minimum possible price of \$0.01 per share, a steep discount from the market price of the Company's common shares, to confer a benefit on its shareholders willing to participate in the Rights Offering.

Despite the recent success, 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,

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the Company may be required to further 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 March 31, 2023, the Company had a cash balance of \$474,389 and working capital of \$67,849 with current liabilities of \$694,205. The Company has incurred losses since inception and does not generate any cash inflows from operations. For the three months ended March 31, 2023, the Company used cash flows in operations of \$228,703 (2022 - \$1,279,000).

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 reporting period. These adjustments could be material.

**Cash Used in Operating Activities**

Net cash used in operating activities during the three months ended March 31, 2023, was \$228,703, compared to \$1,279,000 during the three months ended March 31, 2022. KORE's activities are highly dependent on the cash resources available to the Company (see "*Liquidity, Capital Resources, and Going Concern*" above) and therefore can fluctuate from period to period.

**Cash Used in (Provided by) Financing Activities**

Net cash spent in financing activities during the three months ended March 31, 2023 was \$41,458, pertaining to the payments of the capitalized office lease costs. During the three months ended March 31, 2022, the Company received \$70,000 from the exercise of stock options, which was netted by the payment of office lease cost \$40,629.

With respect to the November 2022 rights-offering financing, the table below compares the pro-forma sources and uses of funds with the actual sources and uses of funds. All amounts are in Canadian dollars.

Source of funds	Pro forma \$	Actual \$	
Gross proceeds	864,970	864,970	
Agent commissions	(100,000)	(154,576)	
	<b>764,970</b>	<b>710,394</b>	
Uses of funds	Pro forma \$	Actual \$	Explanation
Imperial permitting	112,000	71,716	In progress
Working Capital and General Corporate purposes	652,970	455,224	In progress
	<b>764,970</b>	<b>526,940</b>	

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**Outstanding Share Data**

The Company's authorized share capital consists of an unlimited number of common shares without par value. 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
<b>Issued and Outstanding Shares</b>	<b>201,826,357</b>		
Warrants	4,550,975	1.35	June 18, 2023
Warrants	468,751	0.95	June 18, 2023
Warrants	11,157,937	0.11	November 16, 2027
Stock Options	750,000	0.50	November 1, 2023
Stock Options	1,500,000	0.14	January 12, 2024
Stock Options	150,000	0.25	May 8, 2024
Stock Options	2,600,000	0.27	July 2, 2024
Stock Options	150,000	0.62	July 29, 2024
Stock Options	500,000	0.29	October 28, 2024
Stock Options	800,000	0.44	April 27, 2025
Stock Options	300,000	1.50	September 3, 2025
Stock Options	1,450,000	0.62	July 29, 2026
Stock Options	550,000	0.37	January 20, 2027
Restricted Stock Units	232,233	NA	NA
Restricted Stock Units	859,460	NA	NA
<b>Fully Diluted at May 29, 2023</b>	<b>227,845,713</b>		

**Financial Instruments and 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.

*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 and cash equivalents and the amount receivable from Karus Gold Corp. ("Karus"), a related company to whom KORE's previously owned Canadian exploration project were transferred in exchange for \$53,112,455 common shares of Karus to the shareholders of KORE.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such a risk is minimal. Most of the Company's cash is held with reputable financial institutions in Canada. The Company also considers the credit risk related to the amount receivable from Karus as insignificant and expects to collect the amount within one year.

*Liquidity risk*

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at March 31, 2023, the Company had a working capital of \$67,849 but 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 endeavor to ensure that it will have sufficient liquidity to meet liabilities when they fall due. The

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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.

*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 immaterial.

The fair value of KORE's reclamation bond is subject to interest rate fluctuations. The management does not believe the fluctuations in the fair value of the reclamation bond would have a significant impact on the Company's financial statements given the overall low value of the reclamation bond.

*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.

As at March 31, 2023, 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 \$534 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.

**Related Party Transactions**

The Company shares office space and the related cost with Karus. For the three months ended March 31, 2023, such administrative transactions with Karus amounted to \$15,574 (2022 – \$23,941).

As at March 31, 2023, the total amount receivable from Karus was \$216,529 (December 31, 2022 - \$200,955). This amount is unsecured, non-interest bearing, and due on demand. A total of \$150,000 of this amount was received by KORE during April 2023.

During the year ended December 2022, the Company entered into a consulting agreement with the Chief Financial Officer ("CFO") of the Company for a monthly fee of \$8,500 through Avisar Everyday Solutions Ltd. ("Avisar"), a company where the CFO is a director and an officer, to provide accounting related services to KORE. For the three months ended March 31, 2023, the Company incurred \$25,500 (2022 - \$Nil) in professional fees to Avisar.

As at March 31, 2023, the total amount payable to Avisar was \$12,530 (December 31, 2022 - \$18,480). This amount is unsecured and due on demand.

**Key Management Compensation**

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include the Executive Chairman & Chief Executive Officer, Chief Financial Officer and Directors.

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The key management compensation was as follows:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
	\$	\$
Management fees and salaries	50,000	206,689
Share-based compensation	28,697	163,921
	<b>78,697</b>	<b>370,610</b>

As at March 31, 2023, a total of \$92,083 (December 31, 2022 - \$42,083) was payable to key management personnel.

**Significant Judgments and Estimates**

The preparation of the Company's 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 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. Significant estimates and critical judgements, including those that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year were the consistent with those disclosed within and applied in the preparation of the annual audited financial statements for the year ended December 31, 2022.

**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 "Risk Factors".

**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 the 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

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Regulation S-K, have been replaced with a new subpart 1300 of Regulation S-K under the United States Securities Act and became 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**

See the risk factors disclosed in the Company's Annual Information Form for the year ended December 31, 2021, and dated April 27, 2022, for a detailed discussion of the Company's risk factors.

**Other Information**

Additional information related to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.koremining.com](http://www.koremining.com).