Kincora Copper Ltd.

(Formerly Brazilian Diamonds Ltd.)

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For six-month period ended June 30, 2011 and 2010

Canadian Funds

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51 – 102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators **WE HEREBY GIVE NOTICE THAT** the condensed financial statements that follow this notice have not been reviewed by the Company's auditors.

Kincora Copper Ltd.

Statement 1

(Formerly Brazilian Diamonds Ltd.)
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

As at,
(Figures in tables are expressed in thousands of Canadian dollars
(Unaudited)

ASSETS		June 30, 2011		December 31, 2010 *(Note 15)*
Current				
Cash *(Note 6)*	**$**	**915**	$	167
Receivables, prepaids and deposits *(Note 7)*		**148**		37
	$	**1,063**	$	204
LIABILITIES				
Current				
Accounts payable and accrued liabilities *(Note 8)*	**$**	**375**	$	72
Due to related parties *(Note 11)*		**-**		920
		375		992
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share Capital – *Statement 4 - (Note 9)*		**97,121**		95,316
Contributed Surplus – *Statement 4(Note 9)*		**3,336**		3,336
Accumulated other comprehensive loss – *Statement 4*		**118**		105
Deficit - *Statement 4*		**(99,887)**		(99,545)
		688		(788)
	$	**1,063**	$	204

Nature of Operations and Going Concern *(Note 1)*
Commitments and Contingencies *(Note 13)*
Subsequent Events *(Note 14)*

Approved and authorized by the Board of Directors on August 29, 2011

"*Luke Leslie*"	"*Stephen Fabian*"
Luke Leslie	Stephen Fabian
Director	Director

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

Kincora Copper Ltd.

(Formerly Brazilian Diamonds Ltd.)
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Loss

For the three and six-month periods ended June 30,

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

	Three-month period ended June 30, 2011	Three-month period ended June 30, 2010	**Six-month period ended June 30, 2011**	Six-month period ended June 30, 2010
Expenses				
Amortization	**$ -**	$ 12	**$ -**	$ 30
Corporate administrative services	**3**	13	**6**	25
Consultants	**-**	44	**-**	88
Directors and audit committee fees	**6**	-	**18**	-
Exploration costs	**12**	30	**15**	59
Foreign exchange loss (gain)	**29**	62	**31**	33
Bank charges and interest	**1**	2	**2**	2
Insurance	**-**	1	**-**	1
Investor relations	**-**	7	**3**	17
Legal and audit	**102**	46	**141**	73
Office costs	**38**	72	**69**	152
Regulatory	**-**	8	**-**	24
Salaries and management fees	**30**	32	**60**	63
Transfer agent and filing fees	**45**	-	**49**	-
Travel	**7**	1	**14**	2
	273	330	**408**	569
Other Item				
Debt forgiveness	**-**	-	**-**	(79)
Loss on sale of other assets	**-**	102	**-**	102
Loss on sale of investments	**-**	150	**-**	232
Gain on sale of assets	**(35)**	(21)	**(66)**	(35)
Write-down of assets	**-**	42	**-**	42
Write-down of mineral properties	**-**	188	**-**	188
Loss and comprehensive loss for the period	**$ 238**	$ 791	**$ 342**	$ 1,019
Weighted Average Common Shares Outstanding	**$ 0.02**	$ 0.04	**$ 0.03**	$ 0.05
Loss per share – basic and diluted	**15,032**	19,437	**11,996**	19,437

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

Kincora Copper Ltd.

(Formerly Brazilian Diamonds Ltd.)
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows
For the six-month periods ended June 30,
(Figures in tables are expressed in thousands of Canadian dollars)
(Unaudited)

Cash Resources Provided By (Used In)		**2011**		2010
Operating Activities				
Loss for the period:	**$**	**(342)**	$	(1,019)
Items not affected by cash:				
Amortization		**-**		30
Debt forgiveness		**-**		(79)
Loss on sale of investments		**-**		232
Loss on sale of assets		**-**		102
Gain on sale of assets		**-**		(35)
Write-down of assets		**-**		42
Write-down of mineral properties		**-**		188
Foreign exchange loss		**13**		13
Changes in non-cash working capital items:				
Receivables, prepaids and deposits		**(111)**		(268)
Accounts payable and accrued liabilities		**304**		26
Assets held for sale		**-**		173
Due to related parties		**(704)**		171
Due from related parties		**-**		27
Deposits		**-**		(708)
Net cash (used in) provided by operating activities		**(840)**		(1,105)
Financing Activities				
Proceeds from private placement		**1,666**		-
Share issuance costs		**(78)**		-
Net cash used in financing activities		**1,588**		-
Investing Activities				
Proceeds from disposal of property, plant and equipment		**-**		170
Sale of mineral property		**-**		512
Proceeds on sale of investment		**-**		180
Proceeds on sale of other assets		**-**		255
Net cash provided by investing activities		**-**		1,117
Change in cash		**748**		12
Cash - Beginning of period		**167**		89
Cash - End of period	**$**	**915**	$	101

Supplemental cash flow information (Note 12)

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

Kincora Copper Ltd.

Statement 4

(Formerly Brazilian Diamonds Ltd.)
(An Exploration Stage Company)

Condensed Consolidated Interim Statement of Changes in Equity (Deficiency)

For the six-month period ended June 30, 2011

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

	Share capital (Number of Shares)	Share capital (Amount) $	Contributed Surplus $	Deficit $	Accumulated other comprehensive loss $	Total $
December 31, 2009	6,479,045	95,316	3,336	(97,680)	(139)	833
Other comprehensive income	-	-	-	-	163	163
Loss for the period	-	-	-	(1,019)	-	(1,019)
June 30, 2010	6,479,045	95,316	3,336	(98,699)	24	(23)
Other comprehensive income	-	-	-	-	81	81
Loss for the period	-	-	-	(846)	-	(846)
December 31, 2010	6,479,045	95,316	3,336	(99,545)	105	(788)
Shares issued in conjunction with private placement	9,700,000	970	-	-	-	970
Shares issued in conjunction with private placement	6,955,920	696	-	-	-	696
Shares issued for debt settlement	2,415,547	217	-	-	-	217
Share issuance costs	-	(78)	-	-	-	(78)
Other comprehensive income	-	-	-	-	13	13
Loss for the period	-	-	-	(342)	-	(342)
June 30, 2011	**25,550,512**	**97,121**	**3,336**	**(99,887)**	**118**	**(688)**

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

1. Nature of Operations and Going Concern

Kincora Copper Ltd. ("Kincora") was originally incorporated in British Columbia on June 24, 1983. The Company is engaged in the acquisition of and exploration for mineral resources. The properties of the Company are without a known body of commercial ore, the exploration programs undertaken and proposed constitute an exploratory search, and there is no assurance that the Company will be successful in its search. The Company has not earned any revenue to date from its current operations and is therefore considered to be in the exploration stage. The business of exploring for minerals and mining involves a high degree of risk, and few properties that are explored are ultimately developed into producing mines.

During the 2010 fiscal year, the Company disposed of all significant Kincora net assets including Kincora's interests in the Coromandel and Serra da Canastra properties. These transactions resulted in the disposition of all mineral property interests and related assets and signifies Kincora's exit from Brazil.

The head office, registered address, and records office of the Company are located at Suite #910 – 475 Howe Street, Vancouver, British Columbia V6C 2B3. These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to identify a suitable business and continue operations. As at June 30, 2011, the Company has an accumulated a deficit of $99,887,000 and has working capital of $688,000. Subsequent to the six-month period ended June 30, 2011, issued 34,671,660 shares by way of private placement at $0.35 per share for proceeds of $12,135,081. However, there can be no assurance that management's future financing actions will be successful.

If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the balance sheet classifications used. Such adjustments could be material.

2. Basis of Preparation

These unaudited condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 *Condensed Financial Reporting.* The condensed consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these unaudited condensed consolidated interim financial statements resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian Generally Accepted Accounting Principles ("GAAP"). The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated condensed financial statements. They also have been applied in preparing an opening IFRS balance sheet at January 1, 2010 for the purposes of the transition to IFRS, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards (IFRS 1). The impact of the transition from GAAP to IFRS is explained in Note 15. There have been no accounting policy changes during the six-month period ended June 30, 2011 that have affected the initial transition to IRFS.

Initial Accounting Estimates

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The recoverability of receivables that is included in the condensed consolidated interim statements of financial position.
ii) The carrying value and the recoverability of mineral properties, which are included in the condensed consolidated interim statements of financial position.
iii) The inputs used in accounting for stock-based compensation expense included in profit and loss
iv) The valuation of shares issued in non-cash transactions.
v) The valuation allowance applied against deferred tax assets.

3. Significant Accounting Policies

a) Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries: BSG Investments Inc. ("BSGII") and its subsidiaries Parimá Mineraçáo Ltda. ("Parimá") and; Game Creek Company Ltd. ("Game Creek") and its subsidiary, Samsul Mineração Ltda. ("Samsul"). Inter-company balances and transactions are eliminated on consolidation. The Company's corporate office is located in Vancouver, British Columbia, Canada, Parimá and Samsul are located in Brazil. BSGII and Game Creek are British Virgin Island incorporated companies.

3. Significant Accounting Policies - *continued*

b) Mineral properties

The Company expenses mineral property expenditures prior to the determination that a property has economically recoverable ore reserves. Management reviews and evaluates the carrying value of its mineral properties for impairment when events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. If the total estimated future operating cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether carrying value can be recovered by considering alternative methods of determining fair value.

When it is determined that a mineral property is impaired it is written down to its estimated fair value. Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties.

c) Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per common share is recognized from the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the year.

d) Stock-based compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For directors and employees the fair value of options is measured at the date of grant while for non-employees the fair value of options is measured at the earlier of the date at which the counterparty performance is completed, the date the performance commitment is reached or the date of grant if the options are fully vested and non-forfeitable. The fair value of the options at the measurement date is accrued and charged to operations or mineral properties on a straight-line basis over the vesting period, with the offsetting credit to contributed surplus. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

3. Significant Accounting Policies - *continued*

e) Property, plant and equipment

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

Heavy equipment	20%
Vehicles	20 - 40%
Buildings	4%
Plant	10%
Furniture and fixtures	10%
Machine and equipment	10 - 20%
Computers	20%
Computer software	20%
Leasehold improvements	straight-line over the term of the lease

f) Cash and cash equivalents

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

g) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. Significant Accounting Policies - *continued*

h) Provision for environmental rehabilitation

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

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

i) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the income statement.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the income statement.

3. Significant Accounting Policies - *continued*

i) Financial instruments – *continued*

Financial assets- continued

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and cash equivalents as fair value through profit and loss. The Company’s receivables and due from related parties are classified as loans and receivables. The Company’s accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

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

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

The fair values of the Company’s investments and cash and cash equivalents constitutes a level 1 fair value measurement. The fair value of the Company’s receivables, due to and from related parties, and accounts payable and accrued liabilities approximate the carrying value due to their short-term nature.

3. Significant Accounting Policies - *continued*

j) Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates (“IAS 21”).

These statements of financial position have been translated to the Canadian dollar in accordance with IAS 21. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the statements of comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company’s presentation currency is the Canadian dollar (“$”).

k) Investments

The Company’s investments consisted of equity instruments designated as available-for-sale.

New standards yet adopted

In November 2009, the IASB published IFRS 9, “Financial Instruments, “which covers the classification and measurement of financial assets as part of its project to replace IAS 39, “Financial Instruments: Recognition and Measurement.” In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact the Company upon implementation of the issued standard.

4. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue worth-while business opportunities and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company was in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in Note 5.

In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is uncertain as to whether its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations.

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5. Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Interest rate risk

The Company has non-material exposure at June 30, 2011 to interest rate risk through its financial instruments. The Company's exposure to interest rate risk arises from the interest rate impact on the fluctuations in the Brazilian CDB bank rate and Canadian prime rate applicable to amounts due to related parties.

Currency Risk

The Company's operations were located in Brazil where many exploration and administrative expenses are incurred in the local currency, the Brazilian Real. The Company's ability to advance funds to Brazil is subject to changes in the valuation of the Real as well as rules and regulations of the Brazilian government. Fluctuations in the value of the Real may have an adverse effect on the operations and operating costs of the Company.

Credit risk

The Company has some cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations.

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

5. Management of Financial Risk - *continued*

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. Management believes the risk to be minimal.

Liquidity Risk

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at June 30, 2011, the Company had a cash balance of $915,000 (December 31, 2010 - $167,000) to settle current liabilities of $375,000 (December 31, 2010 - $992,000). Further information relating to liquidity risk is disclosed in Note 1. Subsequent to June 30, 2011, the Company issued 34,671,660 shares by way of private placement at $0.35 per share for proceeds of $12,135,081.

Commodity Price Risk

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

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

- Cash and cash equivalents include deposits, which are at variable interest rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by $9,150 annually.
- The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

6. Cash

	June 30, 2011	December 31, 201
Cash in bank	**$ 915**	$ 167

7. Receivables, Prepaid Expenses and Deposits

The Company's receivables and prepaids expenses arise from two main sources; harmonized sales tax ("HST") and prepaid expenses. These are broken down as follows:

		June 30, 2011		December 31, 2010
HST receivable	$	**42**	$	17
OIC Nominees Ltd.		**75**		-
Prepayments and deposits		**31**		20
	$	**148**	$	37

8. Accounts Payables and Accrued Liabilities

The Company's accounts payables and accrued liabilities are broken as follows:

		June 30, 2011		December 31, 2010
Trade payables	$	**357**	$	36
Accrued liabilities		**18**		36
	$	**375**	$	72

9. Share Capital and Contributed Surplus

Authorized share capital: Unlimited Common shares without par value

Stock Options

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

Share issuances:

Pursuant to a resolution passed by shareholders on July 29, 2010, the Company consolidated its capital on a 3 old for 1 new basis. As a result, all references to share, option, warrant and per share data have been adjusted to reflect the share consolidation that was completed during the period ended June 30, 2011.

a) During the six-month period ended June 30, 2011, the Company issued 2,415,547 shares at a price of $0.09 per share to settle outstanding debt in the amount of $217,400.

b) During the six-month period ended June 30, 2011, the Company completed a private placement by issuing 16,655,920 shares at $0.10 per share for total proceeds of $1,665,592. The private placement closed in two tranches, with 9,700,000 shares issued subject to a hold period expiring September 6, 2011 and the balance of 6,955,920 shares being issued subject to a hold period expiring October 17, 2011.

9. Share Capital and Contributed Surplus - *continued*

Stock options:

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

	Number of options	Weighted Average Exercise Price
Balance - December 31, 2009	133,333	$10.11
Expired	(56,666)	8.43
Balance – December 31, 2010	76,667	11.37
Expired	(76,667)	7.79
Balance - June 30, 2011	**-**	**-**

10. Segmented Information

The Company operates in one operating segment being the acquisition of and exploration for mineral properties. The Company's head office is located in Canada.

11. Related Party Transactions

During the six-month period ended June 30, 2011 and 2010, the following related party transactions were in the normal course of operations:

	2011	2010
	$	$
HRG Management Ltd. –director in common		
(note (a))	-	81,000
Deposits made (note (c))	-	122,000
White Label Management Inc. – company with officers in common	**60,000**	-
Hamilton Capital Partners Limited ("HCPL") – former director in common		
Paid or accrued consulting fees and office rent	-	70,000
Advance and interest payable (note (h))	-	57,000
Massif Limited ("Massif") – officer in common		
Paid or accrued management fees - (note (d))	**59,835**	63,000
McMillan LLP– director in common		
Paid or accrued legal fees - (note (e))	**40,051**	4,000
Itapiruba Internacional Ltda. - subsidiary of HCPL		
Related party demand loan and interest payable (note (g))	-	153,000
Hidefield Gold plc ("Hidefield") – former directors in common		
Related party receivable (note h)	-	127,000
Total	**159,886**	677,000

11. Related Party Transactions – *continued*

a) The Company paid a monthly corporate administration fee of $10,000 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, IT consulting and other related services to White Label Management Inc. ("WLM"). WLM is a management company that provides shared office space and staff to certain other public companies on a cost shared basis. The Company shares two officers in common with WLM.

b) During the six-month period ended June 30, 2011, the Company paid or accrued management fees of $59,835 (2010 - $31,000) to Massif Limited ("Massif"), a company associated with an officer and director in common.

c) During the six-month period ended June 30, 2011, the Company paid or accrued professional fees of $40,051 (2010 - $2,000) to a law firm in which a director is a partner.

d) At June 30, 2011, the Company owed $Nil (December 31, 2010 - $44,000) to directors of the Company for directors and audit committee fees, $Nil to Massif (December 31, 2010 - $129,000), $Nil to HCPL (December 31, 2010 - $184,000), $Nil to McMillan LLP (December 31, 2010 - $8,000).

Compensation of key management personnel

		2011		2010
Management fees, directors and audit committee fees	**$**	**80,168**	$	74,643
Share-based payments		**Nil**		Nil
	$	**80,168**	$	74,643

12. Supplemental Disclosure of Cash Flow Information

Supplementary disclosure of cash flow information:		**2011**		2010
Cash paid for interest	**$**	**Nil**	**$**	Nil
Cash paid for income taxes	**$**	**Nil**	**$**	Nil

Non-cash transactions for the six-month period ended June 30, 2011 consisted of the Company issuing 2,415,547 shares at a price of $0.09 per share to settle outstanding debt in the amount of $217,400.

13. Commitments and Contingencies

Commitments

During the six-month period ended June 30, 2011, the Company entered into a new services agreement with White Label Corporate Services Inc. (“WLM”) effective July 1, 2011 and has agreed to pay a monthly corporate administration fee of $15,000 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, executive assistant, IT computer maintenance and other related services. The agreement can be terminated by either party prior to expiration with 60 days written notice. The Company shares two officers in common with WLM.

Contingencies

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

14. Subsequent Events

Subsequent to June 30, 2011:

a) The Company announced the closing of the transactions (the “Transactions”) by way of the share purchase agreement with Origo Partners plc (“Origo”). In connection with the closing of the Transactions the Company has changed its name from Brazilian Diamonds Limited to Kincora Copper Limited. On closing of the Transactions the Company acquired a 75% interest (the “75% Interest”) in Kincora Group Limited, a BVI company that holds the principal asset of which is the Bronze Fox copper/gold project (the “Bronze Fox Project”) in Mongolia. The remaining 25% interest is held by Duchintav Khojgor, a Mongolian businessman. As consideration for the acquisition of the 75% interest the Company issued 49,118,639 shares to Origo, which shares are subject to escrow in accordance with policies of the TSX Venture Exchange.

   The Company also paid US$6,000,000 to Duchintav Khojgor and invested approximately $5,000,000 in Kincora Group Limited, which monies are to be applied to exploration activities on the Bronze Fox Project.

   Ocean Equities Limited (“Ocean”), a UK based brokerage firm, was issued 896,659 share purchase warrants exercisable at $0.35 per share for a term of 3 years as a finder’s fee in connection with the closing of the Transactions.

   Concurrent with the closing of the Transactions the Company also issued 34,671,660 shares by way of private placement (the “Private Placement”) at $0.35 per share for proceeds of $12,135,081. These shares are subject to a hold period expiring November 15, 2011. In connection with the Private Placement the Company paid finders’ fees to Ocean in the amount of $128,100 and issued 1,324,654 shares to Resource Investment Capital Limited, a Mongolian corporate finance advisor.

14. Subsequent Events – *continued*

b) The Company announced that it has retained First Canadian Capital Corp. ("First Canadian) to provide strategic marketing and investor relations services. Under the terms of the agreement, the Company will pay First Canadian CDN$6,000 per month for a twelve month initial term and grant 400,000 stock options to purchase up to 400,000 shares of the Company at an exercise price of CDN$0.50 per share and another at a price of CDN$0.70 per share, exercisable in whole or in part at any time up to and including two years from the date of execution of the agreement, subject to vesting as follows: (i) 100,000 shares at $0.50 shall vest and be exercisable at or after the 6 month anniversary of the execution of the agreement; (ii) 100,000 shares at $0.50 shall vest and be exercisable at or after the 12 month anniversary of the execution of the agreement; (iii) 100,000 shares at $0.70 shall vest and be exercisable at or after the 18 month anniversary of the execution of the agreement; and (iv) 100,000 shares at $0.70 shall vest and be exercisable at or after the 24 month anniversary of the execution of the agreement.

c) The Company announced it has granted to certain of its directors, officers, employees and consultants incentive stock options to purchase up to an aggregate of 3,800,000 common shares exercisable on or before July 28, 2016 at a price of $0.40 per share.

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15. First Time Adoption of IFRS

The accounting policies in Note 3 have been applied in preparing the condensed consolidated interim financial statements for the period ended June 30, 2011 and 2010, the condensed consolidated interim financial statements for the year ended December 31, 2010. There have been no changes in the accounting policies selected from the first quarter ended March 31, 2011.

In preparing the IFRS statement of financial position and the financial statements for the condensed period ended June 30, 2011, the Company has adjusted amounts reported previously in financial statements that were prepared in accordance with GAAP. An explanation of how the transition from GAAP to IFRS has affected the Company’s financial position, financial performance and cash flows is set out in the following tables. The guidance for the first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Company elected to take the following IFRS 1 optional exemptions:

Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share-based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010.

Business Combinations

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after January 1, 2010.

15. First Time Adoption of IFRS – *continued*

Foreign Exchange

Under IFRS 1, the cumulative translation differences for all foreign operations can be deemed to be zero at the date of transition to IFRS and then the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to IFRS but shall include later translation differences. The Company has elected to apply this exemption.

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated January 1, 2010:

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

The reconciliation between the Canadian generally accepted accounting principles ("GAAP") and IFRS equity as at January 1, 2010 (date of transition to IFRS), March 31, 2010 and December 31, 2010 is provided below:

	Note	January 1, 2010	March 31, 2010	December 31, 2010
Shareholders' equity (deficiency) under Canadian GAAP		$ 833	$ 595	$ (788)
Adjustment	(a)	-	-	-
Total IFRS adjustment to equity		-	-	-
Shareholders' equity (deficiency) under IFRS		$ 833	$ 595	$ (788)

The reconciliation between the Canadian GAAP and IFRS total comprehensive loss for the period ended March 31, 2010 and the year ended December 31, 2010 is provided below:

	Note	Three months ended March 31 2010	Year ended December 31 2010
Comprehensive loss under Canadian GAAP		$ (238)	$ (1,760)
Adjustments	(a)	(24)	(105)
Total IFRS adjustment to comprehensive income		-	-
Comprehensive loss under IFRS		$ (252)	$ (1,865)

15. First Time Adoption of IFRS – *continued*

(a) Foreign Exchange

On transition to IFRS, the Company has elected to take the exemption regarding cumulative translation differences, whereby the balance on the Transition Date was allocated to deficit. This result's in no net impact on shareholders' equity (deficiency) or comprehensive loss for the three month period ended March 31, 2010

The reconciliation between the Canadian GAAP and IFRS statement of cash-flow for the period ended March 31, 2010 and the year ended December 31, 2010 is provided below:

	Note	Three months ended March 31 2010	Year ended December 31 2010
Operating activities under Canadian GAAP		$ (74)	$ (799)
Adjustments	(a)	(24)	(105)
Operating activities under IFRS		$ (94)	$ (904)

	Note	Three months ended March 31 2010	Year ended December 31 2010
Effect of foreign exchange rates on cash under Canadian GAAP		$ -	$ -
Adjustments	(a)	24	105
Effect of foreign exchange rates on cash under IFRS		$ 24	$ 105

Kincora Copper Ltd.

(Formerly Brazilian Diamonds Ltd.)

(An Exploration Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011

As at August 29, 2011

Introduction

This Management's Discussion and Analysis (MD&A") of Kincora Copper Ltd. ("Kincora" or "the Company") is dated August 29, 2011. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of Kincora Copper Ltd. and the notes thereto for the six-month period ended June 30, 2011, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 Condensed Financial Reporting. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

All amounts referred to herein are in Canadian dollars unless otherwise specified. Additional information relating to the Company including material change notices, certifications of annual and interim filings, and press releases are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com

Description of Business

Kincora Copper Ltd. (the "Company") is a development stage resource company engaged in the acquisition, exploration and development of mineral projects.

The Company's head office is located in Vancouver British Columbia, Canada. The Company is a reporting issuer in Ontario, British Columbia and Alberta, Canada and its common shares trade on the TSX Venture Exchange under the symbol **KCC**.

Highlights for the Six-Month period ended June 30, 2011

a) Pursuant to a resolution passed by shareholders on July 29, 2010, the Company consolidated its capital on a 3 old for 1 new basis.

b) During the six-month period ended June 30, 2011, the Company issued 2,415,547 at a price of $0.09 per share to settle outstanding debt in the amount of $217,400.

c) During the six-month period ended June 30, 2011, the Company completed a private placement by issuing 16,655,920 shares at $0.10 per share for total proceeds of $1,665,592. The private placement closed in two tranches, with 9,700,000 shares issued subject to a hold period expiring September 6, 2011 and the balance of 6,955,920 shares being issued subject to a hold period expiring October 17, 2011.

Highlights subsequent to the Six-Month period ended June 30, 2011

a) The Company announced the closing of the transactions (the "Transactions") by way of the share purchase agreement with Origo Partners plc ("Origo"). In connection with the closing of the Transactions the Company has changed its name from Brazilian Diamonds Limited to Kincora Copper Limited. On closing of the Transactions the Company acquired a 75% interest (the "75% Interest") in Kincora Group Limited, a BVI company that holds the principal asset of which is the Bronze Fox copper/gold project (the "Bronze Fox Project") in Mongolia. The remaining 25% interest is held by Duchintav Khojgor, a Mongolian businessman. As consideration for the acquisition of the 75% interest the Company issued 49,118,639 shares to Origo, which shares are subject to escrow in accordance with policies of the TSX Venture Exchange.

   The Company also paid US$6,000,000 to Duchintav Khojgor and invested approximately $5,000,000 in Kincora Group Limited, which monies are to be applied to exploration activities on the Bronze Fox Project.

   Ocean Equities Limited ("Ocean"), a UK based brokerage firm, was issued 896,659 share purchase warrants exercisable at $0.35 per share for a term of 3 years as a finder's fee in connection with the closing of the Transactions.

Highlights subsequent to the Six-Month period ended June 30, 2011 - *continued*

Concurrent with the closing of the Transactions the Company also issued 34,671,660 shares by way of private placement (the "Private Placement") at $0.35 per share for proceeds of $12,135,081. These shares are subject to a hold period expiring November 15, 2011. In connection with the Private Placement the Company paid finders' fees to Ocean in the amount of $128,100 and issued 1,324,654 shares to Resource Investment Capital Limited, a Mongolian corporate finance advisor.

The board of the directors of the Company is now comprised of Mr. Stephen Fabian, President and CEO, Mr. David Cowan, a partner with the law firm of McMillan LLP in Vancouver, Mr. Luke Leslie, Head of Mining with Origo, Mr. John Rickus, Senior Geologist with Origo and Mr. Altai Khangai, COO and acting CEO of the Mongolian Stock Exchange.

b) The Company announced that it has retained First Canadian Capital Corp. ("First Canadian) to provide strategic marketing and investor relations services. Under the terms of the agreement, the Company will pay First Canadian CDN$6,000 per month for a twelve month initial term and grant 400,000 stock options to purchase up to 400,000 shares of the Company at an exercise price of CDN$0.50 per share and another at a price of CDN$0.70 per share, exercisable in whole or in part at any time up to and including two years from the date of execution of the agreement, subject to vesting as follows: (i) 100,000 shares at $0.50 shall vest and be exercisable at or after the 6 month anniversary of the execution of the agreement; (ii) 100,000 shares at $0.50 shall vest and be exercisable at or after the 12 month anniversary of the execution of the agreement; (iii) 100,000 shares at $0.70 shall vest and be exercisable at or after the 18 month anniversary of the execution of the agreement; and (iv) 100,000 shares at $0.70 shall vest and be exercisable at or after the 24 month anniversary of the execution of the agreement.

c) The Company announced it has granted to certain of its directors, officers, employees and consultants incentive stock options to purchase up to an aggregate of 3,800,000 common shares exercisable on or before July 28, 2016 at a price of $0.40 per share.

Results of Operations

Three-Month Period Ended June 30, 2011

The Company's loss for the three-month period ended June 30, 2011 (the "Current Period") was $238,000 or $0.02 per share as compared with a loss of $791,000 or $0.04 per share for the three-month period ended June 30, 2010. (the "Comparative Period").

General and administrative expenses were $57,000 lower in the Current Period at $273,000 compared with $330,000 in the Comparative Period. This difference was mainly due to decreases in amortization ($Nil versus $12,000) due to disposal of subsidiary property, plant and equipment, lower exploration costs ($12,000 versus $30,000) due to reduced exploration activity and disposal of the Company's mineral properties, lower office costs ($38,000 versus $72,000) due to an effort to reduce costs and the Company being in a care and maintenance phase, lower regulatory costs ($Nil versus $8,000) due to reduced corporate and financing activity due to the care and maintenance phase, lower corporate administration costs ($3,000 versus $13,000) due to an effort to reduce costs and the Company being on care and maintenance, lower consulting fees ($Nil versus $44,000) due to reduced exploration and corporate activity. The decreases were partially offset by higher legal fees ($102,000 versus $46,000) due to the acquisition of the new Kincora mineral property and the related legal, accounting and securities filings required and higher transfer agent and filing fees ($45,000 versus $Nil) due to the filings related to the acquisition of the Bronze Fox Copper project.

Six-Month Period Ended June 30, 2011

The Company's loss for the six-month period ended June 30, 2011 (the "Current Period") was $342,000 or $0.03 per share as compared with a loss of $1,019,000 or $0.05 per share for the six-month period ended June 30, 2010. (the "Comparative Period").

General and administrative expenses were $161,000 lower in the Current Period at $408,000 compared with $569,000 in the Comparative Period. This difference was mainly due to decreases in amortization ($Nil versus $30,000) due to disposal of subsidiary property, plant and equipment, lower exploration costs ($15,000 versus $59,000) due to reduced exploration activity and disposal of the Company's mineral properties, lower office costs ($69,000 versus $152,000) due to an effort to reduce costs and the Company being in a care and maintenance phase, lower regulatory costs ($Nil versus $24,000) due to reduced corporate and financing activity due to the care and maintenance phase, lower corporate administration costs ($6,000 versus $25,000) due to an effort to reduce costs and the Company being on care and maintenance, lower consulting fees ($Nil versus $88,000) due to reduced exploration and corporate activity and lower investor relations services ($3,000 versus $17,000) due to significantly decreased promotion of the Company while in the care and maintenance phase. The decreases were partially offset by higher legal fees ($141,000 versus $73,000) due to the acquisition of the new mineral property and the related legal, accounting and securities filings required, higher transfer agent and filing fees ($49,000 versus $Nil) due to the filings related to the acquisition of the Bronze Fox Copper project, higher travel costs ($14,000 versus $2,000) due to trips to Mongolia and Beijing in preparation of the share purchase agreement for the copper project acquired, and higher directors and audit committee fees ($18,000 versus $Nil) due to reinstatement of payments to board of directors and audit committee members of the Company.

The Company also had recorded a debt forgiveness of $79,000, loss on sale of other assets of $102,000, loss on sale of investments of $232,000, write-down of assets of $42,000 and a write-down of mineral properties of $188,000 all during the Comparative Period due to the disposal of the Company's Brazilian operations which also contributed to the reduction of net loss during the Current Period versus the Comparative Period.

Summary of Quarterly Results – *000's*

The table below present's selected financial data for the Company's eight most recently completed quarters.

	June 30, 2011*(IFRS)*	March 31, 2011*(IFRS)*	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009	September, 30, 2009
In thousands $								
Financial results								
Net loss for period	238	104	398	343	791	228	515	380
Basic and diluted loss per share	0.02	0.01	0.02	0.02	0.04	0.01	0.03	0.02
Exploration expenditures	-	-	-	24	30	29	76	65
Balance sheet data								
Cash and short term deposits	915	213	167	304	101	29	89	(9)
Resource properties	-	-	-	-	-	700	700	1,492
Total assets	1,063	266	204	776	1,327	1,740	2,718	3,003
Shareholders' equity	688	(906)	(788)	(390)	(47)	595	833	1,363

Liquidity and Capital Resources

As of June 30, 2011 the Company had $915,000 in cash and cash equivalents. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company therefore financings have been the sole source of funds.

At June 30, 2011 the Company had working capital of $688,000. During the six-month period ended June 30, 2011, the Company completed a private placement by issuing 16,655,920 shares at $0.10 per share for total proceeds of $1,665,592. Subsequent to the six-month period ended June 30, 2011, issued 34,671,660 shares by way of private placement at $0.35 per share for proceeds of $12,135,081

Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets such that the company has sufficient liquidity to support its growth strategy.

During the six-month period ended June 30, 2011 the main expenditures include operating expenditures of $840,000. The Company has been on care and maintenance for the past year, so have had very limited transactions. The operations of the Company are anticipated to increase following the subsequent closing of the share purchase agreement acquiring a 75% interest in the Bronze Fox Copper property.

Liquidity Outlook

The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. Capital expenditures are not expected to have any material impact on liquidity.

Management believes that the Company will likely need external financings for the following year in order to fund further exploration. As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required. The outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved which may be beyond its control

Related Party Transactions

During the six-month period ended June 30, 2011 and 2010, the following related party transactions were in the normal course of operations:

	2011 $	2010 $
HRG Management Ltd. –director in common		
(note (a))	**-**	81,000
Deposits made (note (c))	**-**	122,000
White Label Management Inc. – company with officers in common	**60,000**	-
Hamilton Capital Partners Limited ("HCPL") – former director in common		
Paid or accrued consulting fees and office rent	**-**	70,000
Advance and interest payable (note (h))	**-**	57,000
Massif Limited ("Massif") – officer in common		
Paid or accrued management fees - (note (d))	**59,835**	63,000
McMillan LLP– director in common		
Paid or accrued legal fees - (note (e))	**40,051**	4,000
Itapiruba Internacional Ltda. - subsidiary of HCPL		
Related party demand loan and interest payable (note (g))	**-**	153,000
Hidefield Gold plc ("Hidefield") – former directors in common		
Related party receivable (note h)	**-**	127,000
Total	**159,886**	677,000

Related Party Transactions – ***continued***

a) The Company paid a monthly corporate administration fee of $10,000 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, IT consulting and other related services to White Label Management Inc. ("WLM"). WLM is a management company that provides shared office space and staff to certain other public companies on a cost shared basis. The Company shares two officers in common with WLM.

b) During the six-month period ended June 30, 2011, the Company paid or accrued management fees of $59,835 (2010 - $31,000) to Massif Limited ("Massif"), a company associated with an officer and director in common.

c) During the six-month period ended June 30, 2011, the Company paid or accrued professional fees of $40,051 (2010 - $2,000) to a law firm in which a director is a partner.

d) At June 30, 2011, the Company owed $Nil (December 31, 2010 - $44,000) to directors of the Company for directors and audit committee fees, $Nil to Massif (December 31, 2010 - $129,000), $Nil to HCPL (December 31, 2010 - $184,000), $Nil to McMillan LLP (December 31, 2010 - $8,000).

Compensation of key management personnel

		2011		2010
Management fees, directors and audit committee fees	**$**	**80,168**	$	74,643
Share-based payments		**Nil**		Nil
	$	**80,168**	$	74,643

These transactions were in the normal course of operations and are measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

Share Capital Information

The table below presents the Company's common share data as of August 29, 2011.

	Price	Expiry date	Number of common shares
Common shares, issued and outstanding			
Securities convertible into common shares			110,665,466
Stock options	$0.40	July 27, 2013	400,000
	$0.40	July 28, 2016	3,800,000
			114,865,456

Commitments and Contingencies

Commitments

During the six-month period ended June 30, 2011, the Company entered into a services agreement with White Label Corporate Services Inc. ("WLM") effective July 1, 2011 and has agreed to pay a monthly corporate administration fee of $15,000 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, executive assistant, IT computer maintenance and other related services. The agreement can be terminated by either party prior to expiration with 60 days written notice. The Company shares two officers in common with WLM.

Contingencies

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

Going Concern

During the 2010 fiscal year, the Company disposed of all significant Kincora net assets including Kincora's interests in the Coromandel and Serra da Canastra properties. These transactions resulted in the disposition of all mineral property interests and related assets and signifies Kincora's exit from Brazil.

The head office, registered address, and records office of the Company are located at Suite #910 – 475 Howe Street, Vancouver, British Columbia V6C 2B3. These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to identify a suitable business and continue operations. As at June 30, 2011, the Company has an accumulated a deficit of $99,887,000 and has working capital of $688,000. Subsequent to the six-month period ended June 30, 2011, issued 34,671,660 shares by way of private placement at $0.35 per share for proceeds of $12,135,081. However, there can be no assurance that management's future financing actions will be successful.

If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the balance sheet classifications used. Such adjustments could be material.

Capital Management

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

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

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

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

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

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Changes in Accounting Policies including Initial Adoption of IFRS

The Company adopted IFRS in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"). The first date at which IFRS was applied was January 1, 2010 ("Transition Date"). IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. There have been no changes in accounting policies for the six-month period ended June 30, 2011 that have affected the transition to IFRS.

IFRS 1 requires that the same policies are applied for all periods presented in the first IFRS financial statements and that those policies comply with IFRSs in effect as at the end of the first IFRS annual reporting period. Accordingly, the opening IFRS statement of financial position, 2010 comparatives and current period financial statements have been prepared using the same policies. The previously presented 2010 GAAP financial information has been reconciled to the IFRS information as part of the transition note in accordance with the requirements of IFRS1. Further, the policies applied have been done so on a full retrospective bases unless alternative treatment is permitted or required by an IFRS 1 election or exception.

Elections upon first time adoption of IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS has not changed the Company's actual cash flows, or resulted in any changes to the Company's reported financial position and results of operations.

The following IFRS 1 mandatory exceptions and optional exemptions apply to Kincora.

Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share-based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010.

Business Combinations

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after January 1, 2010.

Foreign Exchange

Under IFRS 1, the cumulative translation differences for all foreign operations can be deemed to be zero at the date of transition to IFRS and then the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to IFRS but shall include later translation differences. The Company has elected to apply this exemption.

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated January 1, 2010:

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

Changes in Accounting Policies including Initial Adoption of IFRS - *continued*

Share Based Payments

Canadian GAAP

- The fair value of share based payments with graded vesting are calculated as one grant and the resulting fair value is recognized on an accelerated or straight line basis over the vesting period.
- Forfeitures of awards are recognized as they occur.

IFRS

- Each tranche of a grant with different vesting dates is considered a separate grant for the calculation of fair value and the resulting fair value is amortized over the vesting period of the respective tranches.
- Forfeiture estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods.

Exploration and Evaluation Assets

Under the Company's current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon are capitalized. Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation (E&E) assets which are the exploration expenses incurred subsequent to obtaining the right to explore the resource property

The comments on the Extractive Industries Discussion Paper published April 2010 indicate that the consensus is to capitalize E&E assets. Based on this, management has decided to continue with its current accounting policy of capitalizing all E&E expenditures. The Company currently has no amounts capitalized to E&E and as a result, there will be no impact on the Company's financial statements upon the adoption of IFRS.

E&E assets will be classified as intangible assets rather than tangible assets. This has been chosen as expenditures reflect an increased knowledge of the property rather than a tangible asset. There are no IFRS 1 exemptions for this category.

Property, Plant and Equipment

Under IFRS, Property, Plant and Equipment ("PP&E") can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis and revaluation is prohibited. The Company has elected to use the cost model. Currently, the Company only no amounts capitalized as property, plant and equipment and as a result, there will be no impact on the Company's financial statements upon the adoption of IFRS.

Asset Impairment

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

Currently the Company has no significant assets for which impairment testing is required and there will be no impairment charge on transition to IFRS.

Changes in Accounting Policies including Initial Adoption of IFRS - *continued*

Income Taxes

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings. There will be no impact on the financial statements upon implementation of IAS 12, Income Taxes.

Information System, Internal Controls and Reporting Procedures

Based on management's assessment of the information system currently used by the Company, all information required to be reported under IFRS is expected to be available with minimal system changes. In addition, based upon the Company's current operations, it is management's opinion that the adoption of IFRS is not expected to have a significant impact on internal controls and reporting procedures. The Company currently does not have any debt covenants, capital requirements, compensation arrangements, or material contracts that impact its current business activities that would affect the conversion to IFRS.

Financial Statement Presentation and Disclosure

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosure requirements. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references.

New Standards Not Yet Adopted

In November 2009, the IASB published IFRS 9, "Financial Instruments, "which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact the Company upon implementation of the issued standard.

Financial and Other Instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Financial and Other Instruments – *continued*

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the income statement.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the income statement.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and cash equivalents as fair value through profit and loss. The Company’s receivables and due from related parties are classified as loans and receivables. The Company’s accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

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

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

The fair values of the Company’s investments and cash and cash equivalents constitutes a level 1 fair value measurement. The fair value of the Company’s receivables, due to and from related parties, and accounts payable and accrued liabilities approximate the carrying value due to their short-term nature.

Financial and Other Instruments – *continued*

Interest rate risk

The Company has non-material exposure at June 30, 2011 to interest rate risk through its financial instruments. The Company's exposure to interest rate risk arises from the interest rate impact on the fluctuations in the Brazilian CDB bank rate and Canadian prime rate applicable to amounts due to related parties.

Currency Risk

The Company's functional currency is the Canadian dollar. The Company's operations, however, are located in Brazil where many exploration and administrative expenses are incurred in the local currency, the Brazilian Real. The Company's ability to advance funds to Brazil is subject to changes in the valuation of the Real as well as rules and regulations of the Brazilian government. Fluctuations in the value of the Real may have an adverse effect on the operations and operating costs of the Company.

Credit risk

The Company has some cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations.

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

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. Management believes the risk to be minimal.

Liquidity Risk

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at June 30, 2011, the Company had a cash balance of $915,000 (December 31, 2010 - $167,000) to settle current liabilities of $375,000 (December 31, 2010 - $992,000). Further information relating to liquidity risk is disclosed in Note 1. Subsequent to June 30, 2011, the Company issued 34,671,660 shares by way of private placement at $0.35 per share for proceeds of $12,135,081

Commodity Price Risk

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

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

- Cash and cash equivalents include deposits, which are at variable interest rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by $9,150 annually.

- The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

Critical Accounting Estimates

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

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs consistent with Canadian GAAP and applicable guidelines for exploration stage companies.

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

Risks and Uncertainties

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities or joint ventures, 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 favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site. Resource acquisition, exploration, development, and operation is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

Risks and Uncertainties – *continued*

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity. The market price of precious metals and other minerals is volatile and cannot be controlled.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company. The Company's directors and officers serve as directors or officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Kincora's general and administrative expenses and mineral property costs is provided in the Company's Condensed Statement of Loss contained in its Condensed Financial Statements for the six-month period ended June 30, 2011. These statements are available on Kincora's website at www.kincoracopper.com or on its SEDAR Page Site accessed through www.sedar.com.

Dividends

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

Management's Responsibility for Financial Statements

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

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

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

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

Nature of the Securities

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

Proposed Transactions

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

Approval

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

Additional Information

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

Forward Looking Information

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