



Kincora Copper Limited
(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

Expressed in Canadian Dollars

**FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2023**

As at AUGUST 14, 2023

Introduction

The following Management's Discussion and Analysis ("MD&A") of the Company has been prepared as of August 14, 2023, and reported in Canadian dollars. This MD&A should be read in conjunction with the interim condensed consolidated financial statements of Kincora Copper Limited and the notes thereto for the six-month period ended June 30, 2023, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

Additional information relating to the Company, including most recent financial reports, are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com, on the Australian Securities Exchange ("ASX") announcements platform under the Company's code 'KCC' and on the Company's website at www.kincoracopper.com.

Business Overview

Kincora Copper Limited (the "Company" or "Kincora") is an active explorer and project generator focused on world-class copper-gold discoveries. The Company is the leading listed pure play explorer in one of the most significant gold rich porphyry regions in the world, the Macquarie Arc within the Lachlan Fold Belt ("LFB"), located in the Central West of New South Wales ("NSW") in Australia. This region has multiple world-class mining operations, an established exploration and mining culture, excellent existing infrastructure, a supportive government environment and multiple recent private sector exploration, development and mining successes.

The Company has assembled an industry leading technical team who have made multiple world-class copper and gold discoveries, who have "skin in the game" equity ownership, who are backed by a strong institutional shareholder base and dual listed on the Australian Securities Exchange ("ASX") in March 2021.

Kincora's portfolio includes district scale landholdings and scale-able drill ready targets in both Australia and Mongolia's leading porphyry belts, the Macquarie Arc and Southern Gobi respectively. The Company is currently seeking third party investors, having commenced an externally lead strategic review process in June 2023, to advance the Mongolian portfolio of assets to assist streamline our core focus of advancing a portfolio of highly prospective projects in Australia. The Company has a success based exploration alliance with an artificial intelligence explorer who is responsible for generating, funding and drill testing targets at a further NSW based project of Kincora's (the Cundumbul project). Subsequent to period end, Kincora announced an acquisition agreement to increase its effective ownership of the NSW project portfolio, which will result in a 100% interest in all projects.

Our exploration model applies a robust systematic approach utilizing modern exploration techniques supporting high-impact, value add programs underpinned by targets with strong indications for world-class scale potential.

Over 30,000 metres have been drilled since Kincora's entry into NSW and initial on the ground activities commencing in 2Q'20. Two corporate transactions (and a further one pending) and a total of four direct applications for new licenses have been successful.

During the period a maiden drilling program has been completed at the Condobolin and Nevertire projects, having completed a further 5 diamond drill holes at the Trundle project in the first quarter of 2023. All holes of the current Trundle program have confirmed an extensive multiple system gold-copper complex across a 3.2km

strike, up to 900m wide and a vertical depth of greater than 800m (all open).

The Company has also been successfully awarded five separate project grants from the NSW Governments' New Frontiers Exploration program and gained a total of A\$609,5000 in co-operative funding drilling grant awards (A\$200,000 claimed to date and a further A\$121,512 due at period end). The grants follow a competitive expert panel review process, monies are non-dilutionary and on a matched one-to-one basis.

In 2H'2022, Kincora announced a large Maiden Mineral Resource and updated Exploration Target reported under the JORC Code¹ for the Bronze Fox project, the flagship of the Mongolian project portfolio, and situated on an existing mining license. The Bronze Fox project consists of one of the largest copper-gold systems in Mongolia, with only modest drilling having been completed, and the maiden resource hosted within a small portion of one of three large and underexplored intrusive complexes identified to date.

The Company remains committed to extracting appropriate value from the Mongolian assets, with favourable initial interest and formal expressions of interest from the recently commenced externally lead strategic review process, while we continue to focus our efforts towards active and systematic exploration activities in NSW.

On March 26th, 2021, the Company was admitted to the official list of the ASX with quotation of the Company's Chess Depositary Interests ("CDI's") representing fully paid ordinary shares at a ratio of 1:1. The listing commenced on March 30th, 2021 following the Company having raised \$9,620,000 (A\$10,000,000) pursuant to the offer under prospectus. On December 13, 2022, the Company announced a two tranche non-brokered private placement to raise A\$2,400,000 via the issuance of CDI's.

Kincora has corporate offices in Vancouver and Melbourne, and operating offices in Ulaanbaatar (Mongolia) and Trundle (NSW).

The Company is a reporting issuer in Ontario, British Columbia and Alberta, Canada, with its common shares trading on the TSX Venture Exchange and CDIs trading on the ASX under the symbol **KCC**. As at August 7th, 2023, the Company has 46.2 million shares on the TSX Venture Exchange and 149 million CDIs on the ASX.

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

¹ The maiden Mineral Resource and Exploration Target have been prepared by independent consultant DG & JG Larsen Consulting Pty Ltd and are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (JORC Code), and is not based on Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions. As a result, the estimate is not recognized under National Instrument 43-101 of the Canadian Securities Administrators (NI 43-101). For further details please refer to the July 27, 2022 press releases on the ASX and SEDAR.

The Mineral Resource and Exploration Target were commissioned and paid for by Resilience Mining Mongolia Limited, meeting a condition precedent from the June 30th 2021 Joint Venture and Acquisition Agreement, and subsequent extension agreements, which has been subsequently terminated by Kincora. Kincora currently retains a 100% interest in the Mongolian asset portfolio.

Operational and Corporate Highlights

Highlights for the six-month periods ended June 30, 2023 include:

- **Extensive multiple system porphyry complex confirmed at Trundle Project:** *All five diamond holes of the 2023 Trundle project program have confirmed an extensive multiple system gold-copper complex. Four adjacent mineralised system targets have been drilled with shallow higher grade and board gold-copper mineralised zones returned.*

A 3.2km gold-copper mineralised strike remains open to the north and south, confirmed up to 900m wide (open) and a vertical depth of greater than 800m.

A maiden Kincora drilling program was completed in the second quarter at the Condobolin and Nevertire projects. Drilling at the Condobolin project tested new geological concepts at existing high grade and shallow gold-base metal targets at the Meritilga, Phoenix and Tilga prospects, with follow up drilling planned with assay results pending. Assay results and interpretation are pending for the completed hole at Nevertire, which was completed with co-operative funding grant support from the NSW.

- **Field Work at Cundumbul Project:** *The Company's artificial intelligence and machine learning exploration alliance partner Earth AI Pty. Ltd. commenced reconnaissance fieldwork at the Cundumbul project. The initial reconnaissance work program outlined a large anomalous copper zone, and assisted, confirm and refined target assessment. Further field-work is anticipated shortly ahead of a planned drilling program utilizing Earth AI's in-house diamond drill rig that is based in Young, NSW.*
- **New largest shareholder and board changes:** *Following shareholder approvals for tranche two of the December 2022 capital raising, The Bloomfield Group resulted as Kincora's largest shareholder. Luke Murray, Chief Operating Officer of The Bloomfield Group, joined the Company's board as a non-executive director and brings senior executive experience in open cut mining, processing, logistics and permitting in New South Wales to the Kincora team. Concurrently, Lewis Marks stepped down as a non-executive director, but remains as an advisor to the Company.*
- **Appeal to the Mongolian Supreme Court:** *Following conflicting lower court rulings Kincora's appeal to the Supreme Court was accepted and in May a Supreme Court hearing occurred for the ongoing three year tax dispute, relating to a prior tax ruling and payment in 2016 that was relied upon to close a merger transaction, returned to the First Instance Administrative Court.*
- **External strategic review process for Mongolian portfolio:** *In June 2023, Kincora advised that following the receipt of several unsolicited enquiries that the Company had commencement an externally lead strategic review process for the Mongolian asset and license portfolio with the view of maximising shareholder value and streamlining focus toward the core NSW project portfolio. This review process will consider a range of potential partnering, funding and other asset initiatives with a number of expressions of interested received to date.*

Subsequent Events:

- **Asset level restructure and capital raising:** *On July 27, the Company announced a conditional agreement with RareX Limited ("RareX") to acquire its carried 35% asset level interests in the Trundle, Fairholme, Jemalong, Cundumbul and Condobolin licenses to secure a 100% ownership. In consideration, the Company will issue 40m Chess Depositary Interests ("CDIs"), at a deemed price of C\$0.05 per CDI, and grant 1% NSR for the vended licenses to RareX (the "RareX Transaction").*

The RareX Transaction is subject to:

- (a) shareholder approval proposed to be obtained at an Annual General and Special Meeting ("AGM") to be convened on September 26th;*
- (b) completion of the placement (described below) for an aggregate subscription amount of not less than 30 million CDIs (\$1.5m); and,*
- (c) the parties obtaining approvals required under the Mining Act 1992 (NSW).*

As part of the acquisition, the Company has completed an oversubscribed private placement to raise A\$2 million via the issuance of 40.6 million new CDIs at A\$0.05 per share (C\$0.045). This placement was closed on August 8, and includes a one (1) for two (2) free-attaching option exercisable at A\$0.075 (C\$0.065) and expiring 24-months from the issue.

The proceeds from the placement will be used to continue ongoing drilling efforts across the NSW project portfolio, support corporate development initiatives and for general working capital purposes.

Concurrent with the RareX Transaction, Mr. Jeremy Robinson has been invited to join Kincora's Board as a Non-Executive Director and member of the Company's Remuneration Committee.

President and chief executive officer Sam Spring, and chair Cameron McRae commented:

"These transactions significantly increase the strategic value of, and funding options for, our NSW project portfolio and strengthen Kincora's balance sheet.

Kincora will hold 100% ownership in 8 projects, covering 2,367km² in highly prospective settings within world-class gold-copper mineral belts in a Tier-1 jurisdiction.

Coupled with the oversubscribed A\$2m raising, the Company is in a strong position to both extend high priority drilling and accelerate ongoing asset level partner discussions at a time where we are seeing very significant corporate activity in our district.

We are very pleased to welcome experienced resource director and executive Jeremy Robinson to Kincora's board and a number of new professional investors to the register."

Macquarie Arc, Australia portfolio

The latest phase of drilling in NSW commenced in mid January 2013. The designed program is the result of detailed project reviews and Technical Committee workshops to rank and prioritise resulting targets across the project portfolio.

Trundle Project

The Trundle project is located in the Junee-Narromine volcanic belt of the Macquarie Arc, and between the Northparkes mine, Australia's second largest porphyry mine, and the Sunrise Energy Metals' large, low cost, long life Sunrise development stage, battery materials complex which is in immediate proximity to Platina's scandium project (latter subject to cash acquisition by Rio Tinto in 2023).

During the June 2023 period, two neighbouring explorers also undertook drilling at the western and southern extensions of the Trundle project. FMG completed drilling immediately adjacent to the south, testing the potential southern extension and associated magnetic anomalies of the 3.2km mineralised and magnetic corridor Kincora drilled during the period testing at the Dunn's-NE Gold Zone-Botfield prospects. Rimfire Pacific Mining completed a two rig program on the neighbouring western license, one drilling its Valley target adjacent to the northern section of the Trundle project, testing the western undercover extension of Kincora's Mordialloc target.

Historically small base metal and gold occurrences were mined at the Trundle project with a combination of open cut and underground workings. Numerous groups have carried out mineral exploration over the last 40 years (the last being Robert Friedland's High Powered Exploration, a predecessor company to Ivanhoe Electric Inc (NYSE American: IE; TSX: IE), until the last commodity cycle downturn) focusing on porphyry copper-gold mineralisation associated with shoshonitic Ordovician igneous rocks like those at Goonumbla (Northparkes) and Cadia.

A total of 61,146m for 2208 holes of prior explorer drilling, mainly air-core, has taken place with over 90% of holes within 50m from surface. Extensive near surface mineralisation has been defined along a 10km north-

south strike length with coincident (and largely untested) magnetic anomalies. Prior to Kincora only 11 holes have previously been drilled to depths greater than 250m.

Kincora has recognized that despite various positive indicators supporting deeper drilling that there had been a lack of drilling to intersect porphyry systems at depths similar to those at Cadia (>90Moz AuEq, host to five main porphyry and two skarn deposits) and Northparkes (>24Moz AuEq, host to 22 porphyry discoveries, 9 of which have positive economics).

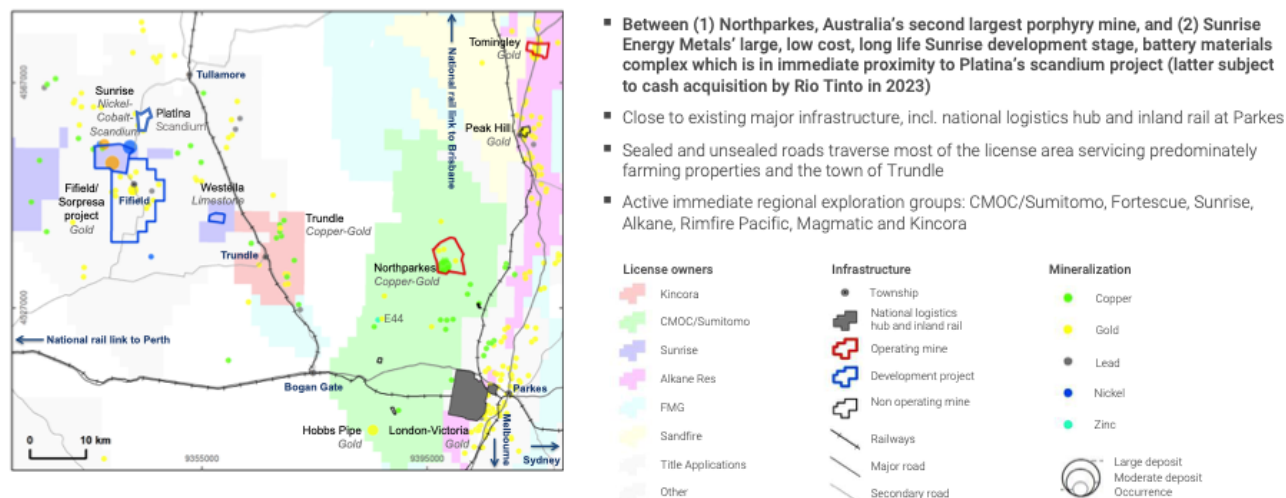


Figure 1: The Trundle project is centered between potentially two long life mining projects, including Australia's second largest porphyry mine (+ Rio Tinto's recent acquisition of Platina's scandium project)

The central west of NSW is an agricultural, mining, infrastructure and rail hub

Subsequently, Kincora's approach has been to develop a detailed 3D model to advance and refine geological interpretations, to identify mineralised trends, then rank and test targets. A key advancement has been the development of this 3D working model, based upon the observed and ongoing geological logging, and also incorporating the structural, alteration, geochemical and mineralogical results. This significantly improved geological understanding and has both guided and justified deeper drilling.

Before the recently completed phase of drilling, Kincora had completed 34 diamond holes for 23,513m with a focus in the southern portion of the license at the Trundle Park prospect with 25 holes and 16,224m (up to 1,032m depth). To date, Kincora has discovered two new porphyry intrusion areas (the Eastern and Central Zones) with associated skarn horizons, and more recently a down faulted extension to the wider system to the south - the "Southern Extension Zone" ("SEZ").

The skarn system at the Trundle Park prospect is believed to be the largest mineralised skarn system in NSW, with the size of the skarn system providing significant encouragement for the size and metal tenor of the causative porphyry source.

In 2022, Kincora announced the highest primary mineralisation to date at the Trundle project in hole TRDD032 which returned: 34m @ 1.45 g/t Au, 0.25% Cu in skarn, including an interpreted porphyry vein that drove 2m at 19.9 g/t Au, 2.43% Cu, within a broad interval of 104m @ 0.59g/t Au and 0.11% Cu. While the interpreted porphyry vein in hole TRDD032 was only millimeters width, it was very high grade, within a 40cm semi-massive interval that drove the 19.9g/t Au and 2.43% Cu over a 2 metre sample. The newly identified and interpreted first direct porphyry vein in the SEZ provides strong evidence for potential ore grade porphyry vein mineralisation.

Prograde and retrograde skarn alteration and mineralisation have been returned in all four holes to date within the SEZ (holes TRDD029-32), with no causative porphyry intrusive source yet confirmed. Ore grade gold-copper in skarn has been intersected within the SEZ over a 330m SSE strike and 225m W-E wide system, which is open. The intersected tabular, bedded, mineralised skarn system across multiple horizons (with greater than 120m cumulative skarn widths in three of the four holes in the SEZ) has assisted to provide various geological vectors for follow up drilling.

In 2H'22, Kincora concluded extensive internal and external technical reviews of all datasets across the Trundle project and undertook an extensive relogging exercise for the Trundle Park prospect. This review has resulted in the designed 2023 program.

Post the review, Kincora sought and was awarded funding supported, via the NSW Government's New Frontiers Exploration Program, for the first direct follow up hole to the high-grade zone in hole TRDD032 in the SEZ. The designed hole will be the most southern diamond hole at the Trundle project and seeking to test the interpreted causative intrusive porphyry source to the SEZ at two alternative settings and targets, one nearer surface below previous bornite veins hosted within volcanics, and the other, the down dip of the aforementioned very high grade porphyry vein, within an interpreted structural corridor.

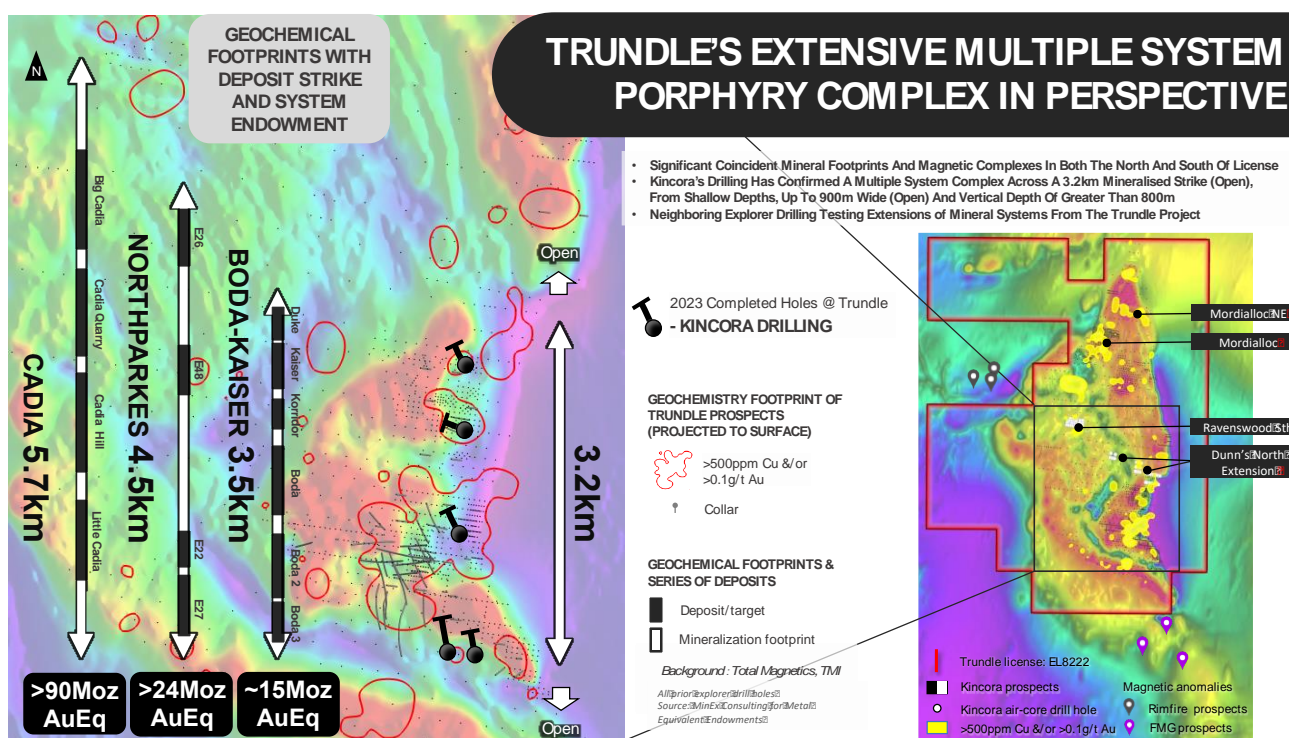


Figure 2: Kincora 2023 drilling at Trundle has confirmed an extensive multiple system gold-copper complex

A 3.2km gold-copper mineralised strike remains open to the north and south, confirmed up to 900m wide (open) and a vertical depth of greater than 800m

Kincora's last phase of drilling at the Trundle project commenced in January and has drilled 5 diamond holes for 1,972m testing four adjacent mineral systems. All holes have intersected zones of gold-copper mineralisation at shallow depths with broader lower grade intervals and localised higher grades.

Assay results returned, and detailed geological logging of all holes, are suggestive of an interpreted proximal setting to the targeted porphyry intrusions. The observed alteration and mineralisation at each prospect drilled during this program are interpreted to be analogous to a proximal setting in comparison to the deposits at

Northparkes and Cadia mines. This setting, coupled with the coincident magnetic response, across a long strike, and open both to the north and south, supports the Company's concept that the southern portion of the Trundle project has the potential for a series or cluster of high-grade and gold endowed porphyry copper and skarn deposits.

For further details on Kincora's initial results at the Trundle project please refer to the March 21st, 2023 *"Drilling at Trundle intersects shallow mineralisation"* and May 10th, 2023 *"Extensive multiple system porphyry complex confirmed at Trundle"* press releases.

Further details on the Trundle project, and neighbouring Northparkes mine, are available at: <https://kincoracopper.com/the-trundle-project>

Condobolin

The Condobolin Base Metal District (CBMD) is a historical mining province that saw production from approximately 25 small, high-grade pits between the late 1800s and early 1900s, and is located in the southern extension of the Cobar Superbasin. The project is located 40km south from the mill at the Mineral Hill precious and base metals restart operation, and north of the Condobolin town.

The CBMD has lacked systematic modern exploration with historical mining operations largely ceasing due to water (70-90 metre depth). Similar mineral districts within the Cobar Superbasin have hosted recent significant discoveries.

Having undertaken detailed reviews, Kincora designed a drilling program seeking to test new geological concepts and structural controls of the identified high-grade mineralisation.

The Company has consolidated the near surface potential associated with the CBMD, total project size 207.4km² across two adjacent licenses. Kincora's proposed maiden drill program seeks to test for higher-grade precious and base metals potential at shallow open-pit depths (<300m) at three separate target areas within a 2km radius. If successful, the program would support Kincora's new geological concepts and warrant further drilling to test the potential for a hub and spoke development scenario. Assay results from three completed holes are pending.

The prospects to be drilled include:

- Meritilga: strong rock chip and RC drilling gold-base metal anomalies (including 4m @ 20 g/t gold, 30.1 g/t silver and 0.26% copper (from 75m down hole), and, 5m @ 7.89 g/t gold, 22.28 g/t silver (from 99m) within a broader interval of 15m @ 2.76 g/t gold, 8.78 g/t silver (from 90m down hole) with geological, geochemical and alteration vectors for Cobar style mineralisation that remain to be tested for structural controls for high grade zone(s) previously untested by diamond drilling.
- Phoenix: coincident gold-base metal soil anomaly at the surface with historical mining at head grades of up to 6 g/t gold, 5% copper, 10% lead to 70m depth and 10m wide. Limited subsequent drilling undertaken at an interpreted unfavourable orientation.
- Tilga: coincident 1500 x 300m gold-silver-arsenic-tin soil geochemical anomaly, the most attractive multi-element soil anomaly at the Condobolin project, with a favourable structural setting but not previously drill tested.

For further details please refer to the May 10th, 2023 *"Extensive multiple system porphyry complex confirmed at Trundle"* press release.

Cundumbul Project

The Cundumbul project is located in the central Molong volcanic belt of the Macquarie Arc, approximately 30km south of Alkane's Boda-Kaiser porphyry project (maiden Boda resource >10Moz AuEq and maiden Kaiser resource 4.8Moz AuEq), 25km north of Copper Hill (>3Moz AuEq resource) and 70km north of Cadia (>90Moz AuEq endowment).

Field based exploration efforts at the Cundumbul project were last lead by Mitsubishi Materials Corporation during an earn-in period (concluded 2015). Mineralised monzonitic intrusions have been identified at both the Bells and Andrews prospects, in the north and south respectively of the Cundumbul project, located over 10km apart.

More recent exploration by Sultan Resources at multiple common prospect mineral systems adjacent to the projects license boundary have returned extensive hydrothermal alteration, anomalous copper and gold, and further confirmed porphyry potential.

On October 6th, 2022, Kincora announced a success-based exploration alliance agreement with Earth AI Pty Ltd ("Earth AI") to generate and drill test artificial intelligence and machine-based learning targets at the Cundumbul project. The agreement supports a co-funding and royalty model with Earth AI to spend up to A\$4.5m generating and drill testing targets and to earn a royalty only upon a new drilling discovery (qualify intersection). The agreement does not affect the capital structure of the Company or ownership in the project.

In May 2023, after a thorough geological research and Artificial Intelligence (AI) targeting phase, ground truthing field work commenced by Earth AI to confirm and refine drill hole targeting hypotheses at the Cundumbul project ahead of near term drilling. This initial reconnaissance work program outlined a large anomalous copper zone, and assisted, confirm and refined target assessment. Further field-work is anticipated shortly ahead of a planned drilling program utilizing Earth AI's in-house diamond drill rig that is based in Young, NSW.

For further details please refer to the October 6th, 2022 *"Alliance with Artificial Intelligence Explorer for Cundumbul project"* and May 2nd, 2023 *"Earth AI Commences Field Work at Cundumbul project"* press releases for further details.

Fairholme Project

The Fairholme project is located in the southern sector of the Junee-Narromine Belt of the Macquarie Arc in the Cowal block with license contiguous to Evolution Mining's flagship Cowal project.

The Cowal mine hosts a cluster of epithermal, quartz-carbonate-base metal-gold mineralization deposits across a 7.5 x 2km north-south oriented "gold corridor", located on the western edge of Lake Cowal.

Modern exploration in the Cowal region commenced following the discovery of porphyry mineralization in Goonumbla district (Northparkes), seeking to test a similar geophysical profile under generally shallow post mineral cover, with the large low grade E39 porphyry discovery and then Newcrest's discovery of the Marsden porphyry deposit (>0.5Mt copper and >1Moz gold). Newcrest undertook the majority of drilling at Fairholme, total prior explorer drilling 62,768m for 641 holes, between 1990-2005.

The last exploration prior to Kincora's involvement at Fairholme was by Kaizen Discovery earning into the project (an Ivanhoe Electric group company, chairman Robert Friedland). Despite Kaizen recognizing the potential for Cowal style gold deposits its focus was the copper porphyry potential and undertook exploration to moderate-deep depths (including Typhoon™ Induced Polarization survey, magnetics and drilling). Kaizen left the project at the start of the last commodity cycle downturn (March 2016).

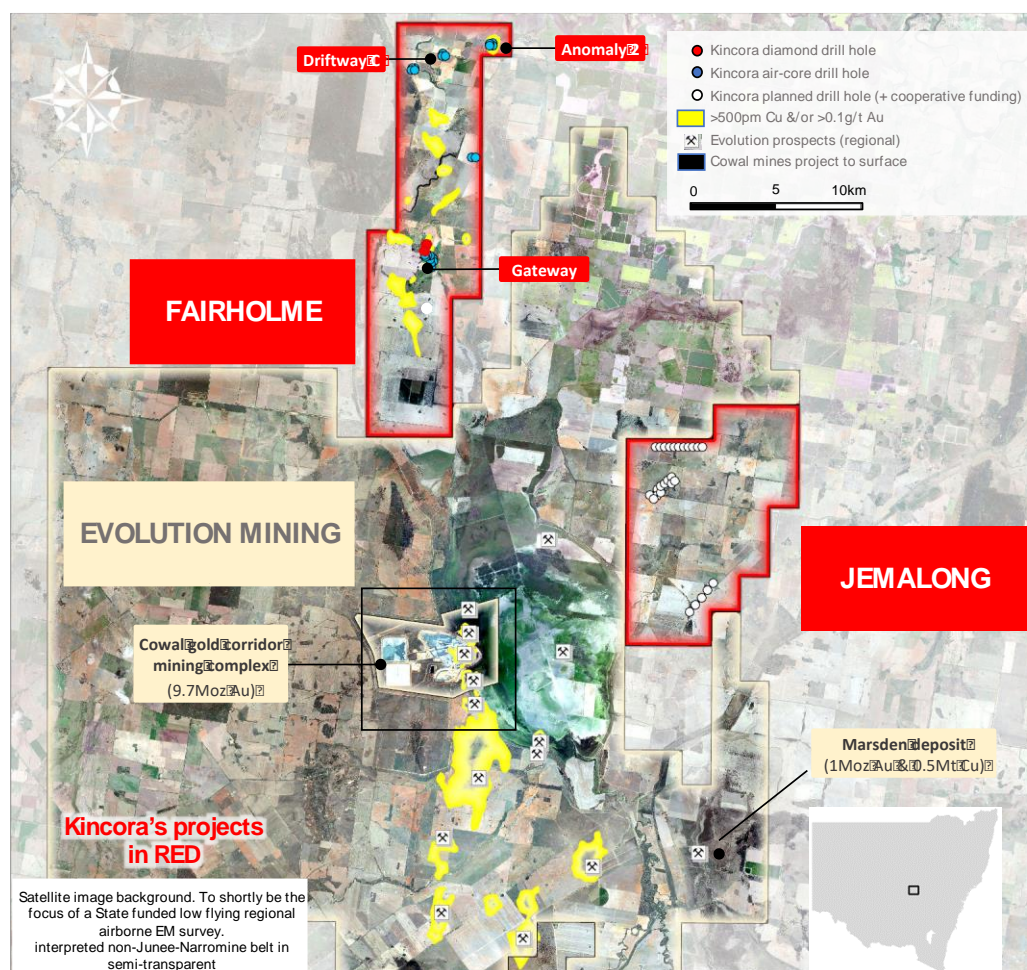


Figure 4: Fairholme – On mineralised trend and adjacent to the Cowal “gold corridor” and mine

The wider Cowal project hosts a 14Moz gold and 0.5Mt copper endowment

In 2015, Evolution Mining acquired the Cowal mine from Barrick and has since grown gold inventory from 3.4Moz to 9.7Moz (net of 1.7Moz mine depletion), with a target total endowment of 15Moz Au (noting total historical production of 4Moz gold).

Previous explorers have largely underestimated the scale potential of the gold corridor at Cowal, and no drilling has taken place at Fairholme since Evolutions rapid resource growth with the regions higher level gold endowment now far outshining the deeper copper porphyry potential (the latter generally the focus of previous explorers).

The Fairholme project is host to a number of advanced to early-stage exploration prospects across a 16km north-south mineralised strike, with relatively limited effective previous drilling having identified multiple and large intrusive related mineralised systems. Kincora’s strategy is not restricted to focusing on copper porphyry targets, and seeks to benefit from the various exploration techniques and successes achieved by Evolution at Cowal.

Kincora’s initial drilling program included completion of five diamond holes at the Gateway prospect located less than 15km along strike from the five epithermal, carbonate base-metal deposits that comprise the Cowal mine.

This program was completed in 2021, identifying zonation and controls to mineralisation with a mineralised system confirmed over 600m in strike. These results assisted with the design of a second phase and follow up air-core drilling program (completed in 2022), which successfully both extend the southern mineralised trend and strike, and confirmed higher-grade potential.

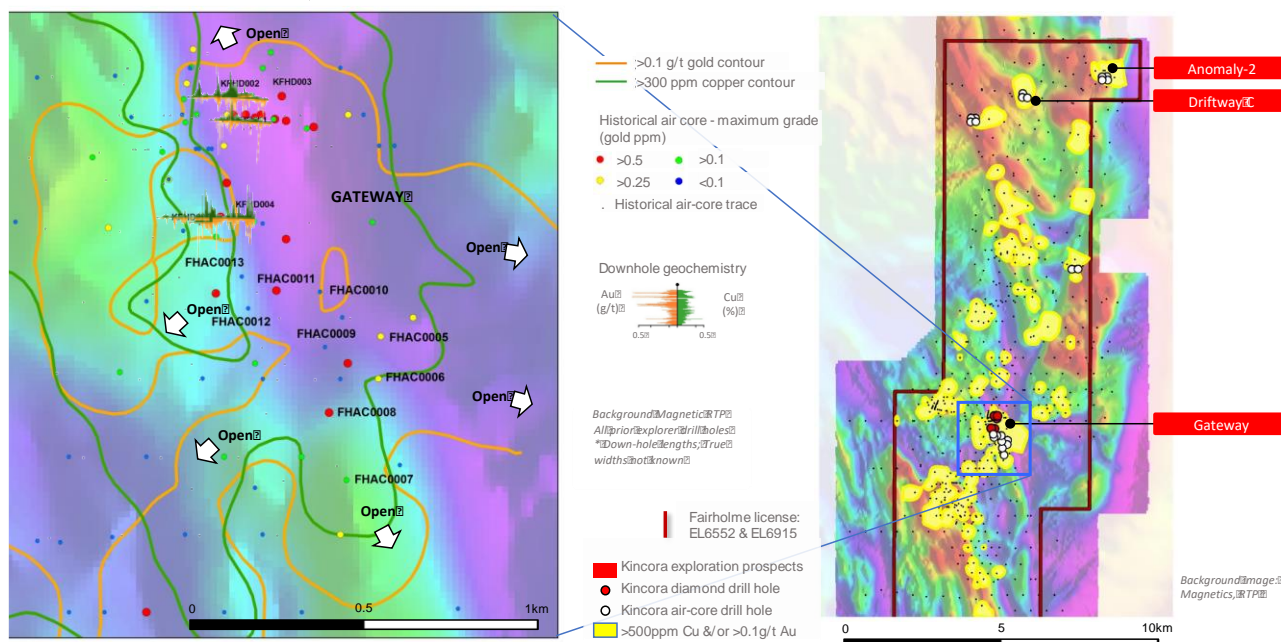


Figure 5: Gateway prospect strike >1.6km with vectors

Recent drilling returned anomalous gold and copper in all nine holes, including the 5th highest grade air-core interval to date at the Fairholme project (3.35g/t gold over 2m in hole FHAC008, noting a total of 552 prior explorer air-core holes)

Anomalous gold and copper results were returned in all nine air-core holes across a ~900m strike including the 5th highest grade air-core interval to date at the Fairholme project (3.35 g/t gold over 2m, from 52m in hole FHAC008).

The first phase diamond drilling and second phase air-core program have confirmed a zoned and structurally controlled mineralised corridor across a greater than 1.6km strike at Gateway (and open).

Kincora was awarded a A\$200,000 project drilling grant for the diamond and air-core drilling programs at the Gateway prospect under the New Frontiers Cooperative Drilling program from the NSW Government.

The 2022 Kincora air-core program also tested four other prospects, being the first drilling at these prospects since 1997. The program was analogous to the original Geopeko reconnaissance RAB drilling to bedrock program over many targets, largely selected on the basis of geophysical data and insufficiently followed up geochemical data. That program by Geopeko ultimately led to the discovery of the Cowal gold-base metal deposits and is an exploration strategy Kincora is looking to further replicate.

The air-core program successfully converted two of the four anomalies drilled to highly prospective targets. All holes drilled at the Driftway C target returned broad anomalous copper, including end of hole primary mineralisation. At the Anomaly 2 target, all holes drilled returned anomalous copper, with intrusion related anomalous copper and gold noted in half the holes.

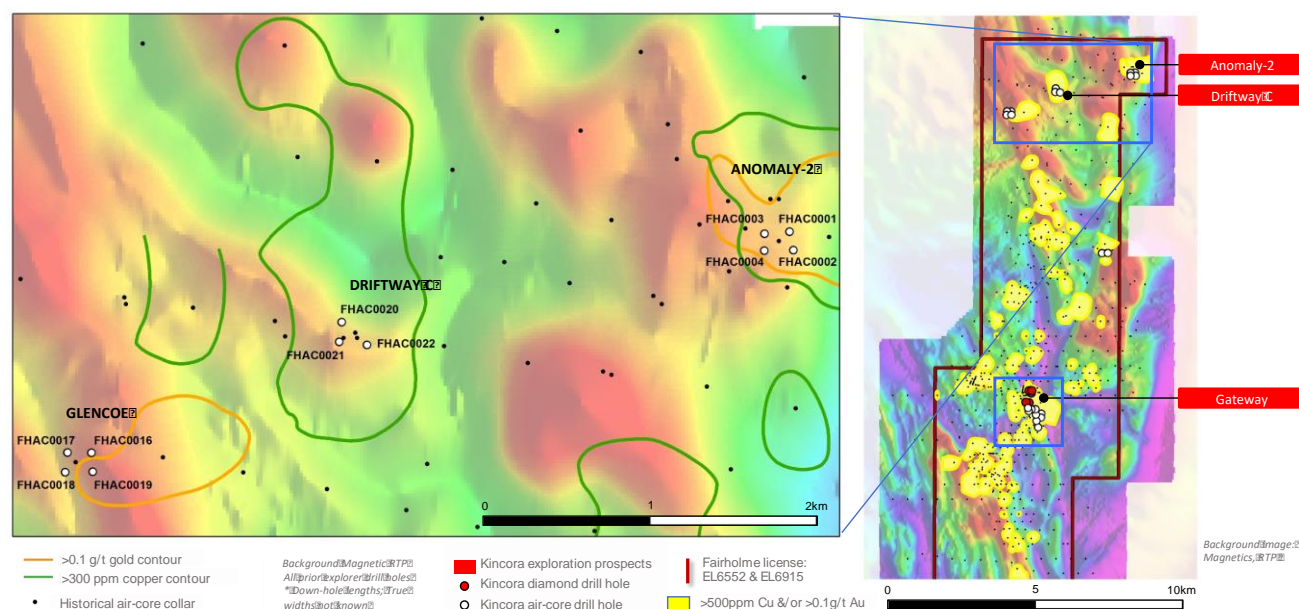


Figure 6: First drilling at northern prospects since 1997 delivers

Anomaly 2 and Driftway identified as highly prospective follow up targets - all Kincora holes returned anomalous copper

Follow up air-core and diamond drilling programs have been designed to expand the open near surface footprints and evaluate the untested potential for underlying porphyry gold-copper related systems at shallow to moderate depth at the Gateway, Driftway C and Anomaly 2 targets.

Further details on the Fairholme project, and neighbouring Cowal mine, are available at:
<https://kincoracopper.com/fairholme-project>

Northern Junee-Narromine Belt

Kincora's Northern Junee-Narromine belt portfolio and strategy includes the wholly owned Nyngan, Nevertire and Mulla licenses covering 1,739.5km². The portfolio includes a large portion of what is interpreted by Kincora to be the most prospective and shallow to moderate covered part of the commonly accepted northwards extension of the Junee-Narromine Belt of the Macquarie Arc.

Kincora was an early mover into the region, which is within a structural jog along the Junee-Narromine belt. This jog is favourably comparable to the Lachlan Transverse Zone and other NW-SE lineaments that have often been interpreted as fundamental controls on the formation of the porphyry related mineralized systems in the Macquarie Arc (e.g. Cadia, Northparkes, Boda and Cowal-Marsden).

Kincora has designed drilling programs to test six separate intrusive complex targets focused on large intrusive level cross arc structures. A maiden hole to basement at the Nevertire project has recently been completed, assay results and interpretation pending, following up positive geological vectors from adjacent ground (and a confirmed copper-gold Phase 4 Macquarie Arc intrusive complex), with the hole co-funded by a NSW Government grant.

The broad region was previously the focus of St Barbara Ltd.'s Big Gold Lachlan Project-Marra Joint Group project that covered various separate license areas across an 80km strike. St Barbara interpreted *"the area to contain the largest volcano-intrusive centre of the Ordovician-Early Silurian Macquarie Arc, which to the south hosts the Northparkes and Cadia Valley mines."*

The region has attracted significant recent interest with majors and juniors alike pegging ground and recently commencing exploration. Inflection Resources and FMG are both currently undertaking stratigraphic and target testing drilling programs within the region.

In June 2022, Inflection Resources (ticker “AUCU” on the CSE) intersected interpreted Macquarie Age rocks with a maiden drilling program at the Duck Creek prospect, located within 2.5km from Kincora’s Nyngan project. This technical success was a catalyst for Inflection’s oversubscribed C\$1.65m raising @ C\$8.8m pre-money valuation.

In June 2023, Inflection Resources closed an earn-in agreement with Anglo-Gold Ashanti for multiple-year, multiple stage exploration earn-in for up to \$145 million for its Macquarie Arc project portfolio, which provides a very attractive direct peer group valuation and proof of concept for Kincora’s Northern Junee-Narromine Belt project portfolio.

In July, Inflection Resources commenced a two rig drilling program at its Duck Creek discovery, which is located within 2.5km of Kincora’s Nyngan license boundary. The commenced program is for up to 35,000 metres and is designed to test 20 other targets within the Duck Creek license adjacent to the Nyngan license.

Further details available at:

<https://kincoracopper.com/northern-junee-narromine-belt>

Southern Gobi, Mongolia portfolio

Kincora has undertaken the first modern district scale exploration across the world-class Southern Gobi copper-gold porphyry belt and retains a 100% interest in one of the largest land positions in the belt.

The Company’s Mongolian portfolio assets include the Bronze Fox mining license (the eastern license of the Bronze Fox project), Tourmaline Hills (the western license of the Bronze Fox project) and Red Well exploration licenses, the White Pearl camp and one of (if not) the largest project generation databases for Mongolia.

On July 26th, 2022, the Company noted the maiden inferred mineral resource estimate (MRE) and updated exploration target for the West Kasulu prospect reported under the JORC code¹ by Resilience Mining Mongolia Limited (Resilience).

The majority of the MRE and exploration target are situated within the existing Bronze Fox mining licence with the balance being on the adjoining Tourmaline Hills exploration licence (collectively the Bronze Fox project).

West Kasulu prospect is open on strike and at depth, hosted within a small portion of the much larger mineralised Bronze Fox Intrusive Complex, which is one of three so far identified near surface and under explored intrusive complexes at the wider Bronze Fox project.

During 2H’2022, Kincora terminated a Joint Venture Agreement with Resilience Mining to retain a 100% and unrestricted interest in our Mongolian license portfolio and subsidiaries.

In June 2023, Kincora advised that following the receipt of several unsolicited enquiries that the Company had commencement an externally lead strategic review process for the Mongolian asset and license portfolio with the view of maximising shareholder value and streamlining focus toward the core NSW project portfolio. This review process will consider a range of potential partnering, funding and other asset initiatives with a number of expressions of interest received to date.

Further details available at:

<https://kincoracopper.com/southern-gobi-belt>

Qualified Person

The scientific and technical information was prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and was reviewed, verified and compiled by Kincora’s geological staff under the supervision of Paul Cromie (BSc Hons. M.Sc. Economic Geology, PhD, member of the Australian Institute of Mining and Metallurgy and Society of Economic Geologists), Exploration Manager Australia, who is the Qualified Persons for the purpose of NI 43-101.

JORC Competent Person Statement

Information that relates to Exploration Results, Mineral Resources or Ore Reserves has been reviewed and approved by. Paul Cromie, a Qualified Person under the definition established by JORC and have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’.

Paul Cromie (BSc Hons. M.Sc. Economic Geology, PhD, member of the Australian Institute of Mining and Metallurgy and Society of Economic Geologists), is Exploration Manager Australia for the Company. Paul Cromie consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The review and verification process for the information disclosed herein for the Trundle project has included the receipt of all material exploration data, results and sampling procedures of previous operators and review of such information by Kincora’s geological staff using standard verification procedures.

Results of Operations*Three-Month Period Ended June 30th, 2023*

The Company’s loss for the three-month period ended June 30th, 2023 (the “Current Period”) was \$355,000 or \$0.00 per share as compared with \$489,000 or \$0.00 per share for the three-month period ended June 30th, 2022 (the “Comparative Period”).

General and administrative expenses were \$134,000 lower in the Current Period at \$355,000 compared with \$489,000 in the Comparative Period. This difference was due to lower consultants (\$37,000 versus \$51,000), lower corporate administrative and office services (\$94,000 versus \$97,000), lower insurance (\$7,000 versus \$37,000), lower legal and accounting (\$15,000 versus \$18,000), lower share-based compensation (\$42,000 versus \$203,000), and lower transfer agent and filing fees (\$4,000 versus \$18,000). These decreases were offset by higher directors and audit committee fees (\$24,000 versus \$1,000 recovery), higher investor relations (\$45,000 versus \$25,000), higher management fees (\$55,000 versus \$35,000), and higher foreign exchange loss (\$8,000 versus \$18,000 gain). Consultants – geologists and consultants – technical retained at \$5,000, and \$19,000 respectively from 2022.

Six-Month Period Ended June 30th, 2023

The Company's loss for the six-month period ended June 30th, 2023 (the "*Current Period*") was \$727,000 or \$0.00 per share as compared with \$1,097,000 or (\$0.01) per share for the six-month period ended June 30th, 2022 (the "*Comparative Period*").

General and administrative expenses were \$370,000 lower in the Current Period at \$727,000 compared with \$1,097,000 in the Comparative Period. This difference was due to lower consultants (\$75,000 versus \$88,000), lower directors and audit committee fees (\$48,000 versus \$60,000), lower insurance (\$15,000 versus \$64,000), lower share-based compensation (\$87,000 versus \$388,000), lower transfer agent and filing fees (\$51,000 versus \$55,000), and higher foreign exchange gain (\$39,000 versus \$5,000). These decreases in expenses were offset by higher corporate administrative and office services (\$180,000 versus \$172,000), higher investor relations (\$91,000 versus \$72,000), higher legal and accounting (\$61,000 versus \$45,000). Consultants – geologists, consultants – technical, and management fees retained at \$10,000, \$38,000 and \$110,000, respectively from 2022.

Summary of Quarterly Results – 000's

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

	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<i>In thousand \$</i>	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Financial Results								
Net loss for period	(355)	(372)	(469)	(395)	(489)	(608)	(1,185)	(424)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
Exploration expenditures, net of impairment (recovery)	538	719	299	369	1,018	1,120	1,352	2,154
Financial Position								
Cash and cash equivalents	809	1,891	2,224	1,188	2,052	3,348	4,831	6,736
Exploration and evaluation assets	14,720	14,182	13,463	13,164	12,795	11,777	10,657	9,305
Total assets	15,968	16,492	16,094	14,847	15,386	15,710	16,286	16,693
Shareholders' equity	15,738	16,047	15,630	14,603	14,907	15,303	15,605	15,999

Liquidity and Capital Resources

As of June 30th, 2023, the Company had \$809,000 in cash. At period end the receipt of NSW government grants was pending for \$111,000 (A\$121,512) relating to completed drilling at the Nyngan and Trundle projects.

On March 6, 2023, the Company issued 15,132,794 shares at \$0.05 (A\$0.055) per share for gross proceeds of \$756,640 (A\$832,304) from the second tranche of the December 2022 private placement. The Company incurred share issuance costs of \$32,657.

Subsequent to period end, the Company announced a conditional asset purchase and royalty agreement with RareX that would result in Kincora owning 100% of all NSW projects current with a closed and oversubscribed A\$2 million private placement – see the Subsequent Event commentary for further details.

The Company does not have any positive cash flow from operations due to the fact that it is an exploration stage company; therefore, financing activities have been the sole source of funds and continued efforts to reduce non-

core expenditure. Given volatility in equity markets, global uncertainty in economic conditions, the novel coronavirus (COVID-19) pandemic, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets.

As at June 30th, 2023, the Company had an accumulated deficit of \$187,102,000, working capital of \$858,000 and a cash balance of \$809,000, and a net loss for the six-month period ended June 30th, 2023 of \$727,000.

During the six-month period ended June 30th, 2023, the Company had cash of \$807,000 used in operating activities, \$724,000 provided by financing activity and \$1,276,000 used in investing activities which was mainly used for the acquisition of equipment and expenditures for the exploration and evaluation assets, offset by security deposits received. The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required.

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

Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management, corporate activity and exploration results. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities and industry conditions. 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

The Company incurred the following amounts for related party services:

- a) During the six-month period ended June 30, 2023, the Company incurred \$36,900 (2022 - \$36,900) to a company with an officer in common for management and accounting services.
- b) During the six-month period ended June 30, 2023, the Company incurred \$110,000 (2022 - \$209,508) to an officer and a company with an officer in common for management services.
- c) During the six-month period ended June 30, 2023, the Company incurred director's fees of \$83,000 (2022 - \$179,868) to current directors.
- d) During the six-month period ended June 30, 2023, the Company incurred consulting fees of \$10,000 (2022 - \$Nil) to a director of the Company.
- e) At June 30, 2023, the Company owed \$163,997 (December 31, 2022 - \$267,330) in accrued directors' fees and management and accounting fees in accounts payable and obligation to issue shares.
- f) During the six-month period ended June 30, 2022, the Company issued 1,765,408 common shares to settle \$288,000 payables owing to officers and directors of the Company.

Compensation of key management personnel

<i>In thousand \$</i>	June 30, 2023	June 30, 2022
Management, chairman, directors, and audit committee fees	\$ 240	\$ 252
Share-based payments*	41	363
	\$ 281	\$ 615

* The estimated fair value of the stock options vested during the comparative period was determined using the Black-Scholes Option Pricing Model.

Share Capital Information

The table below presents the Company's common share data as of August 14, 2023.

	Price (\$)	Expiry date	Number of common shares
Common shares, issued and outstanding			207,173,541
Securities convertible into common shares			
Warrants	<i>n/a</i>	<i>n/a</i>	-
Stock options	<i>various</i>	<i>various</i>	19,585,081
Performance rights		<i>Various</i>	5,520,449
			232,279,071

The Company had a shareholder meeting on March 3, 2023 approving the second tranche of the December 15, 2022, non-brokered private placement, which resulted in the issuance of a further 15,132,795 common shares on March 6, 2023.

Subsequent to period end, concurrent with the RareX transaction, the Company has arranged private placement to raise A\$2 million via the issuance of 40.6 million new CDIs. The placement includes a one (1) for two (2) free-attaching option exercisable at A\$0.075 (C\$0.065) and expiring 24-months from the issue ("Attaching Options"). On August 4, 2023, the Company has issued 28,600,000 CDIs with a further 12,000,000 CDIs issued August 8, with the placement closed.

The Company consolidated its capital on the basis of three existing shares for one new share effective January 8, 2021. All shares figures and references have been retroactively adjusted to reflect the share consolidation and are disclosed prior to the Company's ASX offering under the prospectus dated March 1st, 2021.

During the six-month period ended June 30, 2023, 745,995 stock options with an exercise price of \$0.26 and 118,810 stock options with an exercise price of \$0.75 have expired unexercised.

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 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 Company's business or financial condition.

Mongolia

During the year ended December 31, 2021, the Company's Mongolian subsidiary, Golden Grouse IBEX LLC ("GGI"), has received a tax act for 2.7 billion tugriks (MNT), approximately \$800,000 (U.S.), from the Mongolian Tax Authority ("MTA").

The 2021 tax assessment comprises four items, of which the Company strongly refutes the merit of three including the very vast majority of the liability sought relating to the 2016 merger with IBEX (the agreed liability owed is 16.2 million MNT or approximately \$5,700 (U.S.)).

The 2016 IBEX merger required a tax assessment, which followed an audit of the IBEX entity's prior-year periods and the on-shore and off-shore agreements to the merger (IBEX and parent entities). The 2016 tax assessment was a condition precedent to close the merger with any adverse liability enabling both counterparties to walk away from the merger. In the company's view, supported by four independent external legal opinions, the 2021 tax assessment's retrospective liability is not in line with the 2016 tax assessment and Mongolian law, and there is no basis for a different determination.

Shortly after the IBEX merger closed, in mid-2017, a tax audit commenced on the merged entity to validate that the merger transaction completed as it was presented to the Mongolian authorities in 2016. This review has only completed in the fourth quarter of 2020, with a fourth audit review team, including a team member from the original 2016 review, delivering the 2021 tax assessment.

The exploration licenses included in the IBEX merger, and the core focus of the 2021 tax assessment, have been thoroughly explored, and subsequently all have been properly relinquished back to the State. The basis of the tax liability sought is referenced to the historical invested capital of the IBEX entity counterparty to the 2016 merger, all of which has since been written off.

Since 2021, the Company has pursued defencing the 2016 tax ruling, paid a 100,000,000 MNT security deposit to facilitate this legal defence, and objection to the 2021 tax act via the Mongolian administrative courts.

Subsequent to the 2021 tax assessment Kincora executed a Joint Venture Agreement with Resilience Mining Mongolia (RMM) that provided significant upside to exploration, project generation and development successes in Mongolia without near to medium term funding obligations, and, would absorb the defence and exposure to the MTA Tax Act.

On July 8th, 2022, the Company advised that it has issued a notice to RMM notifying it of the failure of conditions under the Joint Venture Agreement. During the last half, Kincora terminated the Joint Venture Agreement with RMM to retain a 100% and unrestricted interest in the Mongolian license portfolio and subsidiaries.

In March 2023, Kincora applied to the Mongolian Administrative Chamber for the dispute to receive a hearing at the Supreme Court, which is the last legal defence step available under the Mongolian judicial system having undertaken two prior court hearings and the Mongolian Tax Dispute Counsel failing to hear the required case. This application was successful and followed the last Appeal Court ruling (in January 2023) being outside of the litigants' appeal and counter-arguments, overturned a prior First Instance Administrative Court ruling that referred the reassessed tax act back to the MTA (with annulment occurring in 3 months should the MTA take no action), and preceded in a timeframe far too short to consider the merits of the reassessed Tax Act.

In May 2023, the Supreme Court hearing occurred with the dispute returned to the First Instance Administrative Court.

In June 2023, Kincora advised that following the receipt of several unsolicited enquiries that the Company had commencement an externally lead strategic review process for the Mongolian asset and license portfolio with

the view of maximising shareholder value and streamlining focus toward the core NSW project portfolio. This review process will consider a range of potential partnering, funding and other asset initiatives with a number of expressions of interest received to date.

Brazil

Brazilian Diamonds, a former name of the Company, in 2001 to 2005, via the Brazilian subsidiary Samsul, held certain mineral rights, and some of these rights were the focus of alluvial diamond operations undertaken by an assignor in the State of Goiás. In 2015, a lawsuit was filed by state and federal prosecutors seeking indemnification from certain defendants (including but not limited to Samsul and the assignor) in the amount of BRL 492,840, equivalent to seventy (70) carats of diamonds and 9000M3 of gravel. The case is with the lower courts in Brazil and the timing for hearing is undeterminable as at audit report date. The Company does not believe there is merit in this case.

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 investments.

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.

Due to the difficult market conditions and the Company's share price performance, the Remuneration Committee in mutual agreement with the CEO has elected to suspend bonus payments for the CEO and key staff for the year ending 2021 and 2022.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

New Accounting Standards Adopted

IFRS 16 "Leases"

The Company adopted IFRS 16 which sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The adoption did not result in any impact on the financial statements as the Company did not have any lease during the periods presented.

As at the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the “right-of-use” asset) unless the underlying asset has a low value or the lease term is twelve months or less, which are expensed in the period incurred. At this date, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The right-of-use asset is then depreciated using the straight-line method from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset may also be reduced for any impairment losses, if any.

At the lease commencement date, the lease liability is measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate, which is the rate the Company would pay for similar assets at similar locations over a similar term. The lease liability is measured at amortized cost using the effective interest method.

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, 2023 to interest rate risk through its financial instruments.

Currency Risk

The Company’s operations are focused on Australia and Mongolia, where many exploration and administrative expenses are incurred in the Australian Dollar, Mongolian Tugrik and the US Dollar. The Company’s ability to advance funds to Mongolia is subject to changes in the valuation of the Tugrik and the US dollar as well as rules and regulations of the Mongolian government. Fluctuations in the value of the Australian Dollar, Tugrik and the US dollar may have positive and/or adverse effect on the operations and operating costs of the Company. Management seeks to limit foreign current risk, primarily seeking to retain funds in Canada and Australia wiring funds as and when needed to foreign subsidiaries to meet operating expenditures, and believes this risk to be minimal.

Credit Risk

The Company’s primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Australia, with more limited funds held in Mongolia, where the Mongolian subsidiaries make monthly cash calls. As most of the Company’s cash is held by three banks there is a concentration of credit risk, and, in Mongolia one of the two subsidiary’s bank accounts has been frozen by the Mongolian Tax Authority as a result of an ongoing tax dispute. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies and looking to avoid holding more than one months budgeted cash reserves in Mongolia.

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

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

Liquidity Risk

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations.

As at June 30, 2023, the Company had a cash balance of \$809,000 (December 31, 2022 - \$2,224,000) to settle current liabilities of \$230,000 (December 31, 2022 - \$464,000). On December 15, 2022, the Company raised \$1,330,000 from the first tranche of a non-brokered private placement. In addition, the Company had a shareholder meeting on March 3, 2023 approving the second tranche A\$832,304 of the December 15, 2022 placement, which resulted in the issuance of a further 15,132,795 common shares on March 6, 2023. At period end the receipt of NSW government grants was pending for \$111,000 (A\$121,512) relating to completed drilling at the Nyngan and Trundle projects.

Subsequent to period end, the Company announced a conditional asset purchase and royalty agreement with RareX that would result in Kincora owning 100% of all NSW projects current with a closed and oversubscribed A\$2 million private placement – see the Subsequent Event (note 13) of the interim condensed consolidated financial statements for the six months ended June 30, 2023, for further details.

Fraud Risk

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

Commodity Price Risk

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

Critical Accounting Estimates

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

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

situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Risks and Uncertainties

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

Confirmation or otherwise of our more advanced geological models, advancement of earlier stage project pipeline and exploration success is expected to materially impact the value of the Company. The ability of the Company to systematically advance its district scale project pipeline from a technical perspective is a fundamental value driver, upside and downside, to the Company and its valuation. The ability of the Company to commercially advance and effect its exploration strategy is also a fundamental value driver.

The Company will be required to negotiate access arrangements and pay compensation to landowners, local authorities, transitional land users, the NSW Government and others who may have an interest in the area covered by a tenement/license. The Company's ability to resolve access and compensation issues may have an impact on the future success and financial performance of the Company's operations.

The Company continues to closely monitor the development of the novel coronavirus (COVID-19), and its spread globally and within Australia. Early preventative measures were taken and a formal COVID-19 safety and management plan was implemented to modify how contractors and the Company conduct business and implement best practice recommendations and policies. Health and safety considerations, and appropriate risk assessments, continue to dictate various project generation functions, exploration and marketing activities.

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on senior management, the exploration team and contractors, who are an integral part of the business. Should there be resignations, there may be difficulties in recruiting similar high-quality personnel and overall team balance. There can be no assurance given that there will be no negative impact on the Company if one or more of these key team members cease their employment.

The Company's core focus is its entry into NSW and the NSW project pipeline, with previous projects and subsidiaries viewed as non-core.. These non-core assets may have certain ongoing contractual obligations and operations, which have inherent business risk and potential legacy risks. The Company has been listed since 1983, operating in emerging and frontier markets such as Brazil and then Mongolia.

The material changes to known and unknown risks and uncertainties during the six-month period ended June 30th, 2023 have been noted in these accounts.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Kincora's general and administrative expenses and exploration and evaluation costs is provided in the Company's consolidated statement of loss and note disclosures contained in its condensed interim consolidated financial statements for the six-month period ended June 30, 2023. These statements are available on Kincora's website at www.kincoracopper.com or on its SEDAR Page Site accessed through www.sedar.com or the Australian Securities Exchange ("ASX") at <https://www2.asx.com.au>.

Dividends

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

Management's Responsibility for Consolidated Financial Statements

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

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

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

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

Nature of the Securities

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

Proposed Transactions

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

Approval

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

This announcement has been authorized for release by the Board of Kincora Copper Limited (ARBN 645 457 763)

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South Melbourne, Victoria 3205

Forward-Looking Information

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