

KORE MINING LTD.

Interim Management's Discussion and Analysis

For the three months ended March 31, 2019 and 2018



KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

The following Management's Discussion and Analysis ("MD&A"), prepared as of May 28, 2019, should be read together with the unaudited consolidated interim financial statements of KORE Mining Ltd. ("KORE Mining" or the "Company") for the three-month period ended March 31, 2019 and annual audited consolidated financial statements for the year ended December 31, 2019, and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance.

Nature of Operations

KORE Mining Ltd. (the "Company") is an exploration and development stage company that was formed through the amalgamation of Eureka Resources Inc. ("Eureka") and 1184938 BC Ltd (formerly Kore Mining Ltd.) ("Kore") in October 2018. More information on the amalgamation can be found on the Company's website at www.koremining.com and on SEDAR at www.sedar.com. The Company's head and registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The Company's business is the acquisition, exploration and evaluation of primarily gold mineral properties located in the States of California, USA and Nevada, USA and in the Province of British Columbia, Canada. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") as a Tier 2 issuer under the symbol "KORE". The Company's key projects are the Imperial Project and the Long Valley Project, both located in California.

Overall Performance and Highlights

The Company has generated no operating revenue to date. The Company relies on the issuance of common shares to finance the acquisition of and exploration and evaluation of its projects, and to provide general operating working capital.

During the three-month period ended March 31, 2019, the Company accomplished the following:

- In January 2019, the Company released news of a discovery of a gold-copper porphyry on the FG Project, in British Columbia, intersecting semi-massive copper and iron sulphides, with its 3 hole NQ drill program of a total of 1,077 metres. The Company staked an additional 2,608 hectares of prospective intrusives, centered on the Eureka Syncline to bring the total for the FG Gold-Copper Project to 13,008 hectares.
- In January 2019, the Company announced the appointment of Mr. Darin Wagner to the position of Advisor to the Company. The Company also granted a total of 3,000,000 options to various officers, directors and consultants of the Company, including Mr. Wagner (the "Stock Options"). The Stock Options will have an exercise price of \$0.14 and expire on January 13, 2024.
- In February 2019, Ms Jessica Van Den Akker was appointed Chief Financial Officer of the Company, replacing Mr Alan Ahlgren.

Subsequent to the period ended March 31, 2019, the following events have taken place:

- On May 7, 2019, the Company announced that it had entered into definitive agreements for a \$4,000,000 investment ("Investment") by Macquarie Bank Ltd. and its affiliates (collectively "Macquarie"). As part of the Investment, Macquarie subscribed for 6,000,000 common shares of Kore and acquired a 1% NSR royalty (the "Macquarie Royalty") on the Imperial Project.

KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

- On May 10, 2019, the Company granted stock options exercisable into 150,000 common shares in the Company to its Chief Financial Officer. The stock options are exercisable at \$0.25 per share with a 5-year term, vesting on the date of grant. All options have been granted pursuant to the Company's stock option plan, and subject to compliance with all applicable laws and the rules (and approval) of the TSX Venture Exchange.
- On May 23, 2019 the above transaction with Macquarie was closed and the financing was increased to \$4,300,000 with an additional subscription of 1,200,000 common shares of the Company.

Project Summaries

Imperial, California, USA

On March 28, 2017, the Company purchased Imperial USA Corp. which owns the Imperial project located in California. In settlement of the purchase price, the Company paid US\$50,000 which had been deposited previously with the vendor in November 2016 related to a Letter Agreement, and US\$100,000 on the date of closing the purchase. The agreement has provisions for two further payments to the vendor, with US\$1,000,000 payable upon the announcement of a revised Preliminary Economic Assessment (PEA) or similar report and US\$1,000,000 payable 30 days after the date that gold is poured from ore the is mined from the related properties.

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

In addition, the Company has committed to incur US\$5 million on the Imperial Project on or before March 2022, the fifth anniversary of the date of the Imperial Purchase Agreement. In the event that the Company does not incur these expenditures in this time, the Company must then pay US\$1,000,000 to the vendor to retain ownership.

The Imperial Property is located in Imperial County, southeastern California. It is located along the Indian Pass Road approximately 26 miles northwest of the city of Yuma, Arizona, and is approximately 45 miles east-north-east of El Centro, California. The operating Mesquite Mine and the closed Picacho Mine are located roughly 10 miles to the west and east, respectively, of the property. The closed American Girl Mine is about 8 miles south of the project. Except for this activity, there is no mining activity in or around the claim block.

The Imperial Project consists of 370 lode claims, 281 millsite claims and 3 placer claims for a total of 654 claims covering a total area of approximately 5,721 acres, and it has been shown that certain mineralization at the Project is amenable to open pit run-of-mine heap leach operations. The Company proposes to complete permitting studies to advance the project.

KORE MINING LTD.
Interim Management’s Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

The project boasts an historic¹ oxide-only Proven & Probable Reserve of 89,567 Ktons @ 0.017 opt for 1,486,000 oz Au². In 2012 an updated historic NI43-101³ on the Imperial project was prepared by a former operator, as shown below.

The most recently prepared historic resource in 2012 was completed by SRK and considers that resource blocks located within a conceptual pit envelope show “reasonable prospects for economic extraction”. Historic mineral resources are reported at a cut-off grade (“COG”) of 0.005 oz/t and include all resource blocks above cut-off inside the conceptual pit shell.⁴

	Size (tonnes)	Grade (g/t)	Au (oz)	Source	Au Cutoff (g/t)
Indicated	45,762,947	0.60	879,000	2012 Historic PEA	0.17
Inferred	76,334,175	0.53	1,298,000	2012 Historic PEA	0.17

The claims are administered by the U.S. Bureau of Land Management (“BLM”) on federally owned lands. The unpatented mining claims are all held by Imperial, and are in good standing with all holding fees paid for the current year. The claims will remain in effect for as long as the claim holding fees are paid to both the U.S. government and

¹ All estimates described above were prepared prior to 2000 and are presented herein merely as an item of historical interest with respect to the Imperial Project. There were a number of mineral resource estimates and associated mineral reserve calculations prepared on behalf of Glamis by the outside consulting group, Western States, during the period 1995 to 1998. It is believed that these estimates were not prepared in full compliance with the provisions included in National Instrument 43-101, as they do not clearly differentiate between Measured, Indicated, and Inferred categories of mineralization. Accordingly these estimates should not be relied upon. The Company has not done sufficient work to classify these historical estimates as current mineral resources or mineral reserves, and Kore is not treating these historical estimates as current mineral resources or mineral reserves.

² Western States Engineering Final Feasibility Study, April 1996. Prepared for Chemgold, Inc.

³ Imperial Project: Preliminary Economic Assessment Technical Report October 26, 2012 by Gordon Doerksen, P.Eng. Lois Boxill, P.Eng. et al of SRK Consulting (Canada) Inc. Prepared for ADR Capital Corp., Vancouver, BC. (“2012 PEA”), and PEA economic model.

⁴ The reader is cautioned that the above referenced “Historical Resource” is considered historical in nature and as such is based on prior data and reports prepared by previous property owners. The work necessary to verify the classification of this mineral resource estimate has not been completed and the resource estimate, therefore, cannot be treated as NI 43-101 current resource verified by a Qualified Person. There can be no assurance that any of the historical resources, in whole or in part, will ever become economically viable.

Mineral Resources are not mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral Reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The historical mineral resources in this management’s discussion and analysis were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council. Imperial Mineral Historical Resource Estimation Parameters: a) Grade estimation is based on assay samples composited to 20ft intervals. Grade capping thresholds were determined following a detailed statistical analysis of the data for the entire mineralized domains varied from 0.02 to 0.2 ounces per ton (opt) gold (Au). b) Resource model grade blocks were estimated using Gemcom GEMSTM modeling software based on a traditional wireframe interpretation constructed from a sectional interpretation of drilling data. c) The database for the Imperial model consisted of 349 RC holes totalling 190,134 feet of drilling. A total of 36,361 analyses were considered for use in the resource estimate. d) The modelled gold mineralized zone was subdivided into three domains displaying different strike or dip directions with a total length of 3,200 ft, width up to 800ft and average thickness of 85ft in the East area and 1,200ft in length, 1,000ft in width and average thickness of 90ft to 120ft in the West area, dipping from 5 to 35 degrees e) A bulk density value of 0.077 ton per cubic foot was used and derived from 9 core holes consisting of 32 samples collected in a 1994 and 1995 drilling program.

Mineral resources were reported within an optimized pit shell using a gold price of US\$1,400/oz with a process recovery of 80%. g) Process costs used were US\$1.50/ton and G&A was US\$0.40/ton. Open pit mining costs were US\$1.20/ton and sustaining capex was US\$0.50/ton with open pit slopes of 45 degrees.

The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

the county. The claims must also be maintained by ensuring that the claim posts and location notices are properly upright and visible.

The property is not subject to any production royalties or encumbrances except for a 1% net smelter return royalty held by Goldcorp Inc. and a 1% net smelter return royalty held by Macquarie Americas Corp. on any mineral production from the property.

The Company is not aware of any significant factors, risks or issues that may affect access, title, or the right or ability to perform work on the Imperial Project, nor is it aware of any material environmental liabilities related to the Imperial Project.

Long Valley, California, USA

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

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

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

Kore recently commissioned an updated, pit-optimized resource estimate that increased gold ounces in the measured and indicated categories. The deposit shows potential for expansion both laterally and at depth with consistent grades.

In 2018, mineral resources reported for the Long Valley property were modelled and estimated by Mine Development Associates ("MDA") in accordance with the CIM Standards. The model for the resource was prepared in 2003 by MDA, with the current updated resource calculated on April 25, 2018. No drilling occurred on the property after the 2003 model was created. The resource estimate considered both a heap leach operation for oxide and transition material and a plant to recover sulfide material. Pit optimization parameters were developed for the different materials.

KORE MINING LTD.
Interim Management’s Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

Gold resources that are contained in a \$1,500 per ounce optimized pit were estimated by MDA for the Hilton Creek, Southeast, and South zones and are summarized in the table below⁵.

	Size (tonnes)	Grade (g/t)	Au (oz)	Au Cutoff (g/t)
Measured	27,469,000	0.55	481,000	0.156 ⁶
Indicated	39,332,000	0.61	766,000	0.156 ⁷
Total M&I	66,801,000	0.58	1,247,000	
Inferred	23,560,000	0.64	486,000	0.156 ⁸

Resources reported as oxide in this report are the material situated above an oxide-sulfide boundary that was generally determined by recording the last occurrence of oxide minerals observed in the drill cuttings or core, and above a transition zone that occurs approximately between 150 and 200 feet below the surface. As such, not all material situated above this boundary can be considered as oxide in the context of metallurgical recovery, as it undoubtedly includes materials that will react differently metallurgically. One of the most important tasks to complete is the development of a model that better defines the metallurgical characteristics of the deposit and is planned as a next step by Kore.

The unpatented mining claims are all held by Kore USA, and are in good standing with all holding fees paid for the current year. The claims will remain in effect for as long as the claim holding fees are paid to both the U.S. government and the county. The claims must also be maintained by ensuring that the claim posts and location notices are properly upright and visible.

The Company is not aware of any significant factors, risks or issues that may affect access, title, or the right or ability to perform work on the Long Valley Project. The Company is not aware of any material environmental liabilities related to the Long Valley Property.

FG Project, British Columbia, Canada

KORE’s 100% owned FG property (“FG Project”) is a gold and early stage gold-copper project located in the Cariboo Mining Division of British Columbia, Canada. See Area Map on <https://www.koremining.com/fg-gold/>. FG Project

⁵ The scientific and technical information in this summary relating to the Long Valley Project is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the technical report titled “*Technical Report and Resource Estimate for the Long Valley Project, Mono County, California*”, with an effective date of April 25, 2018, prepared for the Company by Neil Prens, P.E. and Steven I. Weiss, C.P.G. (together, the “**Authors**”) of Mine Development Associates (“**MDA**”) in accordance with NI 43-101 (the “**Technical Report**”). Such assumptions, qualifications and procedures are not fully described herein and the following summary does not purport to be a complete summary of the Technical Report. References to the “**property**” in this section refer to the Long Valley Project. Reference should be made to the full text of the Technical Report, which is available for review under Eureka’s profile on SEDAR at www.sedar.com.

⁶ Oxide only. Transition and sulfide cut-off grade 0.187 g/t.

⁷ Oxide only. Transition and sulfide cut-off grade 0.187 g/t.

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KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

is a strata-controlled gold project located at the headwaters of the Horsefly River, 50 kms east of Horsefly, B.C. and consists of 35 contiguous claims (13,008 hectares).

The FG Project property has a historical⁴. Measured and Indicated and Inferred resource as shown below:

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

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

The Project has also yielded highly prospective targets within a porphyritic intrusion called the Nova Zone, a potentially 3.5km x 1km gold-copper porphyritic intrusion discovered through compilation of historic soil geochemistry, and airborne geophysical studies. Hundreds of historical rock samples in the Nova Zone were anomalous for gold (>0.1 g/t) and copper (>500ppm) with individual gold values as high as 7.8 g/t and copper values as high as 3.03%. 2018 drilling demonstrated semi-massive and massive copper and iron sulphides and intersected (hole DDH-18-002) over 32 metres of 0.52% copper equivalent, including 8.65 metres of 1.1% copper equivalent.⁹ Gold grades as high as 5.70 g/t, copper grades as high as 1.01%, and silver grades as high as 4.98 g/t were encountered in drill core. Drill result highlights can be seen at <https://www.koremining.com/fg-gold>.

The Nova Zone Map showing location of Phase 1 drilling, cross sections, geophysical anomalies, mapped geology, and historic gold and copper in soils and anomalous rocks can be seen at <https://www.koremining.com/pr0102192>.

The Company is not aware of any significant factors, risks or issues that may affect access, title, or the right or ability to perform work on the property. The Company is not aware of any material environmental liabilities related to the property. An exploration permit was recently received for the FG Project which allows, subject to several conditions, drilling of up to ten drill holes in the northwest area of the FG Project proximal to current roads.

Gold Creek Project, British Columbia, Canada

The 100% owned Gold Creek project ("Gold Creek") is located 2km NE of the town of Likely in the Cariboo - the heart of British Columbia's historic "Gold Rush" district. Gold Creek consists of 34 claims totalling 9,673 ha and approximately 8km to the NW of the Spanish Mountain deposit. Access is from Likely by all-weather gravel road.

⁹ Cu equivalent calculated using metals prices at April 29, 2019: USD\$1,278/oz Au, \$14.77/oz Ag, \$2.90/lb Cu.

KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

The site has well developed infrastructure and is just 70km NE of Williams Lake, a major regional centre serviced by an airport and railway. See Area Map on <https://www.koremining.com/gold-creek>.

In November 2016, the Company entered into an option agreement to earn up to a 100% interest in the Gold Creek project ("Gold Creek"), which it satisfied by incurring \$130,000 in exploration expenditures and the issuance of 300,000 common shares by August 31, 2018.

The vendor retained a 1% net smelter royalty. The Company may purchase one-half of the royalty for \$1,000,000.

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

Exploration & Evaluation Expenses

Following is a summary of accumulated acquisition costs and exploration and evaluation expenses by project for the three-month periods ended March 31, 2019 and 2018.

As at March 31, 2019	Long Valley	Imperial	FG Gold-Copper	Gold Creek	General Exploration
Acquisition Costs	\$ 516,822	\$ 212,064	\$ 370,607	\$ 498,136	\$ -

For the three-month period ended March 31, 2019	Long Valley	Imperial	FG Gold-Copper	Gold Creek	General Exploration
Exploration and evaluation expenses					
Assay and sampling	\$ -	\$ -	\$ 1,688	\$ -	\$ -
Claim maintenance	-	7,717	-	-	-
Engineering, metallurgy and geotechnical	-	1,471	375	-	-
Geographic information system	-	1,360	170	-	-
Permitting	-	2,563	-	-	-
Travel	-	7,640	-	-	-
	\$ -	\$ 20,751	\$ 2,233	\$ -	\$ -

KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

As at March 31, 2018	Long Valley	Imperial	FG Gold-Copper	Gold Creek
Acquisition Costs	\$ 489,787	\$ 200,251	\$ -	\$ -

For the three-month period ended March 31, 2018	Long Valley	Imperial	FG Gold-Copper	Gold Creek
Exploration and evaluation expenses				
Claim maintenance	\$ 26,650	\$ 141,921	\$ -	\$ -
Engineering, metallurgy and geotechnical	-	31,058	-	-
Geophysics	115,826	-	-	-
Permitting	23,347	174,780	-	-
Property taxes	1,372	9,198	-	-
	\$ 167,195	\$ 356,957	\$ -	\$ -

Results of Operations

For the three months ended March 31, 2019

During the three months ended March 31, 2019, the Company's net loss was \$512,239 (2018 - \$564,690). Expenses decreased by \$50,801 during the quarter to \$514,942 and the main contributors of this change were:

- Investor relations expenses increased to \$136,929 (2018 - \$21,897) which increased in the current quarter as the Company is now public. Investor relations expense includes conferences, presentations to investors and associated travel expenses;
- Exploration and evaluation expenses decreased to \$22,984 (2018 - \$221,897) due to the Company's resources primarily being dedicated to the transaction with Macquarie that closed in May 2019.
- Share-based compensation costs decreased to \$114,232 (2018 - \$145,422) for the stock options vested during the period
- Professional fees of increased to \$54,044 (2018 - \$7,560) was incurred during the period in connection with the Company being public, including audit fees.

Summary of Quarterly Results

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

	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sept 30, 2017	Jun 30, 2017
Net loss	\$512,239	\$3,077,613	\$514,213	\$477,407	\$435,889	\$456,530	\$371,255	\$289,983
Basic and diluted loss per share	\$0.01	\$0.04	\$0.03	\$0.03	\$0.01	\$0.02	\$0.03	\$0.02

Liquidity, Capital Resources and Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

The continuing operations of the Company are dependent upon the Company's ability to arrange adequate financing in the near term. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue operations. The Company will seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all.

As at March 31, 2019, the Company had a cash balance of \$41,819 and a working capital deficit of \$1,365,718 (December 31, 2018 - \$925,770) with current liabilities of \$1,803,931 (December 31, 2018 - \$1,477,512). The Company has incurred losses since inception and does not generate any cash inflows from operations. For the three-month period ended March 31, 2019, the Company had a net loss of \$512,239 (March 31, 2018 - \$564,690). Subsequent to March 31, 2019, the Company closed a financing for gross proceeds of \$4,300,000 including the \$4,000,000 Investment by Macquarie – see Note 11 to the financial statements for the period ended March 31, 2019 for further information.

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

Cash Used In Operating Activities

Net cash used in (provided by) operating activities during the three-month period ended March 31, 2019 was (\$18,956) (2018 - \$43,565). Cash was mostly spent on investor relations expenses, professional fees and management fees.

Cash Used in Financing Activities

Total net cash used in financing activities during the three-month period ended March 31, 2019 was \$nil (2018 - \$9,922), which related to share issuance costs incurred in 2018.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. At March 31, 2019, there were 71,241,914 shares issued and outstanding (December 31, 2018 – 71,241,914 shares).

KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

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

	Number of Shares/Options/Warrants	Exercise Price	Expiry Date
Issued and Outstanding Shares	78,441,914		
Warrants	335,772	\$1.50	May 31, 2019
Warrants **	1,333	\$0.90	May 31, 2019
Warrants	121,500	\$1.25	June 10, 2020
Agents' Warrants	308,000	\$0.50	October 21, 2020
Warrants	2,200,000	\$0.75	October 21, 2020
Stock Options	300,000	\$0.50	November 2, 2021
Stock Options	1,250,000	\$0.50	November 1, 2023
Stock Options	3,000,000	\$0.14	January 12, 2024
Stock Options	150,000	\$0.25	May 9, 2024
Fully Diluted at May 28, 2019	86,108,519		

** Warrants are convertible into units consisting of one common share and one half warrant; each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$1.50 until May 31, 2019.

Financial Instruments and risk management

(a) Financial instrument classification

The Company's financial instruments consist of cash, deposits, amounts receivable and trade and other accounts payable.

Upon initial recognition, the Company measures its cash, amounts receivable, trade and other accounts payable at amortized cost.

The estimated fair market values of the Company's financial instruments approximate their carrying values due to their short-term nature.

(b) Financial Risk Management

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

KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

(c) Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's cash balances held at financial institutions earn interest at rates which vary according to prevailing rates. The Company does not deem the associated interest rate risk to be material.

(d) Credit risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company does not consider that it is exposed to any material credit risks.

(e) Foreign currency risk

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

At March 31, 2019, the Company has certain monetary items denominated in United States Dollars. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in an increase or decrease of \$2,500 in the Company's net loss.

(f) Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. See "Liquidity, Capital Resources and Going Concern" section.

Related party transactions and balances

Related party transactions

During the three month period ended March 31, 2019, the related party transactions (excluding key management compensation) were as follows:

- a) A company owned by a relative of a director and officer provided marketing consulting services of \$14,250 (March 31, 2018- \$10,500) for the three months ending March 31, 2019.
- b) Amounts owing to related parties are unsecured, non-interest bearing and due on demand. As at March 31, 2019, \$899,100 (December 31, 2018 - \$635,746) is due to related parties.

Key management compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the Chairman, President & Chief Executive Officer, Chief Financial Officer and Directors. For the three months ended March 31, 2019, total key management compensation was \$208,332, which includes management fees and salaries of \$129,000 and share-based compensation of \$79,332.

Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based

KORE MINING LTD.
Interim Management's Discussion and Analysis
March 31, 2019
(Expressed in Canadian dollars)

on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Judgments

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

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

Recent Accounting Standards

On January 1, 2019, the Company adopted IFRS 16 – Leases, which is a new standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting. Adoption of this standard did not have a significant measurement or disclosure impact on the Company's unaudited condensed interim consolidated statements.

We completed our assessment of the adoption of IFRS 16 and determined that there were no quantitative impacts or any significant disclosure impacts as the Company does not have any significant leases.

Risks:

Mining Risks

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Commodity prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks however the Company is not fully insured against all risks nor are all such risks insurable.

- Financial risks include fluctuations in commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.

- Regulatory risks include possible delays in getting regulatory approval for transactions that the Board of Directors believe to be in the best interest of the Company, increased fees for filings, and the introduction of more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

Outlook

The Company's primary focus is the exploration and development of the Imperial and Long Valley Projects. In addition to the exploration at these Properties, the Company may evaluate other prospects worthy of exploration and development. The ability of the Company to do so is contingent upon its ongoing ability to raise the risk capital necessary to advance such prospects.

Approval

The Board of Directors of the Company have approved the disclosure contained in this MD&A.

Cautionary Note Regarding Forward Looking Statements

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

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of May 28, 2019.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

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

Other Information

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