

**KORE MINING LTD.**

**Management's Discussion and Analysis**

**December 31, 2017**



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**2017**

*(Expressed in Canadian dollars)*

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The following Management's Discussion and Analysis ("MD&A"), prepared as of April 6, 2018, should be read together with the consolidated financial statements of Kore Mining Ltd. ("Kore Mining" or the "Company") for the year ended December 31, 2017 and the period from incorporation of the Company to December 31, 2016, 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.

**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 April 6, 2018.
- 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".

**Nature of Operations**

Kore Mining was incorporated in British Columbia on February 22, 2016. Kore Mining is the parent company of its consolidated group which comprises a 100% interest in Imperial USA Corp. (Imperial), a Nevada corporation purchased on March 28, 2017 and a 100% interest in Kore USA Ltd. (Kore USA), also a Nevada corporation, incorporated on June 6, 2017.

Kore Mining is engaged in the acquisition, exploration and evaluation of primarily gold mineral properties. The Company is focussing its efforts on the Long Valley Project and the Imperial Project, both located in California.

**Imperial Project Summary**

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 4.9% ownership interest in the Company, above which level further share consideration is at the option of the Company.

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In addition, the Company has committed to incur US\$5 million on the Imperial Project on or before 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.

The Imperial Property is located in Imperial County, in southeastern California and was acquired with the purchase of Imperial. 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 is amenable to open pit run-of-mine heap leach operations. The company proposes to complete permitting studies to advance the project.

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 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. on any gold 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 environmental liabilities related to the Imperial Project.

**Long Valley Project Summary**

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 Inc.

The vendor retained a net smelter return royalty on the claims ("the Seller NSR"). The Seller NSR provides for a perpetual royalty of 0.5% 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 1% net smelter return royalty 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.

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 insuring that the claim posts and location notices are properly upright and visible.

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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 environmental liabilities related to the Long Valley Property.

Following is a summary of exploration and evaluation expenses by project for the year ended December 31, 2017.

For the year ended December 31, 2017	Long Valley	Imperial
Exploration and evaluation expenses		
Permitting	\$ 23,347	\$ 174,780
Claim maintenance	26,650	141,921
Engineering, metallurgy and geotechnical	-	31,058
Geophysics	115,826	-
Property taxes	1,372	9,198
	<u>\$ 167,195</u>	<u>\$ 356,957</u>

**Overall Performance**

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 on its projects, and to provide general operating working capital.

**Selected Annual Information**

The following table summarizes financial data for annual operations reported by the Company as at and for the year ended December 31, 2017 as at and for the period from incorporation to December 31, 2016.

	2017	2016
Current assets	\$ 127,978	\$ 243,962
Mineral properties	690,038	-
Total Assets	818,016	315,174
Current liabilities	342,263	346,953
Net loss	1,296,244	733,636
Net comprehensive loss	\$ 1,337,418	\$ 733,636
Basic and diluted net loss per common share	\$0.09	\$0.07
Weighted average number of common shares outstanding	14,825,422	11,183,448

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**Summary of Quarterly Results**

The following is a summary of selected financial data for the Company for the eight most recently completed quarters.

Period ended	Dec 31 2017	Sep 30 2017	Jun 30 2017	Mar 31 2017
Net loss	\$ 456,530	\$ 371,255	\$ 289,983	\$ 178,476
Basic and diluted loss per common share	\$0.03	\$0.03	\$0.02	\$0.01

Period ended	Dec 31 2016	Sep 30 2016	Jun 30 2016	Mar 31 2016
Net loss	\$ 493,910	\$ 44,960	\$ 126,163	\$ 68,603
Basic and diluted loss per common share	\$0.04	\$0.00	\$0.01	\$0.02

Since incorporation in February 2016, the Company has completed several financings, raising a total of \$2,760,358.

**Results of Operations**

*Three months ended December 31, 2017*

During the three months ended December 31, 2017 (the "fourth quarter of 2017"), the Company incurred a net loss of \$456,530 compared to a net loss of \$493,910 during the three months ended December 31, 2016 (the "fourth quarter of 2016"). This information is derived from unaudited quarterly consolidated interim financial statements prepared by management and expressed in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS") applicable to interim financial reports.

For the three months ended	December 31 2017	December 31 2016
Exploration and evaluation expenses		
Permitting	\$ 130,874	\$ -
Claim maintenance	346	-
Engineering, metallurgy and geotechnical	6,142	5,350
Geophysics	115,826	-
Property taxes	10,570	-
Project evaluation costs	-	329,500
	263,758	334,850
Management fees and salaries	132,000	125,000
General and administration	16,874	21,870
Marketing, advisory and investor relations	19,221	3,406
Professional fees	29,532	12,427
Foreign exchange gain	(4,855)	(3,133)
Other income	-	(510)
	\$ 456,530	\$ 493,910

- Exploration and evaluation expenses: With the acquisition of Imperial and Kore USA in early 2017, costs were incurred for the permitting, claims maintenance, geological, geophysical and other evaluations of the projects in the fourth quarter of 2017 that did not occur in the fourth quarter of 2016. The larger overall loss in the three months ended December 31, 2016 was primarily the result of the project evaluation costs related to the potential acquisition of a gold property in California in late 2016. A non-refundable deposit of US\$250,000 was paid to maintain exclusivity in negotiating the purchase of the property. The Company elected to withdraw from the purchase when the term for exclusivity expired and to pursue other opportunities upon completion of its due diligence process.

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- Management fees and salaries: Fees and salaries remained relatively constant in the fourth quarter of 2017 compared to the fourth quarter of 2016.
- General and administration: General and administration costs remained relatively unchanged in the fourth quarter of 2017 compared to the fourth quarter of 2016.
- Marketing, advisory and investor relations: Marketing, advisory and investor relations increased in the fourth quarter of 2017 as compared to the fourth quarter of 2016 as a result of investor relations consulting, website maintenance, and fundraising efforts.
- Professional fees: Professional fees increased in the fourth quarter of 2017 compared to the fourth quarter of 2016 due to legal fees incurred in the acquisition of Kore USA and Imperial and the efforts to acquire the California property, plus the additional costs for a contract Chief Financial Officer and tax consulting fees.

*Fiscal Years ended December 31, 2017 and 2016*

During the year ended December 31, 2017 (the "current year"), the Company incurred a net loss of \$1,296,244 compared to a net loss of \$733,636 during the year ended December 31, 2016 (the "prior year"). Factors that contributed to the overall increase in the expenses are outlined below.

Fiscal Year ended	December 31 2017	December 31 2016
Exploration and evaluation expenses		
Permitting	\$ 198,127	\$ -
Claim maintenance	168,571	-
Engineering, metallurgy and geotechnical	31,058	28,917
Geophysics	115,826	-
Property taxes	10,570	-
Project evaluation costs	-	329,500
	524,152	358,417
Management fees and salaries	507,000	250,000
General and administration	64,026	62,763
Marketing, advisory and investor relations	26,221	27,772
Professional fees	67,005	37,577
Interest expense	147,980	-
Foreign exchange gain	(40,391)	(1,398)
Other (income)/expense	251	(1,495)
	\$ 1,296,244	\$ 733,636

- Exploration and evaluation expenses: With the acquisition of Imperial and Kore USA in early 2017, costs were incurred for permitting, claims maintenance, geological, geophysical and other costs of the projects in 2017 that did not occur in 2016. The loss in the period ended December 31, 2016 was primarily the result of the project evaluation costs related to the potential acquisition of the California gold property in California in late 2016. A non-refundable deposit of US\$250,000 was paid to maintain exclusivity in negotiating the purchase of the property in the United States. The Company elected to withdraw from the purchase when the term for exclusivity expired and to pursue other opportunities upon completion of its due diligence process.
- Management fees and salaries: The increase in management fees and salaries is due to the decision to commence compensating the officers of the Company beginning in the second half of 2016, which continued throughout 2017. Certain compensation payments were settled in shares of the Company in September 2017 on the same terms as the September private placement.
- General and administration: General and administration costs, consisting primarily of travel and lease costs, remained relatively unchanged for the fiscal years 2017 and 2016.

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- Marketing, advisory and investor relations: Marketing, advisory and investor relations administration costs remained relatively unchanged for the fiscal years 2017 and 2016.
- Professional fees: Professional fees increased in 2017 as compared to 2016 primarily for legal fees related to the acquisition of Imperial and Kore USA and tax consulting costs.
- Interest expense: Interest expense was incurred in 2017 related to loans to the Company that were not incurred in 2016.

**Liquidity, Capital Resources and Going Concern**

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

The continuing operations of the Company are dependent upon the Company's ability to arrange adequate financing in the near term. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be 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 December 31, 2017, the Company had a cash balance of \$88,694 and a working capital deficit of \$214,285 with current liabilities of \$342,263. The Company has incurred losses since inception and does not generate any cash inflows from operations. In the year ended December 31, 2017, cash used in operating activities totaled \$915,795.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities 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.

**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, Kore Mining has classified its cash and amounts receivable as loans and receivables, and accordingly they are measured at amortized cost.

Trade and other accounts payable have been classified as other liabilities and are measured 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.

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(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. Kore Mining maintains a portion of its cash reserves in United States dollars which are, therefore, subject to fluctuations in foreign exchange rates.

At December 31, 2017, 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 \$7,700 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**

Relationships	Nature of the relationship
1081646 BC Ltd. ("1081646 BC")	1081646 BC is a company controlled by a director and officer of the Company that provides the services of James Hynes as Chief Operating Officer of the Company since July 2016.
Hazelton, Rohan	Mr. Hazleton was a Director, President and Chief Executive Officer of the Company from inception until July 14, 2016.
Hynes, James	Mr. Hynes has been Chairman since September 1, 2016 and a Director and Chief Operating Officer of the Company since July 14, 2016.
Lyftoff Business Solutions Inc. ("Lyftoff")	Lyftoff is a private corporation that provides marketing consulting services to the Company and is controlled by a relative of a director and officer of the Company.
Rothwell, Adrian	Mr. Rothwell was appointed President and Chief Executive Officer of the Company on September 1, 2016 and has been a director of the Company since its inception. He was CFO from February 22, 2016 to August 31, 2016.

(a) Related party transactions

The following transactions relate to consulting fees and salaries incurred by the Company and are included in Management fees and salaries. Marketing consulting costs are included in Marketing, advisory and investor relations

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expenses, while Debt interest is included in Interest expense in the consolidated statement of loss and comprehensive loss.

<b>For the year ended December 31, 2017</b>	<b>Management fees and salaries</b>	<b>Marketing consulting</b>	<b>Debt interest</b>
1081646 BC	\$ 250,000	\$ -	\$ -
Hynes, James	-	-	18,045
Lyftoff	-	10,500	-
Rothwell, Adrian	250,000	-	19,950
	<b>\$ 500,000</b>	<b>\$ 10,500</b>	<b>\$ 37,995</b>

<b>For the period ended December 31, 2016</b>	<b>Management fees and salaries</b>	<b>Marketing consulting</b>	<b>Debt interest</b>
1081646 BC	\$ 125,000	\$ -	\$ -
Lyftoff	-	15,000	-
Rothwell, Adrian	125,000	-	-
	<b>\$ 250,000</b>	<b>\$ 15,000</b>	<b>\$ -</b>

Amounts owing to related parties are non-interest bearing, unsecured and due on demand. The transactions occur in the normal course of operations. At December 31, 2017, the Company owed \$131,456 (December 31, 2016 - \$253,972) to related parties and is included in accounts payable.

(b) Key management compensation

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

<b>For the year ended December 31</b>	<b>2017</b>	<b>2016</b>
Salaries and benefits	\$ 507,000	\$ 250,000
	<b>\$ 507,000</b>	<b>\$ 250,000</b>

**Outstanding Share Data**

The following table summarizes the Company's outstanding share capital:

	April 6, 2018
Common shares issued and outstanding	17,907,220
Fully diluted common shares outstanding	17,907,220

**Additional Disclosure for Venture Issuers without Significant Revenue**

Details of the Company's general and administrative expenses for the three and twelve months ended December 31, 2017 and for the three months and period from incorporation to December 31, 2016 are included in the results of operations section of this MD&A.

**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, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding 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

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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 ever 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 Long Valley and Imperial 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.

**Other Information**

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