

June 15, 2022

IMPORTANT TAX NOTICE: 2021 PFIC STATUS

Attention: U.S. SHAREHOLDERS



This statement is provided to shareholders of KORE Mining Ltd. (“KORE”) who are United States persons for purposes of the U.S. Internal Revenue Code of 1986, as amended (“the Code”), as amended and the regulations thereunder and are required to file a United States income tax return. It is not relevant to other shareholders.

On a more likely than not basis, KORE would not be considered a passive foreign investment company (“PFIC”) under §1297(a) of the Code for the taxable year ended December 31, 2021, for U.S. shareholders who acquired their shares in KORE during calendar year 2021. A principal reason that KORE would not be considered a PFIC for 2021 was the result of the U.S. tax treatment related to the January 21, 2021, distribution of Karus Gold Corp. shares to the existing KORE shareholders. However, there can be no assurance that the U.S. Internal Revenue Service will not challenge KORE’s views concerning its PFIC status for 2021.

The determination as to whether any corporation was, or will be, a PFIC for a particular year depends, in part, on the application of complex U.S. federal income tax statutes, regulations, and the interpretation thereof. In addition, whether any corporation will be a PFIC for any tax year depends on its assets and income over the course of such tax year and as a result, the PFIC status of KORE for 2021 and any future year is subject to a complex analysis and therefore cannot be predicated with certainty. For KORE’s shareholders that are subject to U.S. federal income tax, certain significant and potentially adverse United States federal income tax consequences would result from this designation. These consequences may be generally mitigated by making a timely and effective election to treat KORE as a Qualified Electing Fund under §1295 of the Code (a “QEF Election”).

Although KORE does not believe it is a PFIC for 2021, there can be no assurance thereof. Accordingly, we have attached the PFIC Annual Information Statement pursuant to the requirements of Treasury Regulation §1.1295-1(g)(1) for U.S. shareholders who have made or intend to make a QEF Election. The attached PFIC Annual Information Statement contains information to enable you or your tax advisor to prepare your tax return if you make the QEF Election.

A U.S. shareholder who makes a QEF Election is required to annually include in income the pro rata share of the ordinary earnings and net capital gains of KORE. The QEF Election is made by completing and attaching *Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund* (Form 8621) to your timely-filed federal income tax return.

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST U.S. SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. WE STRONGLY URGE U.S.

SHAREHOLDERS TO CONSULT WITH THEIR OWN TAX ADVISOR TO DETERMINE WHETHER THEY ARE SUBJECT TO U.S. FEDERAL INCOME TAX, AND IF SO, WHETHER THEY ARE ELIGIBLE TO MAKE ANY APPLICABLE ELECTIONS PERTAINING TO THE COMPANY'S STATUS AS A PFIC. ANY DECISION TO MAKE OR NOT MAKE ANY ELECTION THAT MAY BE AVAILABLE WILL DEPEND UPON A U.S. SHAREHOLDER'S PARTICULAR TAX SITUATION AND MAY HAVE SIGNIFICANT AND CONTINUING U.S. TAX CONSEQUENCES. KORE IS UNABLE TO GIVE ADVICE IN THIS REGARD.

Further information on PFIC rules and the QEF election is available from the Internal Revenue Service, including the following webpage: <https://www.irs.gov/forms-pubs/about-form-8621>. Instructions to complete Form 8621 may be found at: <https://www.irs.gov/pub/irs-pdf/i8621.pdf>

For further information, U.S. Shareholders should consult their tax advisor or seek additional information at [www.irs.gov](http://www.irs.gov).



## PFIC ANNUAL INFORMATION STATEMENT

### KORE Mining Ltd.

1. The first and last days of the taxable year of KORE Mining Ltd. ("KORE") to which this information applies:

First Day: January 1, 2021

Last Day: December 31, 2021

2. The following are the ordinary earnings and net capital gain amounts of KORE for the specified periods below:

	1/1/2021 – 12/31/2021
Ordinary Earnings per Share	Nil
Net Capital Gain per Share	0.0502

3. The following are the amounts of cash and the fair market value of other property distributed or deemed distributed for the specified periods below:

	1/1/2021 – 12/31/2021
Cash	Nil
Fair Market Value of Property	0.0772

KORE will permit any U.S. Shareholder to inspect and copy its permanent books of account, records, and such other documents as may be maintained by KORE to establish that the ordinary earnings and net capital gain of KORE, as defined in Section 1293(e) of the U.S. Internal Revenue Code of 1986, as amended and the regulations thereunder, are computed in accordance with U.S. income tax principles, and to verify these amounts and the shareholder's pro rata shares thereof.

A handwritten signature in black ink, appearing to read 'Amir Liari', is written over a horizontal line.

Chief Financial Officer

July 8, 2022

Date