

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States. Accordingly these securities may not be offered or sold in the United States except in accordance with the Underwriting Agreement (as defined herein) and pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.*

*Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of KORE Mining Ltd. at Suite 960, 1055 West Hastings Street, Vancouver, British Columbia, V6B 0B8 (Telephone (888) 407-5450), and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## SHORT FORM PROSPECTUS

New Issue

June 11, 2021

# KORE MINING LTD.



**\$8,000,900**  
**8,422,000 Units**

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**\$0.95 per Unit**

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This short form prospectus (this “**Prospectus**”) qualifies the distribution (the “**Offering**”) of 8,422,000 units (the “**Units**”) of KORE Mining Ltd. (the “**Company**” or “**KORE**”) at a price of \$0.95 per Unit (the “**Offering Price**”) for aggregate gross proceeds to the Company of \$8,000,900. The Offering will be conducted pursuant to the terms and conditions of an underwriting agreement (the “**Underwriting Agreement**”) dated as of May 17, 2021 among the Company, Canaccord Genuity Corp. (the “**Lead Underwriter**”), as lead underwriter and sole bookrunner, PI Financial Corp. and Cormark Securities Inc. (together with the Lead Underwriter, the “**Underwriters**”). The Offering Price and certain other terms of the Offering were determined by arm’s length negotiation between the Company and the Lead Underwriter, with reference to the prevailing market price of the common shares of the Company (“**Common Shares**”) on the TSX Venture Exchange (the “**TSXV**”). See “*Plan of Distribution*”.

Each Unit consists of one Common Share (each, a “**Unit Share**”) and one-half of one Common Share purchase warrant of the Company (each whole Common Share purchase warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share (each, a “**Warrant Share**”) at an exercise price of \$1.35 (the “**Exercise Price**”) until the date that is 24 months following the Closing Date (as defined herein) (the “**Warrant Expiry Date**”). The Warrants will be issued pursuant to and governed by a warrant indenture (the “**Warrant Indenture**”) to be entered into on the Closing Date between the Company and Computershare Trust Company of Canada (the “**Warrant Agent**”), as warrant agent. The Unit Shares and the Warrants comprising the Units will separate immediately upon the closing of the Offering. See “*Description of Securities Being Distributed*”.

The Common Shares are listed and posted for trading on the TSXV under the symbol “KORE” and on the OTCQX Venture Market (the “OTCQX”) under the symbol “KOREF”. On June 10, 2021, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$0.81 and on the OTCQX was US\$0.67.

The TSXV has conditionally approved the listing of the Unit Shares, the Warrant Shares and the Broker Warrant Shares (as defined herein) on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. **There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See “Risk Factors”.**

|                               | <u>Price to the Public</u> | <u>Underwriters’ Fee<sup>(1)</sup></u> | <u>Net Proceeds to the Company<sup>(2)</sup></u> |
|-------------------------------|----------------------------|--|--|
| Per Unit                      | \$0.95                     | \$0.057                                | \$0.893  |
| Total Offering <sup>(3)</sup> | \$8,000,900                | \$480,054                              | \$7,520,846                                      |

Notes:

- Pursuant to the terms of the Underwriting Agreement, the Underwriters will receive a cash commission (the “Underwriters’ Fee”) equal to 6.0% of the gross proceeds of the Offering, including in respect of any gross proceeds raised on the exercise of the Over-Allotment Option (as defined herein), subject to a reduced cash commission equal to 3.0% in respect of gross proceeds of up to \$2,000,000 from the sale of Units sold to certain purchasers designated by the Company on a president’s list (the “President’s List”). The amounts assume no Units are sold to purchasers on the President’s List. In addition, the Underwriters will receive such number of warrants (the “Broker Warrants”) as is equal to 6.0% of the number of Units issued pursuant to the Offering, including any Units sold on the exercise of the Over-Allotment Option, subject to a reduced number of Broker Warrants equal to 3.0% in respect of such Units sold to purchasers on the President’s List. Each Broker Warrant will be exercisable to acquire one Common Share (a “Broker Warrant Share”) at an exercise price of \$0.95 per Broker Warrant Share, for a period of 24 months following the Closing Date. This Prospectus also qualifies the distribution of the Broker Warrants. The President’s List shall be up to a maximum of \$2,000,000. See “Plan of Distribution”.
- After deducting the Underwriters’ Fee (assuming no Units are sold to purchasers on the President’s List), but before deducting expenses of the Offering, which are estimated to be approximately \$300,000, and which together with the Underwriters’ Fee will be paid by the Company from the proceeds of the Offering. See “Use of Proceeds”.
- The Company has granted the Underwriters an over-allotment option (the “Over-Allotment Option”), exercisable in whole or in part, in the sole discretion of the Underwriters, at any time and from time to time for a period of 30 days from and including the Closing Date (the “Over-Allotment Deadline”), to purchase up to an additional 1,263,300 Units (the “Additional Units”) at the Offering Price, to cover over-allotments, if any, made by the Underwriters and for market stabilization purposes. The Over-Allotment Option may be exercised by the Lead Underwriter, on behalf of the Underwriters, to acquire (i) Additional Units at the Offering Price, or (ii) additional Warrants (the “Additional Warrants”) at a price of \$0.08 per Additional Warrant, or (iii) any combination of Additional Units and Additional Warrants, provided that the aggregate number of Additional Warrants which may be issued under the Over-Allotment Option does not exceed 631,650 Additional Warrants. The Additional Warrants will have the same terms as the Warrants. The Additional Units, addition Unit Shares and Additional Warrants are collectively referred to herein as the “Additional Securities”. The Over-Allotment Option is exercisable by the Lead Underwriter, on behalf of the Underwriters, by giving notice to the Company prior to the Over-Allotment Deadline, which notice shall specify the number of Additional Securities to be purchased. A purchaser who acquires Additional Securities forming part of the Underwriters’ over-allocation position acquires such Additional Securities under this Prospectus regardless of whether the Underwriters’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total Price to the Public, Underwriters’ Fee and Net Proceeds to the Company (before deducting expenses of the Offering (see note 2 above) and assuming no Units are sold to purchasers on the President’s List) will be \$9,201,035, \$552,062.10 and \$8,648,972.90, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Securities issuable pursuant to the exercise of the Over-Allotment Option. See “Plan of Distribution” and the table below.

The following table sets out the maximum number of securities under option that may be issued by the Company to the Underwriters pursuant to the Underwriting Agreement:

| <u>Underwriters’ Position</u> | <u>Maximum Number of Securities Available</u>                | <u>Exercise Period</u>                            | <u>Exercise Price</u>                                    |
|-------------------------------|--|---|--|
| Over-Allotment Option         | Up to 1,263,300 Additional Units/631,650 Additional Warrants | Up to 30 days from and including the Closing Date | \$0.95 per Additional Unit/\$0.08 per Additional Warrant |
| Broker Warrants               | Up to 581,118 Broker Warrant Shares <sup>(1)</sup>           | 24 months following the Closing Date              | \$0.95 per Broker Warrant Share                          |

Notes:

- Assuming the exercise of the Over-Allotment Option in full and that no Units are sold to purchasers on the President’s List.

Unless the context otherwise requires, when used herein, all references to the “Offering”, “Units”, “Unit Shares”, “Warrants” and “Warrant Shares” includes all securities issuable assuming the exercise of the Over-Allotment Option.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the terms and conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters by Farris LLP, on behalf of the Company, and by Cassels Brock & Blackwell LLP, on behalf of the Underwriters.

The Units will be offered in each of the provinces of Canada, other than Québec, through the Underwriters or their affiliates who are registered to offer Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Units in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters. See “*Plan of Distribution*”.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing of the Offering will occur on or about June 18, 2021 or such other date as the Lead Underwriter and the Company may determine, but in any event, not more than 42 days after the date of the receipt for this Prospectus (the “**Closing**” or “**Closing Date**”). It is anticipated that the Unit Shares and Warrants comprising the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form. A purchaser of Units, including a purchaser of Units in the United States, or purchasing for the account or benefit of a U.S. person, as defined in Regulation S under the U.S. Securities Act (“**U.S. Person**”), that is a “qualified institutional buyer” as defined in Rule 144A of the U.S. Securities Act (a “**Qualified Institutional Buyer**”), will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See “*Plan of Distribution*”. **The Underwriters may decrease the price at which the Units are offered from the Offering Price in the circumstances described under “*Plan of Distribution*”.**

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions which are intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

**Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide purchasers with information different from that contained or incorporated by reference in this Prospectus. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front page of this Prospectus. An investment in the Units is speculative and involves a high degree of risk that should be considered by potential purchasers before purchasing such securities. An investment in the Units is suitable only for those purchasers who are willing to risk a loss of all of their investment and who can afford to lose all of their investment. The risk factors included and incorporated by reference into this Prospectus should be reviewed carefully and evaluated by prospective purchasers of the securities offered hereunder. See “*Risk Factors*” and “*Cautionary Statement on Forward-Looking Information*”.**

Prospective purchasers should be aware that the acquisition or disposition of securities described herein may have tax consequences in Canada and in the United States. This Prospectus may not describe these tax consequences fully. Prospective purchasers should rely on their own tax advisors with respect to their own particular circumstances. See “*Certain Canadian Federal Income Tax Considerations*”.

Marc Leduc, an officer of the Company, Todd Harvey, Terre Lane, Neil Prens and Steven Weiss, the authors of the Long Valley Technical Report (as defined herein) and, in the case of Mr. Harvey and Ms. Lane, also certain of the authors of the Imperial Technical Report (as defined herein), reside outside of Canada and have appointed the Company at its head office set forth below as their agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

The head office and principal address of the Company is located at Suite 960 -1055 West Hastings Street, Vancouver, British Columbia, Canada V6B 0B8. The registered and records office of the Company is located at Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

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## ABOUT THIS SHORT FORM PROSPECTUS

In this Prospectus, the Company and its subsidiaries are collectively referred to as the “Company” or “KORE”, unless the context otherwise requires. Readers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide readers with information that is different or additional information from that contained in this Prospectus. If anyone provides you with any different, additional, inconsistent or other information, you should not rely on it. The Company and the Underwriters take no responsibility for, and can provide no assurance as to the reliability of any other information that others may give readers of this Prospectus. The Company and the Underwriters are not making an offer to sell or seeking an offer to buy the Units in any jurisdiction where the offer or sale is not permitted.

The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws. Information contained on, or otherwise accessed through, the website of the Company, <https://www.koremining.com/>, shall not be deemed to be a part of this Prospectus or a document incorporated by reference herein or therein, and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Units.

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, contained or incorporated by reference in this Prospectus constitute “forward-looking statements” within the meaning of the *United States Private Securities Litigation Reform Act of 1995* and “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information and statements herein and in the documents incorporated by reference herein are provided as of the date of such documents only, and the Company does not intend, and does not assume any obligation, to update forward-looking information and statements, except as required by law. Generally, forward-looking information and statements can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or the negative connotation thereof 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 connotation thereof. Forward-looking information and statements contained or incorporated by reference in this Prospectus include, but are not limited to, statements with respect to:

- the completion and expected timing of the Offering;
- the receipt of required regulatory approvals (including final approval of the TSXV) in respect of the Offering;
- the net proceeds from the Offering, the Company’s use of the net proceeds from the Offering and the results of activities conducted using such net proceeds;
- the duration and effects of COVID-19 and any other pandemics on the Company’s workforce, business, operations and financial condition;
- our expected future loss and accumulated deficit levels;
- our projected financial position and estimated cash burn rate;
- our requirements for, and the ability to obtain, future funding on favorable terms or at all;
- the future interpretation of our geological information;
- the cost and results of operational activities, including objectives, exploration, development and evaluation activities;
- expectations and realization of mineral reserves and mineral resources;
- reclamation costs and timing;
- expectations with respect to the process for and receipt of regulatory approvals;
- volatility of the market price of the Common Shares;
- permits and licenses under governmental and other applicable regulatory regimes; and
- the other factors discussed in the section titled “*Risk Factors*” herein and in the documents incorporated by reference herein, as described below.

Forward-looking information and statements are based on the current expectations, beliefs, assumptions, estimates and forecasts of KORE about KORE’s business and the industry and markets in which it operates. Forward-looking information and statements are made based upon numerous assumptions, including among others, that the results of

planned exploration and development activities are as anticipated and on time; the price of relevant metals and other market conditions and factors; the cost of planned exploration and development activities; there will be limited changes in any project parameters as plans continue to be refined; that financing will be available if and when needed and on reasonable terms; third party contractors, equipment, supplies and governmental and other approvals required to conduct KORE's planned exploration and development activities will be available on reasonable terms and in a timely manner; there will be no revocation of government approvals and that general business, economic, competitive, social and political conditions will not change in a material adverse manner; financial and metals markets will not be adversely affected, including by a global pandemic (including COVID-19); suppliers, employees, contractors and subcontractors will be available to continue operations as needed; demand for, and supply of, silver and gold; tax rates, interest rates and exchange rates; mineral resource estimates and the assumptions on which they are based; and the listing of Common Shares qualified by this document on any securities exchange. Although the assumptions made by the Company in providing forward-looking information or making forward-looking statements are considered reasonable by management, there can be no assurance that such assumptions will prove to be accurate.

Forward-looking information and statements also involve known and unknown risks and uncertainties and other factors, which may cause actual results, performances and achievements of KORE to differ materially from any projections of results, performances and achievements of KORE expressed or implied by such forward-looking information or statements, including, among others, negative operating cash flow and dependence on third party financing; uncertainty of additional financing; price of relevant metals; exploration risks; uninsurable risks; reliance upon key management and other personnel; imprecision of mineral resource estimates; potential cost overruns on any development; capital intensive nature of mining industry; changes in climate or increases in environmental regulation; aboriginal title and consultation issues; deficiencies in the Company's title to its properties; information security and cyber threats; failure to manage conflicts of interest; failure to obtain or maintain required permits and licenses; changes in laws, regulations and policy; competition for resources and financing; volatility in market price of the Common Shares; financial and gold market reactions, as well as effects on individuals on which KORE relies, as a result of global pandemics (including COVID-19); speculative nature of exploration and development projects; liquidity of securities of KORE; dilution risks to existing securityholders; risks associated with the sale of securities of KORE; conflicts of interest for KORE's directors engaged in similar businesses; interruption or failure of KORE's information systems; cyberattacks; competitors and competing technology; inability to exploit, expand and replace mineral resources; and other factors discussed or referred to in this Prospectus under "*Risk Factors*" and in the documents incorporated by reference herein.

Although KORE has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information or 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 such information or statements will prove to be accurate, as actual results and future events and actions could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information or statements. The forward-looking information and statements contained in this Prospectus are made as of the date of this Prospectus and, accordingly, are subject to change after such date.

## **CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION**

All references to "\$" in this Prospectus are to Canadian dollars and all references to "US\$" are to United States dollars. On June 10, 2021, the Bank of Canada daily rate of exchange was US\$1.00 = \$1.2094 or \$1.00 = US\$0.8269.

## **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in Canada.** Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of the Company at Suite 960 – 1055 West Hastings Street, Vancouver, British Columbia, V6B 0B8 (Telephone (888) 407-5450) and are also available electronically at [www.sedar.com](http://www.sedar.com).

The following documents of the Company filed with the securities commissions or similar authorities in Canada are incorporated by reference in this Prospectus:

- (a) the annual information form of the Company dated April 29, 2021 for the year ended December 31, 2020 (the “**AIF**”);
- (b) the audited consolidated financial statements of the Company and the notes thereto for the financial year ended December 31, 2020, which comprise the consolidated financial position as at December 31, 2020 and December 31, 2019, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years ended December 31, 2020 and December 31, 2019, together with the independent auditors’ report thereon;
- (c) the management’s discussion and analysis of financial condition and results of operations of the Company for the year ended December 31, 2020;
- (d) the unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2021, together with the notes thereto (the “**Q1 2021 Financial Statements**”);
- (e) the management’s discussion and analysis of financial condition and results of operations of the Company for the three months ended March 31, 2021 (the “**Q1 2021 MD&A**”);
- (f) the material change report of the Company dated January 25, 2021 in respect of the announcement of the completion of the plan of arrangement pursuant to which the Company spun-out its Canadian assets to Karus Gold Corp. (the “**January 2021 MCR**”);
- (g) the material change report of the Company dated May 18, 2021 in respect of the announcement of the Offering;
- (h) the management information circular of the Company dated September 4, 2020 for the annual general and special meeting of the shareholders of the Company held on October 9, 2020;
- (i) the management information circular of the Company dated December 18, 2020 for the special meeting of the shareholders of the Company held on January 20, 2021;
- (j) the “template version” (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements* (“**NI 41-101**”)) of the term sheet of the Company dated May 11, 2021, with respect to the Offering (the “**Marketing Materials**”);
- (k) the amended and restated technical report of the Company entitled “Preliminary Economic Assessment NI 43-101 Technical Report – Long Valley Project, Mono County, California, USA” effective September 21, 2020 and dated June 7, 2021 (the “**Long Valley Technical Report**”); and
- (l) the amended and restated technical report of the Company entitled “Preliminary Economic Assessment - Technical Report, Imperial Gold Project, California, USA” effective April 6, 2020 and dated June 10, 2021 (the “**Imperial Technical Report**”).

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* and required to be incorporated by reference in a short form prospectus (excluding confidential material change reports), if filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of the distribution pursuant to the Offering will be deemed to be incorporated by reference in this Prospectus. The information contained on the Company’s website or any other website address which is included herein or in any of the documents enumerated above is not part of this Prospectus and is not incorporated by reference in this Prospectus despite any references thereto in any such documents.

The Prospectus in electronic format may be made available electronically on websites or through other online services maintained by the Underwriters or by their affiliates. Other than the Prospectus in electronic format, the information on the Underwriters’ websites and any information contained in any other website maintained by the Underwriters or their affiliates is not part of the Prospectus, has not been approved or endorsed by the Company or the Underwriters and should not be relied upon by investors.

**Notwithstanding anything herein to the contrary, any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not, except as so modified or superseded, be deemed to constitute a part of this Prospectus.**

### **MARKETING MATERIALS**

Any “template version” of “marketing materials” (as such terms are defined in NI 41-101), including the Marketing Materials, are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any “template version” of any “marketing materials” that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials, including the Marketing Materials) is deemed to be incorporated by reference into this Prospectus.

### **TECHNICAL INFORMATION**

The disclosure contained or incorporated by reference in this Prospectus of a scientific or technical nature that relates to the Long Valley project located in Mono County, California (the “**Long Valley Project**”), including disclosure of mineral resources, is based on the Long Valley Technical Report in respect of the Long Valley Project prepared by Terre Lane, RMSME MMSAQP, Todd Harvey, PhD, RMSME of Global Resources Engineering (“**GRE**”), Neil Prenn, P.E. and Steven I. Weiss, C.P.G. of Mine Development Associates, Inc. The disclosure contained or incorporated by reference in this Prospectus of a scientific or technical nature that relates to the Imperial project in Imperial County, California (the “**Imperial Project**”), including disclosure of mineral resources, is based on the Imperial Technical Report in respect of the Imperial Project prepared by Terre Lane, RMSME MMSAQP, Todd Harvey, PhD, RMSME of GRE and Glen Cole, P.Geo., of SRK Consulting (Canada) Inc. Each of the Long Valley Technical Report and the Imperial Technical Report have been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”), Form 43-101F1 *Technical Reports* and CIM Definition Standards on Mineral Resources and Mineral Reserves (May 2014), and includes information that has been prepared by or under the supervision of “qualified persons” (as such term is defined in NI 43-101), and which information is included or incorporated by reference in this Prospectus with the consent of such persons.

The technical information contained in and incorporated by reference in this Prospectus has been updated with current information where applicable. The Long Valley Technical Report and the Imperial Technical Report have each been filed on SEDAR and may be accessed electronically at [www.sedar.com](http://www.sedar.com).

The mineral resource estimates contained in the Long Valley Technical Report and the Imperial Technical Report are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined, if any, may differ from that indicated by drilling results and the difference may be material. The mineral resource estimates described in the Long Valley Technical Report and the Imperial Technical Report should not be interpreted as assurance of mine life or of profitability of future operations. Investors are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

The scientific and technical information in respect of the Long Valley Project and the Imperial Project contained in or incorporated by reference in this Prospectus has been reviewed and approved by Marc Leduc, P. Eng., the Chief Operating Officer for the Company and a “qualified person” as defined by NI 43-101.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Farris LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) in force as of the date hereof, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan or tax-free savings account, as those terms are defined in the Tax Act (collectively referred to as “**Registered Plans**”) or a deferred profit sharing plan (“**DPSP**”) (as defined in the Tax Act), provided that:

- i. in the case of Unit Shares and Warrant Shares, the Unit Shares or Warrant Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes Tiers 1 and 2 of the TSXV) or the Company otherwise qualifies as a “public corporation” (as defined in the Tax Act); and
- ii. in the case of the Warrants, the Warrant Shares are qualified investments as described in (i) above and neither the Company, nor any person with whom the Company does not deal at arm’s length, is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder or subscriber of, or an annuitant under a Registered Plan, as the case may be (the “**Controlling Individual**”), will be subject to a penalty tax in respect of Unit Shares, Warrant Shares or Warrants held in the Registered Plan if such securities are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. A Unit Share, Warrant Share or Warrant generally will be a “prohibited investment” for a Registered Plan if the Controlling Individual does not deal at arm’s length with the Company for the purposes of the Tax Act or the Controlling Individual has a “significant interest” (as defined in subsection 207.01(4) the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will generally not be a “prohibited investment” if such securities are “excluded property” (as defined in the Tax Act) for the Registered Plan. Controlling Individuals should consult their own tax advisors as to whether the Unit Shares, Warrant Shares, or Warrants will be a prohibited investment in their particular circumstances.

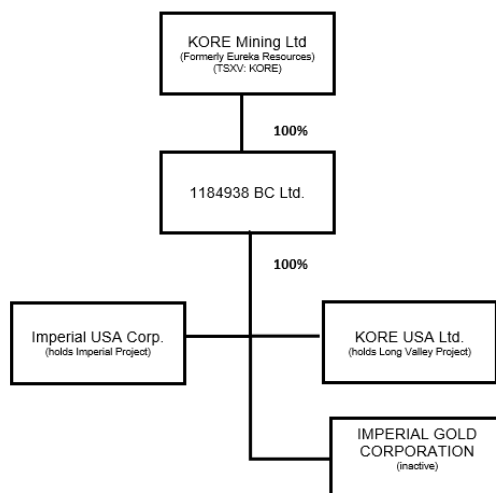
## KORE MINING LTD.

The Company was incorporated as “Eureka Resources, Inc.” on June 16, 1981 under the *Company Act* (British Columbia). On March 30, 1990, the Company amalgamated with Hawthorne Gold Corporation, with the amalgamated company continuing as Eureka Resources, Inc. On October 30, 2018, the Company completed its acquisition of 1065591 B.C. Ltd. (then KORE Mining Ltd., a private company) by way of a three-cornered amalgamation under the *Business Corporations Act* (British Columbia) (the “**Transaction**”). The Transaction constituted a reverse takeover under the policies of the TSXV and, in connection with the Transaction, the Company changed its name to “KORE Mining Ltd.”.

On January 25, 2021, KORE completed a spin-out transaction (the “**Spin-out**”) whereby its Canadian properties were transferred by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) to a newly-formed entity, Karus Gold Corp., in exchange for common shares of Karus Gold Corp., which were distributed to the shareholders of KORE. Karus Gold Corp. issued a 1% NSR to the Company on all claims not already encumbered. See the January 2021 MCR for additional details.

The Company’s head office is located at Suite 960, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 and its registered and records office is located at Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

The following depicts the intercorporate relationships of the Company:



### General Overview of the Business

The Company's business is the acquisition, exploration and development of North American gold projects. The Company currently owns 100% of two gold projects in California.

The Company's most advanced gold project, the Imperial Project, is being prepared for mine development permitting and the surrounding Mesquite-Picacho District claim block is being explored for new discoveries. The Imperial Project is located in Imperial County, California, with access to labour and infrastructure associated with the Mesquite gold mine, located nine miles away. KORE filed an amended technical report for the Imperial Project in January 2020 and in May 2020, and subsequently filed the Imperial Technical Report in June 2021. KORE is actively exploring the Mesquite-Picacho District and is planning to drill in the second half of 2021, subject to permitting.

KORE also owns 100% of the Long Valley Project located in Mono County, California. KORE filed an amended technical report for the Long Valley Project in October 2020 and subsequently filed the Long Valley Technical Report in June 2021 which confirmed the Long Valley Project as a potential low-cost heap leach project. The Company is permitting exploration drilling at the Long Valley Project and planning to drill the project in the summer of 2021.

### CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at March 31, 2021, the date of the Company's most recent financial statements, both before and after giving effect to the Offering. This table should be read in conjunction with the Q1 2021 Financial Statements, including the notes thereto, and the Q1 2021 MD&A, both incorporated by reference into this Prospectus. There have not been any material changes in the share and loan capital of the Company since March 31, 2021.

|   | <b>As at March 31,<br/>2021</b> | <b>As at March 31, 2021<br/>after giving effect to the<br/>Offering, excluding the<br/>exercise of the Over-<br/>Allotment Option</b> | <b>As at March 31, 2021<br/>after giving effect to the<br/>Offering, including the<br/>full exercise of the<br/>Over-Allotment Option</b> |
|---|---------------------------------|---|---|
| Share Capital.....  | \$11,888,103                    | \$19,889,003 <sup>(1)(2)</sup>  | \$21,089,138 <sup>(1)(2)</sup>  |
| Number of Common Shares<br>(authorized: unlimited) <sup>(3)</sup> ..... | 106,224,912                     | 114,646,912 <sup>(1)</sup>  | 115,910,212 <sup>(1)</sup>  |

Notes:

(1) Amounts exclude the proceeds that may be received with respect to the 3,500,000 Common Shares reserved for issuance upon exercise of Common Share purchase warrants, the 8,366,668 Common Shares reserved for issuance upon the exercise of options

and the 248,000 Common Shares reserved as restricted share units granted to certain of the Company's executive officers, directors, employees and consultants, as well as the proceeds that may be received with respect to the Common Shares that will be reserved for issuance upon exercise of the Warrants and Broker Warrants to be issued pursuant to the Offering, and the number of Common Shares that may be issued pursuant to any such exercises.

- (2) Before deduction of the Underwriters' Fee and including estimated expenses of the Offering.
- (3) In addition to the 3,500,000 Common Share purchase warrants outstanding prior to giving effect to the Offering, up to 4,842,650 Warrants and up to 581,118 Broker Warrants are issuable pursuant to the Offering.

## USE OF PROCEEDS

The net proceeds of the Offering, after deducting the Underwriters' Fee of \$480,054 (assuming no Units are sold to purchasers on the President's List) and after deducting the estimated expenses of the Offering (estimated to be approximately \$300,000), are estimated to be \$7,220,846. If the Over-Allotment Option is exercised in full, the net proceeds of the Offering, after deducting the Underwriters' Fee of \$552,062.10 (assuming no Units are sold to purchasers on the President's List) and after deducting the estimated expenses of the Offering (estimated to be approximately \$300,000), are estimated to be \$8,348,972.90. The Underwriters' Fee and the expenses of the Offering will be paid from the proceeds of the Offering.

The key business objectives the Company intends to pursue with the majority of the net proceeds of the Offering are to advance exploration and development on the Imperial Project and to advance exploration on the Long Valley Project. The balance of the net proceeds of the Offering will be allocated to general administrative expenses and working capital, as set out below. The net proceeds of the Offering, along with cash on hand, are expected to provide sufficient funding for the Company's planned operations until the first quarter of 2022, including the submission of the mine plan of operations for the Imperial Project, which marks the start of the mine permitting process. Any additional proceeds from the exercise of the Over-Allotment Option are expected to be used for further exploration and development work at the Imperial Project, with the allocation of those funds to be based on results from work undertaken over the course of 2021.

The Company intends to use the net proceeds of the Offering as follows:

| Use of Proceeds <sup>(1) (2)</sup>  | Approximate Amount<br>(C\$M)                     | Approximate Amount (C\$M)                          |
|---|--|--|
|   | Assuming no exercise of<br>Over-Allotment Option | Assuming full exercise of<br>Over-Allotment Option |
| <b>Imperial Project</b>   |  |  |
| Exploration including drilling, drill permitting and other exploration <sup>(3)</sup> | 1.5  | 2.0  |
| Preparation for mine development including mine plan of operations <sup>(5)</sup>     | 1.5  | 2.1  |
| <b>Long Valley Project</b>  |  |  |
| Exploration including drilling, drill permitting and other exploration <sup>(4)</sup> | 1.25   | 1.25   |
| <b>Other project (claim maintenance, site G&amp;A, etc.) <sup>(6)</sup></b>           | 0.75   | 0.75   |
| <b>Total to Projects</b>  | <b>5.0</b>                                       | <b>6.1</b>   |
| G&A and working capital   | 2.2  | 2.2  |
| <b>Total</b>  | <b>7.2</b>                                       | <b>8.3</b>   |

Notes:

- (1) The Company is not expecting the COVID-19 health crisis to have a material impact on the ability of the Company to complete the above listed business objectives within the expected time frame but if the health crisis significantly worsens, unexpected delays could occur. See "Risk Factors – Impacts of the COVID-19 Pandemic".

- (2) The respective recommended work programs set out in the Long Valley Technical Report and the Imperial Technical Report include a number of recommendations, certain of which have since been completed by the Company. The net proceeds of the Offering are intended to be allocated as set out in this table, the majority of which will be utilized for purposes of a continued and expanded work program on the Long Valley Project and the Imperial Project over the course of the next 9-12 months.
- (3) Permitting costs, drilling program scope and timing are dependent upon final receipt of permits from the Bureau of Land Management (“BLM”). Amount includes the estimated cost for an initial 4,500 meter drill program from which material will be used for the metallurgical test work recommended in the Imperial Technical Report. Remaining funds, if the Over-Allotment Option is exercised, will be used to perform additional hydrogeological and geotechnical studies and additional drilling.
- (4) Permitting costs, drilling program scope and timing are dependent upon final receipt of permits from the United States Forest Service. Amount includes the estimated cost for an initial 2,500 meter drill program from which material will be used for the metallurgical test work recommended in the Long Valley Technical Report. Remaining funds will be used to perform additional geotechnical studies and additional drilling.
- (5) Amount includes \$250,000 to be allocated for community engagement and stakeholder mapping, and \$650,000 to be allocated towards environmental studies and permitting. Remaining funds, if the Over-Allotment Option is exercised, will be used towards stakeholder education and community relations and continuing to de-risk the permitting process as recommended in the Imperial Technical Report.
- (6) Amount includes US\$415,000 to be paid for annual claim maintenance fees, as well as site general and administration costs.

### ***Milestones***

Over the next 12 months, management expects that the above expenditures should result in:

- Drill permits at the Long Valley Project being received in mid-2021 to then complete up to 2,500 meters of core drilling. The drill data will be used to test for additional mineralization and to advance the technical studies as described in the Long Valley Technical Report.
- Drill permits at the Imperial Project being received in late-2021 to then complete up to 3,000 meters of reverse circulation drilling and 1,500 meters of core drilling. The drill data will be used to test exploration targets and advance technical studies as described in the Imperial Technical Report.
- At the Imperial Project, the Company also intends to continue its engagement with stakeholders as well as the development of a mine plan of operations that will be submitted to the BLM to commence de-risking project permitting as set out in the recommended work program in the Imperial Technical Report.

Drilling amounts are subject to receipt of permits, permitting costs, drilling costs and timing of permits, among other risks. There is no assurance that the foregoing goals and objectives will be achieved in the stated timeline, or at all. If there are changes in the anticipated timeline and/or an increase in costs of obtaining the permits, this may result in a re-allocation of the net proceeds of the Offering and/or the need for additional funds beyond the net proceeds of the Offering to complete certain of these milestones. The exploration, development and construction of mineral projects are subject to a number of risks and uncertainties. See “*Risk Factors*”.

Marc Leduc, Chief Operating Officer of the Company is the “qualified person” responsible for designing, budgeting and recommending the proposed exploration and development programs at the Imperial Project and the Long Valley Project and has supervised the preparation of the above use of proceeds.

The above noted allocation and anticipated timing represents the Company’s current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company’s ability to execute on its business plan. While actual expenditures may differ from the above amounts and allocations, the net proceeds will be used by the Company in furtherance of, and for activities at, the Imperial Project, the Long Valley Project, for other project related costs and for general corporate and working capital purposes. See “*Risk Factors – Discretion in the Use of Proceeds*”.

As at March 31, 2021, the date of the Company’s most recent financial statements, the Company had negative operating cash flow and has historically incurred net losses. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at one or both of the Imperial Project and the Long Valley Project. As a result, it may need to deploy a portion of its existing working

capital or seek additional equity financing to fund such negative cash flow from operating activities in future periods. To further broaden, accelerate and complete its business objectives, the Company will be required to raise additional funds through the issuance of additional equity securities, through loan financing, or other means. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. See “*Risk Factors*”.

As at March 31, 2021, the date of the Company’s most recent financial statements, the Company had raised approximately \$10,500,000 through private placements in the previous 12-month period which had been used as follows:

| <b>Private Placement</b> | <b>Gross Proceeds Raised</b> | <b>Use of Proceeds</b>   |
|--------------------------|------------------------------|--|
| May 8, 2020              | \$3,000,000                  | Advancement of the Imperial, Long Valley and FG Gold Projects and general corporate and working capital purposes |
| July 22, 2020            | \$7,500,000                  | Advancement of the Imperial, Long Valley and FG Gold Projects and general corporate and working capital purposes |
| <b>Total</b>             | <b>\$10,500,000</b>          |  |

#### **DESCRIPTION OF SECURITIES BEING DISTRIBUTED**

##### **Offering**

The Offering consists of Units, each of which is comprised of one Unit Share and one-half of one Warrant. The Units will separate into Unit Shares and Warrants immediately upon the closing of the Offering. The Units are offered at the Offering Price of \$0.95 per Unit.

##### **Common Shares**

The Company’s authorized share capital consists of an unlimited number of Common Shares without par value, of which 106,224,912 Common Shares are issued and outstanding as of the date of this Prospectus. All of the issued Common Shares rank equally as to voting rights, participation and a distribution of KORE’s assets on liquidation, dissolution or winding-up and the entitlement to dividends. Holders of Common Shares are entitled to receive notice of, attend and vote at all meetings of shareholders of KORE. Each Common Share carries one vote at such meetings. Holders of Common Shares are entitled to dividends if and when declared by the board of directors of KORE and, upon liquidation, to receive such portion of the assets of KORE as may be distributable to such holders. There are currently no other series or class of shares which rank senior, in priority to, or *pari passu* with the Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

The Company has never paid a dividend and has no present intention of paying dividends on the Common Shares. The Company anticipates that it will retain all future earnings, if any, and other cash resources for the future operation and development of its business. Payment of any future dividends will be at the discretion of the board of directors of the Company, after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

##### **Warrants**

The Warrants will be issued under and governed by the Warrant Indenture to be dated as of the Closing Date and to be entered into between the Company and the Warrant Agent. The following is a summary of the principal attributes of the Warrants and certain anticipated provisions of the Warrant Indenture. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture, which will

be filed by the Company with the applicable Canadian securities regulatory authorities and available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) following closing of the Offering.

Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at the Exercise Price at any time prior to 5:00 p.m. (Vancouver time) on the Warrant Expiry Date, subject to adjustment in certain customary events, after which time the Warrants will expire.

The Company will appoint the principal transfer office of the Warrant Agent in Vancouver, British Columbia as the location at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Company may, subject to applicable law, purchase by private contract, on any stock exchange (if then listed) or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and the exercise price per Warrant Share upon the occurrence of certain events, including: (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares by way of a stock dividend or other distribution (other than a dividend in the ordinary course or a distribution of Common Shares upon the exercise of any warrants or options outstanding); (ii) the subdivision, re-division or change of the Common Shares into a greater number of Common Shares; (iii) the consolidation, reduction or combination of the Common Shares into a lesser number of Common Shares; (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "Current Market Price" (as defined in the Warrant Indenture) of Common Shares on such record date; and (v) the issuance or distribution to all or substantially all of the holders of the Common Shares of (A) securities of any class, whether of the Company or any other entity (other than Common Shares), (B) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a rights offering described in (iv) above, (C) evidences of indebtedness, or (D) any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and number of securities issuable upon the exercise of the Warrants and exercise price per security in the event of the following additional events: (i) reclassifications of the Common Shares or a capital reorganization of the Company (other than as described above); (ii) consolidations, amalgamations, arrangements or mergers of the Company with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Common Shares or a change or exchange of the Common Shares into or for other shares, securities or property); or (iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the Exercise Price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the Exercise Price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth of a Common Share, as the case may be, provided that any such adjustments that are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to the Warrant Agent and to the holders of the Warrants of certain stated events, including events that would result in an adjustment to the Exercise Price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that, from time to time, the Company and the Warrant Agent may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that would adversely affect the interests of the

holders of Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum) and passed by the affirmative vote of not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants.

The Warrants and the Warrant Shares issuable upon the exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. Person, nor will any certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing or other evidence reasonably satisfactory to the Company to such effect in form and substance reasonably satisfactory to the Company; provided, however, that an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act (a “**U.S. Accredited Investor**”) or a Qualified Institutional Buyer that purchased the Warrants in the Offering for its own account, or for the account of another U.S. Accredited Investor or Qualified Institution Buyer for which it exercised sole investment discretion with respect to such original purchase (an “**Original Beneficial Purchaser**”) will not be required to deliver an opinion of counsel if it exercises the Warrants for its own account or for the account of the Original Beneficial Purchaser, if any, if each of it and such Original Beneficial Purchaser, if any, is a U.S. Accredited Investor or a Qualified Institutional Buyer that is also a U.S. Accredited Investor at the time of exercise of the Warrants. If required pursuant to the U.S. Securities Act, certificates representing Warrant Shares will be required to bear a legend describing transfer restrictions imposed by the U.S. Securities Act.

### Broker Warrants

As partial consideration for their services in connection with the Offering, the Underwriters will receive Broker Warrants on closing of the Offering. Each Broker Warrant will be exercisable to acquire one Broker Warrant Share at an exercise price of \$0.95 per Broker Warrant Share for a period of 24 months following the Closing Date. The terms of the Broker Warrants will be set out in the definitive certificates representing the Broker Warrants and will include, among other things, customary provisions for the appropriate adjustment of the number of Broker Warrant Shares issuable pursuant to any exercise of the Broker Warrants and the exercise price of the Broker Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Company, or any arrangement, merger, consolidation or amalgamation of the Company with or into another corporation or entity, as well as customary amendment provisions. See also “*Plan of Distribution*”.

### TRADING PRICE AND VOLUME

The Common Shares are currently listed and posted for trading on the TSXV under the trading symbol “KORE”. The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of our Common Shares on the TSXV (as reported by TMX Money, at [www.tmxmoney.com](http://www.tmxmoney.com)):

| Period            | High Trading Price | Low Trading Price | Volume    |
|-------------------|--------------------|-------------------|-----------|
| June 1 - 10, 2021 | \$0.88             | \$0.76            | 3,450,457 |
| May, 2021         | \$1.11             | \$0.84            | 5,523,488 |
| April, 2021       | \$1.22             | \$0.77            | 4,942,349 |
| March, 2021       | \$1.00             | \$0.78            | 2,255,968 |
| February, 2021    | \$1.23             | \$0.87            | 2,891,213 |
| January, 2021     | \$1.81             | \$1.34            | 2,704,019 |
| December, 2020    | \$2.01             | \$1.37            | 2,677,744 |

| <b>Period</b>   | <b>High Trading Price</b> | <b>Low Trading Price</b> | <b>Volume</b> |
|-----------------|---------------------------|--------------------------|---------------|
| November, 2020  | \$1.51                    | \$1.14                   | 4,282,726     |
| October, 2020   | \$1.40                    | \$1.00                   | 2,415,896     |
| September, 2020 | \$1.75                    | \$1.24                   | 2,060,705     |
| August, 2020    | \$1.96                    | \$1.28                   | 4,362,770     |
| July, 2020      | \$1.83                    | \$1.22                   | 8,172,357     |
| June, 2020      | \$1.60                    | \$0.61                   | 6,967,370     |

On June 10, 2021, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$0.81.

### PRIOR SALES

The following table summarizes the issuances by the Company of Common Shares, and securities convertible into or exchangeable for Common Shares, for the 12 month period prior to the date of this Prospectus:

| <b>Date</b>    | <b>Number of Securities Issued</b> | <b>Type of Security</b> | <b>Issue / Exercise Price Per Security (\$)</b> | <b>Type of Issuance</b> |
|----------------|------------------------------------|-------------------------|---|-------------------------|
| June 15, 2020  | 140,448                            | Common shares           | \$0.50  | Warrant exercise        |
| June 26, 2020  | 25,000                             | Common shares           | \$0.75  | Warrant exercise        |
| June 26, 2020  | 300,000                            | Common shares           | \$0.50  | Option exercise         |
| June 30, 2020  | 100,000                            | Common shares           | \$0.75  | Warrant exercise        |
| July 2, 2020   | 15,400                             | Common shares           | \$0.50  | Warrant exercise        |
| July 2, 2020   | 150,000                            | Common shares           | \$0.75  | Warrant exercise        |
| July 3, 2020   | 449,000                            | Common shares           | \$0.75  | Warrant exercise        |
| July 3, 2020   | 18,480                             | Common shares           | \$0.50  | Warrant exercise        |
| July 7, 2020   | 20,000                             | Common shares           | \$0.75  | Warrant exercise        |
| July 9, 2020   | 5,500                              | Common shares           | \$0.75  | Warrant exercise        |
| July 10, 2020  | 25,000                             | Common shares           | \$0.75  | Warrant exercise        |
| July 14, 2020  | 40,000                             | Common shares           | \$0.75  | Warrant exercise        |
| July 16, 2020  | 500,000                            | Common shares           | \$0.75  | Warrant exercise        |
| July 20, 2020  | 170,000                            | Common shares           | \$0.75  | Warrant exercise        |
| July 22, 2020  | 6,000,000                          | Units <sup>(1)</sup>    | \$1.00  | Private placement       |
| July 24, 2020  | 5,000                              | Common shares           | \$0.75  | Warrant exercise        |
| July 28, 2020  | 1,000,000                          | Units <sup>(2)</sup>    | \$1.50  | Private placement       |
| July 28, 2020  | 165,000                            | Common shares           | \$0.75  | Warrant exercise        |
| July 30, 2020  | 45,000                             | Common shares           | \$0.75  | Warrant exercise        |
| August 4, 2020 | 43,120                             | Common shares           | \$0.50  | Warrant exercise        |
| August 5, 2020 | 50,000                             | Common shares           | \$0.75  | Warrant exercise        |
| August 5, 2020 | 73,920                             | Common shares           | \$0.50  | Warrant exercise        |
| August 6, 2020 | 30,000                             | Common shares           | \$0.75  | Warrant exercise        |

| Date              | Number of Securities Issued | Type of Security       | Issue / Exercise Price Per Security (\$) | Type of Issuance |
|-------------------|-----------------------------|------------------------|--|------------------|
| August 7, 2020    | 100,000                     | Common shares          | \$0.75                                   | Warrant exercise |
| August 10, 2020   | 70,000                      | Common shares          | \$0.75                                   | Warrant exercise |
| August 11, 2020   | 100,000                     | Common shares          | \$0.75                                   | Warrant exercise |
| August 12, 2020   | 75,500                      | Common shares          | \$0.75                                   | Warrant exercise |
| September 4, 2020 | 500,000                     | Options                | \$1.50                                   | Option grant     |
| October 6, 2020   | 6,160                       | Common shares          | \$0.50                                   | Warrant exercise |
| November 2, 2020  | 10,472                      | Common shares          | \$0.50                                   | Warrant exercise |
| December 1, 2020  | 200,000                     | Options                | \$1.34                                   | Option grant     |
| December 31, 2020 | 248,000                     | Restricted share units | N/A                                      | RSU grant        |
| January 19, 2021  | 150,000                     | Common shares          | \$0.435                                  | Option exercise  |
| February 17, 2021 | 250,000                     | Options                | \$1.00                                   | Option grant     |

Notes:

- (1) Units consisted of one Common Share and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one additional Common Share at a price of \$1.50 for 24 months.
- (2) Units consisted of one flow-through Common Share and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one additional Common Share at a price of \$1.50 for 24 months.

### PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to sell, and the Underwriters have agreed to purchase, as principals, on the Closing Date, an aggregate of 8,422,000 Units at the Offering Price for gross proceeds of \$8,000,900 payable in cash to the Company against delivery of the Units, subject to the terms and conditions of the Underwriting Agreement. The Offering Price and certain other terms of the Offering were determined by arm's length negotiation between the Company and the Lead Underwriter, with reference to the prevailing market price of the Common Shares on the TSXV. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the basis of "disaster out", "material change out" and "breach out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement.

Each Unit will consist of one Unit Share and one-half of one Warrant. Each Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture, one Warrant Share at the Exercise Price until the Warrant Expiry Date. The Warrants will be created and issued pursuant to and governed by the terms of the Warrant Indenture to be dated as of the Closing Date between the Company and the Warrant Agent.

The Company has also granted the Underwriters the Over-Allotment Option, exercisable in whole or in part, in the sole discretion of the Underwriters, at any time and from time to time for a period of 30 days from and including the Closing Date, to purchase up to 1,263,300 Additional Units at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Lead Underwriter, on behalf of the Underwriters, to acquire (i) Additional Units at the Offering Price, or (ii) Additional Warrants at a price of \$0.08 per Additional Warrant, or (iii) any combination of Additional Units and Additional Warrants, provided that the aggregate number of Additional Warrants which may be issued under the Over-Allotment Option does not exceed 631,650 Additional Warrants. The Additional Warrants will have the same terms as the Warrants. The Over-Allotment Option is exercisable by the Lead Underwriter, on behalf of the Underwriters, by giving notice to the Company prior to the Over-Allotment Deadline, which notice shall specify the number of Additional Securities to be purchased. A purchaser who acquires Additional Securities forming part of the Underwriters' over-allocation position acquires such Additional Securities under this Prospectus regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-

Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the Company (before deducting expenses of the Offering and assuming no Units are sold to purchasers on the President's List) will be \$9,201,035, \$552,062.10 and \$8,648,972.90, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Securities issuable pursuant to the exercise of the Over-Allotment Option.

In consideration for the services provided by the Underwriters in connection with the Offering and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters the Underwriters' Fee, equal to 6.0% of the aggregate gross proceeds of the Offering, including in respect of any gross proceeds raised on the exercise of the Over-Allotment Option, subject to a reduced cash commission equal to 3.0% in respect of gross proceeds of up to \$2,000,000 from the sale of Units sold to purchasers on the President's List. In addition, the Underwriters will receive such number of Broker Warrants as is equal to 6.0% of the number of Units issued pursuant to the Offering, including any Units sold on the exercise of the Over-Allotment Option, subject to a reduced number of Broker Warrants equal to 3.0% in respect of such Units sold to purchasers on the President's List. This Prospectus also qualifies the distribution of the Broker Warrants. The President's List shall be up to a maximum of \$2,000,000.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay certain expenses incurred by the Underwriters in connection with the Offering and has also agreed to indemnify the Underwriters, each of their subsidiaries and affiliates, and each of their respective directors, officers, employees, shareholders/unitholders and agents and hold them harmless from and against certain expenses, losses, fees, claims, actions, damages, obligations and liabilities and to contribute to payments that the Underwriters may be required to make in respect thereof.

The Units will be offered in each of the provinces of Canada, other than Québec, through the Underwriters or their affiliates who are registered to offer Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Units in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters.

**The Underwriters propose to offer the Units to the public initially at the Offering Price. Without affecting the firm obligation of the Underwriters to purchase the Units in accordance with the Underwriting Agreement, the Underwriters may decrease the Offering Price of the Units which they sell under this Prospectus, and further change the price from time to time to an amount not greater than the Offering Price, after they have made a reasonable effort to sell all such Units at the Offering Price. The sale by the Underwriters of Units at a price less than the Offering Price will have the effect of reducing the compensation realized by the Underwriters by the amount that the aggregate price paid by the purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Company for the Units. In addition, the Underwriters may offer selling group participation to other registered dealers that are satisfactory to the Company, acting reasonably, with compensation to be negotiated between the Underwriters and such selling group participants, but at no additional cost to the Company.**

The TSXV has conditionally approved the listing of the Unit Shares, the Warrant Shares and the Broker Warrant Shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. **There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "Risk Factors".**

Pursuant to the Underwriting Agreement, the Company has agreed that it will not, directly or indirectly, issue or sell any Common Shares or any securities convertible into or exchangeable for or exercisable to acquire Common Shares for a period of 90 days from the Closing Date without the prior written consent of the Lead Underwriter, which consent shall not be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the equity incentive plans of the Company and other share compensation arrangements including, for greater certainty, the sale of any Common Shares issued thereunder; (ii) outstanding warrants; and (iii) obligations in respect of existing agreements.

Pursuant to the Underwriting Agreement, the Company has also agreed to use commercially reasonable best efforts to cause each of its directors and officers to enter into lock up agreements to be executed concurrently with the closing

of the Offering, pursuant to which each such person will agree, among other things, to not, for a period of 90 days from the Closing Date, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, which consent shall not be unreasonably withheld, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares, now owned or hereinafter acquired, directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than (i) pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company; (ii) the exercise of previously issued options or other convertible securities; or (iii) transfers among a shareholders' affiliates for tax or other purposes.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares for their own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing of the Offering will occur on or about June 18, 2021 or such other date as the Lead Underwriter and the Company may determine, but in any event, not more than 42 days after the date of the receipt for this Prospectus. It is anticipated that the Unit Shares and Warrants comprising the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units, including a purchaser of Units in the United States, or purchasing for the account or benefit of a U.S. Person, that is a Qualified Institutional Buyer, will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required.

The Units, the Unit Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and, unless registered under the U.S. Securities Act and applicable state securities laws or exempt from such registration, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person or person in the United States. The Underwriters have agreed that, except as permitted under the Underwriting Agreement or as otherwise agreed to by the Company and the Underwriters, they and their registered United States broker-dealer affiliates will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Units at any time within the United States or to, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from registration under the U.S. Securities Act in accordance with the provisions of the Underwriting Agreement or as otherwise agreed to by the Company and the Underwriters.

The Underwriting Agreement permits the Underwriters, acting through their U.S. broker-dealer affiliates, to resell the Units to Qualified Institutional Buyers pursuant to Rule 144A and/or other available exemptions under the U.S. Securities Act and in compliance with similar exemptions under applicable state securities laws. Units may also be offered and sold by the Company and by the Underwriters through their U.S. broker-dealer affiliates to a limited number of substituted purchasers that qualify as U.S. Accredited Investors. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Units outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Units, Unit Shares, Warrants and Warrant Shares that are sold in the United States or to, or for the account or benefit of, a U.S. Person or person in the United States will be "restricted

securities” within the meaning of Rule 144 under the U.S. Securities Act and may be offered, sold or otherwise transferred only pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States or to, or for the account or benefit of, persons in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Farris LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder of Unit Shares and Warrants acquired pursuant to this Offering, and Warrant Shares acquired on the exercise of such Warrants (the Unit Shares and Warrant Shares referred to herein as Common Shares unless otherwise indicated). This summary only applies to a holder that, for the purposes of the Tax Act and at all relevant times: (i) acquires and holds such Common Shares and Warrants as capital property, and (ii) is not affiliated with and deals at arm’s length with the Company and the Underwriters (a “**Holder**”). A Common Share or Warrant generally will be capital property to a holder unless it is held in the course of carrying on a business of trading in or dealing in securities, or it has been acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (“**Tax Proposals**”) before the date of this Prospectus, and the current administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) published in writing by it before the date of this Prospectus. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. Except as mentioned above, this summary does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

**This summary is not exhaustive of all possible Canadian federal income tax considerations, is of a general nature only, does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire Units and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of a Common Share or Warrant.**

#### **Allocation of Cost**

Holders will be required to allocate on a reasonable basis their cost of each Unit between the Unit Share and the one-half of one Warrant in order to determine their respective costs for purposes of the Tax Act. For its purposes, the Company intends to allocate \$0.91 to each Unit Share and \$0.04 to each one-half of one Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or a Holder.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

#### **Exercise of Warrants**

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder’s cost of the Warrant Share acquired thereby will be the aggregate of the Holder’s adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder’s adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base (determined immediately before the acquisition of the Warrant Share) to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

## **Expiry of Warrants**

The expiry of an unexercised Warrant will result in a capital loss to a Holder equal to the Holder's adjusted cost base of such Warrant immediately before its expiry or termination.

## **Residents of Canada**

The following portion of the summary is generally applicable to a Holder that, at all relevant times for purposes of the Tax Act, is or is deemed to be a resident of Canada (a "**Resident Holder**").

Resident Holders that might not otherwise be considered to hold their Common Shares as capital property may, in certain circumstances, be entitled to have their Common Shares and all other "Canadian securities" (as defined in the Tax Act) owned in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Resident Holders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances. This election does not apply to Warrants.

This summary does not apply to a Resident Holder: (i) that is a "financial institution" for purposes of the mark-to-market rules contained in the Tax Act, (ii) that is a "specified financial institution" as defined for purposes of the Tax Act, (iii) that is a corporation that is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Common Share and/or Warrant, controlled by a non-resident person, or a group of non-resident persons not dealing with each other at arm's length, for the purposes of the "foreign affiliate dumping rules" in section 212.3 of the Tax Act, (iv) to which the "functional currency" reporting rules in section 261 of the Tax Act apply, (v) that has entered into or will enter into a "synthetic disposition arrangement" or "derivative forward arrangement", as such terms are defined in the Tax Act, with respect to the Common Shares or Warrants, (vi) an interest in which is a "tax shelter investment" for purposes of the Tax Act, or (vii) that receives dividends on the Common Shares under or as part of a "dividend rental arrangement" as defined in the Tax Act. Such Resident Holders should consult their own tax advisors.

## ***Receipt of Dividends on Common Shares***

Dividends received or deemed to be received on Common Shares by a Resident Holder that is an individual (other than certain trusts) will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by an individual from a taxable Canadian corporation. Taxable dividends received or deemed to be received by such individual which are designated by the Company as "eligible dividends" in accordance with the Tax Act will be subject to enhanced gross-up and dividend tax credit rules under the Tax Act.

Taxable dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Dividends received or deemed to be received on Common Shares by a Resident Holder that is a corporation will be included in computing its income and generally will be deductible in computing its taxable income for that taxation year. In certain circumstances, taxable dividends received by a Resident Holder that is a corporation may be treated as proceeds of disposition or a capital gain pursuant to the rules in subsection 55(2) of the Tax Act. In addition, a Resident Holder that is a "private corporation" or a "subject corporation" for purposes of the Tax Act will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received to the extent such dividends are deductible in computing such Resident Holder's taxable income.

## ***Disposition of a Common Share or a Warrant***

On a disposition or a deemed disposition of a Common Share (other than to the Company, unless purchased by the Company on the open market in the manner in which shares are normally purchased by any member of the public in the open market) or Warrant (other than on the exercise of a Warrant), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share or Warrant exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The adjusted cost base to a Holder of Common Shares and Warrants is described

above under the headings “*Allocation of Cost*” and “*Exercise of Warrants*”. The tax treatment of any such capital gain (or capital loss) and the capital loss on the expiry of unexercised Warrants is described under the heading “*Treatment of Capital Gains and Capital Losses*”.

### ***Treatment of Capital Gains and Capital Losses***

Generally, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year must be included in computing the Resident Holder’s income in that year, and one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by a Resident Holder in a taxation year generally must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on the Common Share (or on a share for which such Common Share has been substituted) to the extent and in the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly, or indirectly through a partnership or a trust. Resident Holders to which these rules may be relevant should consult their own tax advisors.

A Resident Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for an additional refundable tax on its “aggregate investment income”, which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

### **Holders Not Resident in Canada**

The following portion of the summary is generally applicable to a Holder that, at all relevant times for purposes of the Tax Act, is (i) neither a resident nor deemed to be a resident of Canada (including as a consequence of an applicable income tax treaty or convention) and (ii) does not use or hold, and is not deemed to use or hold Common Shares or Warrants in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). Special rules which are not discussed in this summary, may apply to a non-resident insurer carrying on business in Canada and elsewhere or to an “authorized foreign bank” (as defined in the Tax Act). Such Holders should consult their own tax advisors.

### ***Receipt of Dividends on Common Shares***

Dividends on Common Shares paid or credited, or deemed to be paid or credited to a Non-Resident Holder will be subject to a non-resident withholding tax under the Tax Act at a rate of 25%, subject to reduction under the provisions of an applicable income tax treaty or convention. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the *Canada-United States Income Tax Convention (1980)*, as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15% of the amount of such dividend.

### ***Disposition of a Common Share or a Warrant***

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition of Common Shares or Warrants unless the Common Shares or Warrants disposed of constitute “taxable Canadian property” of the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

Generally, a Common Share or Warrant will not be “taxable Canadian property” (within the meaning of the Tax Act) of a Non-Resident Holder at a particular time provided that the Common Shares are listed on a “designated stock exchange” (which currently includes Tiers 1 and 2 of the TSXV) unless, at any time during the 60-month period preceding the particular time, (a) 25% or more of the issued shares of any class or series of the Company’s shares

were owned by one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at “arm’s length” (within the meaning of the Tax Act), and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships and (b) a Common Share derived more than 50% of its fair market value directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties (as such terms are defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property described in (i) to (iii), whether or not the property exists. Notwithstanding the foregoing, the Common Shares and Warrants may also be deemed to be taxable Canadian property to a Non-Resident Holding for purposes of the Tax Act in certain circumstances.

Non-Resident Holders for which the Common Shares or Warrants may constitute “taxable Canadian property” should consult their own tax advisors for advice having regard to their particular circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the tax consequences described above under the headings “*Holders Resident in Canada - Disposition of a Common Share or a Warrant*” and “*- Treatment of Capital Gains and Capital Losses*” will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

**NON-CANADIAN INVESTORS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF UNITS SHARES, WARRANTS, AND WARRANT SHARES INCLUDING CANADIAN, DOMESTIC, TREATY AND OTHER TAX CONSEQUENCES OF SUCH ACQUISITION, OWNERSHIP AND DISPOSITION AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.**

## **RISK FACTORS**

Investing in securities of the Company involves a significant degree of risk and must be considered speculative due to the high risk nature of the Company’s business. Investors should carefully consider the information included or incorporated by reference in this Prospectus and the Company’s historical consolidated financial statements and related notes thereto, before making an investment decision concerning the Company’s securities. There are various risks, including but not limited to those discussed under “Risk Factors” in the AIF, which is incorporated herein by reference, that could have a material adverse effect on, among other things, the operating results, properties, business, condition (financial or otherwise) and prospects of the Company. These risk factors, together with all of the other information included or incorporated by reference in this Prospectus, including information contained in the section entitled “*Cautionary Statement on Forward-Looking Information*”, should be carefully reviewed and considered before a decision to invest in such securities is made. The risks described herein and therein are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially and adversely affect its business.

In addition to the risk factors as set forth in the AIF and other documents incorporated by reference in this Prospectus, the following risk factors should be carefully considered:

### **Risks Related to the Offering**

#### ***Market Price of Common Shares***

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. The market price of the Common Shares could be subject to significant fluctuations due to various factors and events, including macroeconomics in North America and globally, any regulatory or economic changes affecting the Company’s operations, variations in the Company’s operating results, developments in the Company’s business or its competitors, changes in the price of gold and silver or to changes in market sentiment towards the Common Shares. Investors should be aware that the value of the Common Shares may be volatile and investors may, on disposing of the Common Shares, realize less than their original investment or may lose their entire investment.

The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices of the securities listed thereon and which may be unrelated to the Company's operating performance. Any of these events could result in a decline in the market price of the Common Shares. The Common Shares may, therefore, not be suitable as a short-term investment. In addition, the market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded and the price at which investors may realise their shares will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the business sectors in which the Company operates. Such factors could also include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company and general economic conditions.

### ***Dilution***

The issuance by the Company of Common Shares or other securities convertible into Common Shares could result in significant dilution in the equity interest of existing shareholders and adversely affect the market price of the Common Shares. In addition, in the future, the Company may issue additional Common Shares or securities convertible into Common Shares, which may dilute existing shareholders. The Company's Articles permit the issuance of an unlimited number of Common Shares and shareholders will have no pre-emptive rights in connection with such further issuances. Also, additional Common Shares may be issued by the Company upon the exercise of stock options and upon the exercise or conversion of other securities convertible into Common Shares. The issuance of these additional equity securities may have a similar dilutive effect on then existing holders of Common Shares.

The market price of the Common Shares could decline as a result of future issuances by the Company, including issuances of shares in connection with strategic alliances, or sales by its existing holders of Common Shares, or the perception that these sales could occur. Sales by shareholders might also make it more difficult for KORE to sell equity securities at a time and price that it deems appropriate, which could reduce its ability to raise capital and have an adverse effect on its business.

### ***Discretion in the Use of Proceeds***

The Company currently intends to allocate the net proceeds as described under "*Use of Proceeds*". Management will have broad discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditures. Depending on fluctuations in gold prices and other factors, the intended use of proceeds may change. As a result, an investor will be relying on the judgment of management for the application of the net proceeds of the Offering. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds. In addition, as described under "*Use of Proceeds*", there may be circumstances in which management determines to spend the net proceeds of the Offering differently than as contemplated in this Prospectus. The results and effectiveness of the application of the proceeds are uncertain. The failure by management to apply these funds effectively could have a material adverse effect on the Company's business.

### ***Time and Cost Estimates***

The anticipated time periods and the Company's costs related to the business objectives and milestones as described under "*Use of Proceeds*" and other estimates contained in studies or estimates are prepared by or for the Company and may differ significantly from those currently expected by the Company or set out in such studies and estimates, and there can be no assurance that the actual time periods and the Company's actual costs with respect to these objectives will not be higher than currently expected. Actual time periods may vary from estimates for a variety of reasons, including: the availability and performance of the key management personnel of the Company, engineering, environmental and construction contractors, mining contractors, suppliers and consultants, and the risks with respect to any permitting described herein and in the documents incorporated by reference herein. The Company's actual costs may vary from estimates for a variety of reasons, including: short-term operating factors; the availability and performance of the key management personnel of the Company, engineering, environmental and construction contractors, mining contractors, suppliers and consultants, revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labour shortages or strikes. Operational costs may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, the cost of commodities, general inflationary

pressures and currency exchange rates. Many of these factors are beyond the Company's control. Failure to achieve time estimates or material increases in costs could have an adverse impact on the Company's business, results of operations and financial condition.

### ***Enforceability of Foreign Judgments***

Marc Leduc, an officer of the Company, and certain of the other experts named in this Prospectus reside outside of Canada. Some or all of the assets of those persons may be located outside of Canada. It may not be possible for investors to collect from such persons or enforce judgments obtained in Canada predicated on the civil liability provisions of Canadian securities legislation against such experts named in this Prospectus. It may not be possible for investors or any other person or entity to assert claims under Canadian securities laws or otherwise in original actions instituted in a foreign jurisdiction. Consequently, investors may be effectively prevented from pursuing remedies against such persons under Canadian securities laws or otherwise.

### ***No Market for Warrants***

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. There can be no assurance that a secondary market for the Warrants will develop or be sustained after the closing of the Offering. Even if a market develops for the Warrants, there can be no assurance that it will be liquid and that the price of the Warrants will be the same as the price allocated for the Warrants partially comprising the Units. If an active market for the Warrants does not develop, the liquidity of an investor's investment in the Warrants may be limited and the price may decline below the portion of the Offering Price allocated to the Warrants.

### ***Warrants are Speculative in Nature and May Not Have Any Value***

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Warrant Shares and pay an exercise price of \$1.35 per Warrant Share, subject to adjustment in certain events, prior to the date that is 24 months following the Closing Date, after which date any unexercised Warrants will expire and have no further value. Moreover, following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

### **Risks Related to the Business**

#### ***Uncertainty of Additional Funding***

The continued development of the Company will require the Company to raise additional financing in the future through the issuance of additional equity securities or convertible debt securities on the entering into of debt financing. Following the completion of the Offering, along with cash on hand, the Company believes that it has sufficient funds to continue its operations until the first quarter of 2022. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Company. In addition, any future financing may also be dilutive to existing shareholders of the Company.

#### ***Negative Cash Flow***

As at March 31, 2021, the date of the Company's most recent financial statements, the Company had negative operating cash flow and has historically incurred net losses. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at one or both of the Imperial Project and the Long Valley Project. As a result, it may need to deploy a portion of its existing working capital or seek additional equity financing to fund such negative cash flow from operating activities in future periods.

To further broaden, accelerate and complete its business objectives, the Company will be required to raise additional funds through the issuance of additional equity securities, through loan financing, or other means. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

### ***Global Financial Conditions***

Global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such volatility and market turmoil continue, the Company's operations and financial condition could be adversely impacted.

### ***Impacts of the COVID-19 Pandemic***

The COVID-19 pandemic has caused, and is expected to continue to cause, severe disruptions in regional economies and the world economy and financial and commodity markets in general. The transmission of COVID-19 and efforts to contain its spread have resulted in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand, service cancellations, workforce reductions and other changes, significant challenges in healthcare service provision and delivery, mandated closures and quarantines, as well as considerable general concern and uncertainty, all of which have negatively affected the economic environment and may in the future have further and larger impacts. The full extent of the impact of the pandemic on the economy and commodity prices, including silver and gold prices, is not known at this time and it is not known what measures will be implemented by governmental authorities in the future and how long these measures, or the measures currently in effect, will be in place.

While the impact of the COVID-19 pandemic is not expected to last indefinitely, the circumstances relating to the pandemic are dynamic and its impacts on the Company's business operations, including the timing, duration and extent of the impact on the Company's exploration plans and future development and exploration activities at the Long Valley Project and/or the Imperial Project, cannot be reasonably estimated at this time.

### ***KORE's Current and Future Operations are Subject to Environmental, Social and Governance Risks***

There are evolving expectations related to environmental protection, human rights and indigenous rights and an increasing level of public concern relating to the perceived effect of mining activities on communities, including certain environmental and social aspects such as water consumption and water quality, land use, noise and vibration, dust and air quality, mine closure, and employment and economic development opportunities. Increased global awareness for the impacts of climate change has contributed to this growing public concern. Further, sustained periods of stress on local economies may increase scrutiny of and pressure on mining operations over the long term. While the Company is dedicated to establishing mutually rewarding relationships with all of its stakeholders, there can be no assurance regarding the nature of the relationship with such stakeholders or that required key approvals, permits or licenses will be obtained when and as necessary.

Opposition to mining activities by communities or indigenous groups may ultimately affect permitting or approval processes, current and future exploration, or further development or new development of projects, as well as the Company's reputation. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against our activities and may have a negative impact on the Company's reputation and ability to execute planned exploration and development.

Opposition by any of the aforementioned groups to the Company's operations, partners, regulators or the industry generally may require modification, or preclude the exploration or development, of the Company's projects or may require it to enter into agreements with such groups or local governments with respect to the Company's projects, in some cases, causing increased cost and considerable delays to the advancement of its projects. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts, in this respect, will mitigate this potential risk.

## TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2020 and the three months ended March 31, 2021, the only related party transactions (excluding key management compensation) were (i) that a company owned by a relative of a director (being Lyftoff Business Solutions, owned by M. Rothwell, spouse of director Adrian Rothwell) provided marketing consulting services of \$nil for the year ended December 31, 2020 (2019 - \$28,250) and \$nil for the three months ended March 31, 2021 (2020 - \$nil) and (ii) as at March 31, 2021, there was \$61,536 included in receivables as due from Karus Gold Corp. for reimbursement of general and administrative costs for the period from January 26, 2021 to March 31, 2021.

## AUDITORS, TRANSFER AGENT AND WARRANT AGENT

The auditors of KORE are PricewaterhouseCoopers LLP (“PWC”), 250 Howe Street, Suite 1400, Vancouver, British Columbia, V6C 3S7. PWC has confirmed that it is independent of the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia.

Computershare Trust Company of Canada at its principal office in Vancouver, British Columbia, will act as Warrant Agent in respect of the Warrants.

## EXPERTS

Certain legal matters in connection with this Offering will be passed upon by Farris LLP, on behalf of the Company, and by Cassels Brock & Blackwell LLP, on behalf of the Underwriters. As of the date hereof, the “designated professionals” of Farris LLP, as a group, and the “designated professionals” of Cassels Brock & Blackwell LLP, as a group, each beneficially own, control or direct, directly or indirectly, less than 1% of the outstanding securities of the Company.

The following “qualified persons” (within the meaning of NI 43-101) participated in the preparation of the Long Valley Technical Report: Terre Lane, RMSME MMSAQP, Todd Harvey, PhD, RMSME of GRE, Neil Prenn, P.E. and Steven I. Weiss, C.P.G. of Mine Development Associates, Inc. (collectively, the “**Long Valley Technical Report Experts**”) and have been included in reliance on such persons’ expertise. The following “qualified persons” (within the meaning of NI 43-101) participated in the preparation of the Imperial Technical Report: Terre Lane, RMSME MMSAQP, Todd Harvey, PhD, RMSME of GRE and Glen Cole, P.Geo., of SRK Consulting (Canada) Inc. (collectively, the “**Imperial Technical Report Experts**”) and have been included in reliance on such persons’ expertise.

None of the Long Valley Technical Report Experts or the Imperial Technical Report Experts: (i) have received a direct or indirect interest in the properties of the Company or of any associate or affiliate of the Company, or (ii) is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associates or affiliates of the Company.

To the knowledge of the Company as of the date hereof, each of the Long Valley Technical Report Experts and the Imperial Technical Report Experts, and each of their respective partners, employees and consultants who participated in the preparation of the aforementioned Long Valley Technical Report and Imperial Technical Report, or who were in a position to influence the outcome of such report, are the registered or beneficial owner, directly or indirectly, in the aggregate, of less than 1.0% of the outstanding Common Shares and do not otherwise have any direct or indirect interest in the property of the Company.

## PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the

prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

**CERTIFICATE OF THE COMPANY**

Dated: June 11, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

**KORE MINING LTD.**

(signed) "*Scott Trebilcock*"  
Scott Trebilcock  
President and Chief Executive Officer

(signed) "*Jessica Van Den Akker*"  
Jessica Van Den Akker  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

(signed) "*James Hynes*"  
James Hynes  
Director

(signed) "*Harry Pokrandt*"  
Harry Pokrandt  
Director

**CERTIFICATE OF THE UNDERWRITERS**

Dated: June 11, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

**CANACCORD GENUITY CORP.**

(Signed) "*David Sadowski*"  
David Sadowski  
Managing Director, Investment Banking

**PI FINANCIAL CORP.**

(Signed) "*Dan Barnholden*"  
Dan Barnholden  
Managing Director, Head of Investment Banking

**CORMARK SECURITIES INC.**

(Signed) "*Kevin Carter*"  
Kevin Carter  
Managing Director, Investment Banking