KAINANTU RESOURCES LTD.

Management's Discussion and Analysis

For the 13 Months Ended

December 31, 2021

(Expressed in US Dollars, except stated otherwise)

Kainantu Resources Ltd.

Management's Discussion and Analysis
December 31, 2021

General: the following Management's Discussion and Analysis ("MD&A") of Kainantu Resources Ltd. ("the Company" or "KRL"), is intended to supplement and help the reader understand the audited consolidated financial statements for the period ended December 31, 2021 and is prepared by management using information available as of May 2, 2022. The MD&A has been prepared in accordance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators ("NI 51-102"). The MD&A should be read in conjunction with the audited consolidated financial statements and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The information contained herein is intended to provide investors with a reasonable basis for assessing the financial position and performance of the Company, but not as a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. All dollar amounts in this MD&A are quoted in thousands of United States Dollars ("USD"), the reporting currency of the consolidated group, unless specifically noted (see change in accounting policy below). Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Board of Directors of the Company (the "Board") have implemented recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management regularly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters. This MD&A was reviewed by the audit committee and approved and authorised for issue by the Board on May 2, 2022. The information contained within this MD&A is current to May 2, 2022.

Forward Looking Statements: this MD&A contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. All statements, other than statements of historical fact, are forward-looking statements or information. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Forward-looking statements or information in this MD&A relate to, among other things: formulation of plans for drill testing; and the success related to any future exploration or development programs. These forward-looking statements and information reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include; success of the Company's projects; prices for gold remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital, decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive. The Company cautions the reader that forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this news release and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in gold prices; fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation); fluctuations in currency markets (such as the Canadian dollar versus the U.S. dollar); operational risks and hazards inherent with the business of mineral exploration; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards; our ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner; changes in laws, regulations and government practices, including environmental, export and import laws and regulations; legal restrictions relating to mineral exploration; increased competition in the mining industry for equipment and qualified personnel; the availability of additional capital; title matters and the additional risks identified in our filings with Canadian securities regulators on SEDAR in Canada (available at www.sedar.com). Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against undue reliance on forward-looking statements or information. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Mineralisation hosted on adjacent and/or nearby properties is not necessarily indicative of mineralisation hosted on the Company's property**.** The data disclosed in this release relating to drilling results is historical in nature. Neither the Company nor a qualified person has yet verified this data and therefore investors should not place undue reliance on such data, and no representation or warranty, express or implied, is made by the Company, its affiliated companies, or any other person as to its fairness, accuracy, completeness, or correctness.

Qualified Person: the scientific and technical information disclosed in this release has been reviewed and approved by Graeme Fleming, B. App. Sc., MAIG, an independent "qualified person" as defined under National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

Kainantu Resources Ltd.

Management's Discussion and Analysis
December 31, 2021

Description of Business and Overview

KRL is a Canadian listed emergent Asia-Pacific gold and precious metals exploration company, with a focus on Papua New Guinea ("PNG"), where it holds highly prospective tenements in the world renowned Kainantu region. KRL also controls a highly prospective project in the Frieda River region of PNG, the May River Project. Further KRL recently announced on April 6, 2022, the signing of an Asset Sale Agreement with Harmony Gold (PNG) Exploration Limited ("Harmony") to acquire the Kili Teke project which includes an Inferred Resource of 237Mt @ 0.34% Copper ("Cu") with 0.8 million tonnes Cu, 0.24 grams per tonne gold ("Au") (1.8M ounces Au), as defined to the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves.

KRL's strategy is to build shareholder wealth through exploration at its principal Kainantu projects (with the clearly stated objective of defining a resource over time); while also pursuing value accretive corporate initiatives to develop a portfolio of mining ventures in the geologically rich Asia-Pacific region.

The Company has a credentialed management with regional expertise focused on this objective; while also aligning with a highly regarded in-country partner in PNG: Asia Pacific Energy Ventures Pte Ltd ("APEV").

The Company was initially incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on July 4, 2018. KRL was established when the Company completed a qualifying transaction to acquire Kainantu Resources Pte. Ltd. on December 3, 2020. A private placement was completed to raise Canadian Dollars ("CAD") $4.1 million at this time, with further details on the acquisition and placement available in the Audited Financial Statements.

The Company's shares were listed on the Toronto Stock Exchange Ventures Exchange ("TSX-V") under the symbol "KRL" on December 8, 2020. During the period, KRL also obtained a secondary listing on the Frankfurt Stock Exchange ("FSE") under the symbol "6JO". This secondary listing provides increased capital market exposure for KRL in European markets, amongst other attributes.

KRL announced a private placement of CAD $1.5 million on December 1, 2021. This placement was subsequently upsized to CAD $2.0 million when the first tranche of the placement closed on January 4, 2022. Due to significant investor demand the placement was increased again and closed oversubscribed on January 21, 2022, raising CAD $2.77 million.

Operations Update, Strategy and Outlook

The Company's aim remains to define specific prospects for potential drilling in the Kainantu region, with an objective of developing an NI43-101 compliant resource in the medium term.

KRL continues to be extremely encouraged by exploration activities at KRL South, especially at the East Avaninofi and Yaoro Ridge Prospects, with meaningful progress having been made throughout 2021.

The Company has commenced excavation work for contour benching to expose mineralisation; building on sampling data for geochemical analyses in addition to mapping and modelling. In addition, an airborne geophysical survey is being completed to support identification of near term drilling targets.

A regional program in KRL South is being advanced extending from the ridge of East Avaninofi. At KRL North, early results have been promising with indications supporting the potential of a mineralising porphyry source at depth. Work to date suggests the presence of three significant mineralisation occurrences and controlling structures similar to those seen at Bilimoia, inclusive of a buried porphyry

KAINANTU

system located near the ring feature and epithermal style gold and base metal vein system in the middle of the tenement.

Given increased confidence during the period an airbourne geophysical programme is underway at KRL North (as well as KRL South).

In relation to May River, the Company exercised the first option to acquire 10% of Hardrock Limited ("Hardrock") following the successful completion of a field study confirming the high Cu prospectively. A follow-up expanded program for May River is planned for early 2022.

The Company also continues to assess value accretive opportunities in the region through strategic collaboration and other corporate initiatives, such as the completion of the Kili Teke acquisition which has the potential to be transformative for the Company.

Company Projects

Overview

Located in the highly prospective Kainantu region, the Company's principal projects Exploration Licences ("EL") are, in aggregate, 726 km ² in size.

The following table summarises KRL's tenements and rights to explore in PNG.

Figure 1: KRL Tenement Summary

KRL Reference	Exploration Licence Number	Current Holder*	Size (km ²)	Current Term Ending	Term: First or Second**
KRL North	EL 2558	KRL	40.92	Aug 28, 2022	Second
	EL 2655	PEC	88.66	Nov 11, 2022	First
	ELA 2755	KRL	330.77	-	Application
KRL South	EL 2559	KRL	225.06	Aug 28, 2022	Second
	EL 2650	PEC	143.22	Aug 13, 2022	First
	EL 2660	PEC	102.3	Nov 11, 2022	First
	EL 2652	PEC	126.17	Aug 13, 2022	First
May River	ELA 2736	KRL	51.15	-	Application
	ELA 2756	KRL	1,357.18	-	Application

* = Pacific Energy Consulting Limited ("PEC") holds tenements subject to exclusive options agreement in favour of KRL
** = First term is for 2 years; second term is for 2 years with ongoing rights to extend under PNG law

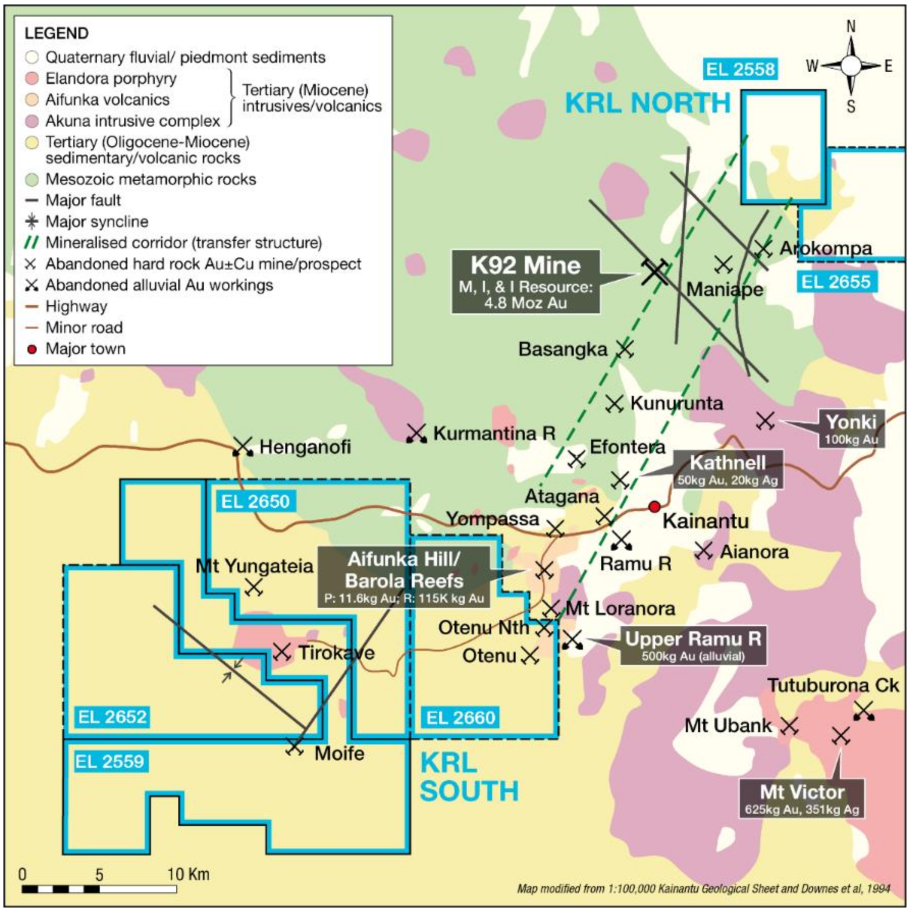
Application was made on October 4, 2021, for ELA 2736 with the Wardens hearing process now complete and ELA 2755 and 2756 were applied for March 23, 2022.

The Company's core project tenements are EL 2558 (20 kilometres NE of Kainantu town) and EL 2559 (25 kilometres SW of Kainantu town) are held by the Company in its own right. Significant work has also been undertaken in EL2560 (the 'regional' project). The Company also holds the exclusive rights to explore in additional adjoining tenements.

During the period an additional Exploration Licence Application ("ELA") was granted: ELA 2736 in the May River region and subsequent to period end, a further two ELA's were applied for with an additional area adjacent to KRL North and for relinquished ground in May River. Upon the respective ELA's being awarded, the Company's license area holdings will be significantly increased.

Geographically represented, KRL's overall exploration package (excluding May River and Kili Teke projects) is set out in Figure 2:

Figure 2: KRL Exploration Package – North & South



For further details on the Projects, the PNG Mineral Resources Authority's ("MRA") official cadastre mapping record can be viewed at [https://portal.mra.gov.pg/Map/.](https://portal.mra.gov.pg/Map/)

Geology

KRL South is located around the Tirokave River, where substantial alluvial gold mining has historically occurred in the catchment area. KRL South is centred along the Kainantu Transfer Structure, which has hosted a number of successful high grade mining operations and is approximately 34 km SW of the K92 Mining Inc ("K92") gold-silver-copper mine.

The area is of particular interest given the presence of extensive outcrops with identified Akuna Igneous Complex rocks and a large body, including scattered dykes and plugs, of the Elandora Porphyry (as seen in other successful projects in the region). While regional targets are prospective across the tenement, the Company's immediate focus is around the Tirokave area, with indicators of epithermal mineralisation.

KRL North sits along strike, NNE, on the mineralized corridor representing a portion of the Kainantu Transfer Structure. Historic aeromagnetic data has indicated proximity and certain similarities, notably structure, between KRL North and the Bilimoia Mineral Field which also hosts ground mined by K92.

At KRL North, the Kainantu Transfer Structure appears to control 2 significant mineralised vein systems within the tenement package of K92, both within 3 to 4 km of the SW corner of KRL North. While non-JORC compliant (or subject to an NI 43-101 technical report), historic data indicated a resource of 560,000 oz Au at 2.2 g/t at Maniope; and 798,000 oz Au at 9.0 g/t at Arakompa. Given their proximity to the Company's tenements, both the Maniope and Arakompa vein systems are relevant to KRL North. Current field work and the geophysics airbourne survey are focused on establishing continuity.

May River is located in the Northeast of PNG, less than 15km from the PanAust owned world-renowned Frieda River Project; the May River project adds significant value to the Kainantu Resources platform with close proximity copper/gold exposure.

Exploration Operations Update

During the period to December 31, 2021, the Company continued to focus exploration efforts at KRL North and KRL South to build upon previous work and analyses. Significant progress was made during 2021; with excavation work for contour benching commencing in line with KRL's plan to identify near term targets in the Tirokave area, then commencing a drilling program, which KRL believes will lead to the identification of a JORC and NI 43-101 compliant maiden resource.

Figure 3: Samples taken in the 13 months to December 31, 2021

	KRL South					KRL North	
Sample Type	**East Avaninofi**	**Yaoro Ridge**	**Tebeo Ridge**	**Kerefa**	**Regional Program**	**Markham**	**Total**
Pan Concentrate	-	-	15	-	76	14	105
Stream Sediments	-	-	-	-	10	30	40
Rock Chip & Float	252	62	209	83	64	298	968
Soil	154	186	911	182	-	453	1,886
Trench	-	146	59	397	-	-	602
QA/QC	4	8	21	224	-	17	274
Total	**410**	**402**	**1,215**	**886**	**150**	**812**	**3,875**

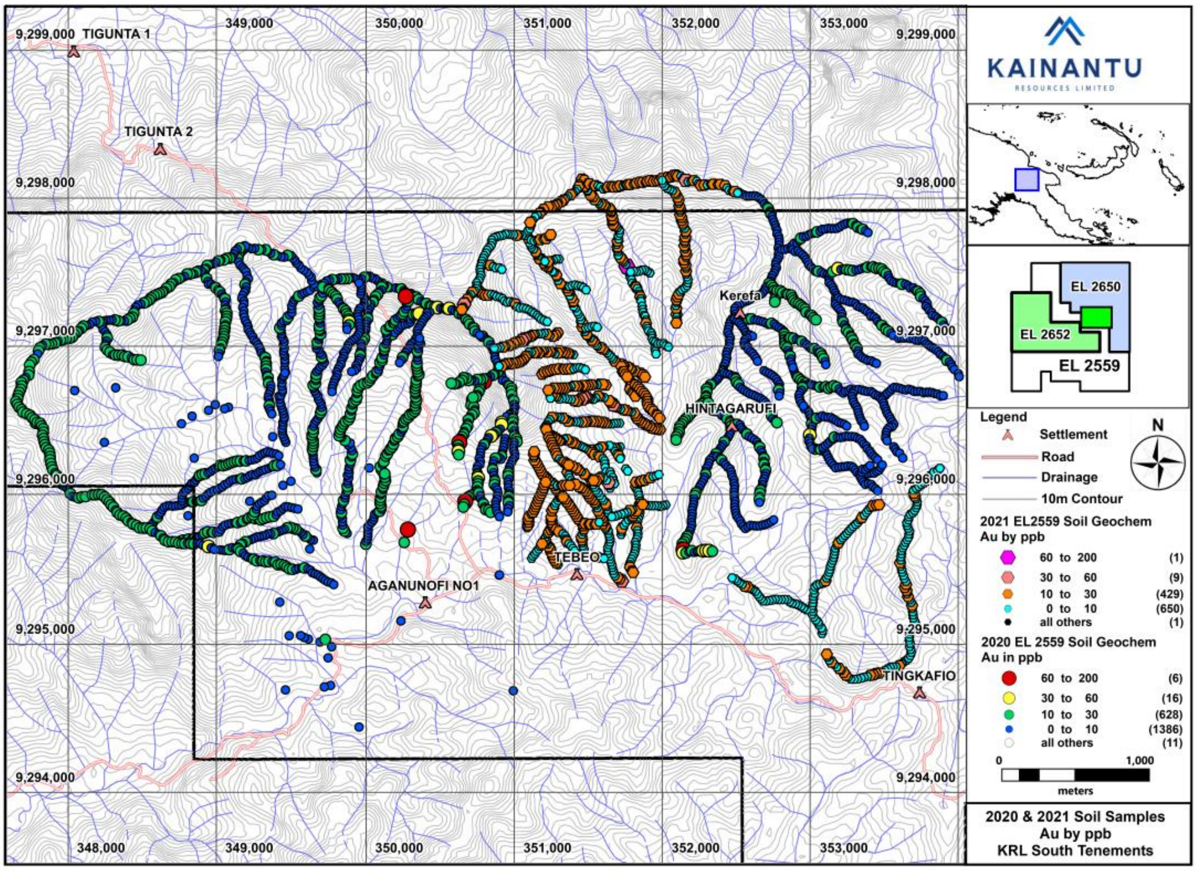
KRL South

In 2021 and following a systematic approach of gathering geochemical data and analyses from the ridge and spur program in 2020 (supported by petrology analysis), encouraging outcomes were found within the key prospects identified for targeted ongoing work: East Avaninofi and Yaoro Ridge, with the secondary Kerefa and Tebeo Ridge Prospects. The location of the prospects at KRL South and associated soil samples appears below in Figure 4.

To date, the KRL South exploration program has been focused around the East Avaninofi and the Yaoro Ridge Prospects. In summary, a number of encouraging Au±Ag±Cu results have been reported from both these prospects, with several samples also revealing coincident elevated pathfinder elements similar to those reported from the nearby Bilimoia (K92) mineral field.

The location of the prospects at KRL South and associated soil samples appears below in Figure 4.

Figure 4: Location of main prospects and associated soil samples – KRL South (December 31, 2021)



East Avaninofi Prospect

After discovery of the 40.13 g/t Au sample taken from the southern slopes of the area during H1 2021; and strong indicators of outcrops similar to those of the Elandora porphyry as observed in the Bilimoia gold field to the NE, the Company has continued to focus on the East Avaninofi Prospect.

A total of 410 samples taken, 252 rock chip (outcrop and float) 154 soil and 4 QA/QC samples were taken with figure 6 below indicating the anomalous assay results.

Specifically, over the second half of 2021. The programme has continued to focus on clearly delineating structural zones bearing significant mineralisation; which will form the basis for developing a geological model to further progress this prospect towards drilling in 2022. For the period, the following observations have been made on the prospect:

- 650m long portion of the WNW trending ridge considered prospective from a scatter of anomalous (20-100ppb) Au-in-soil samples and local rock outcrop anomalies; with up to 0.94 g/t Au reported;

- the mineralisation style being mainly quartz-sulphide vein and fracture fill, hosted within hydrothermally altered hornsfelsed metasediments often along the contact zones with 1m to 10m wide late-stage andesitic dykes which appear to form a N to NE trending swarm. Such dyke swarms with similar orientations have also been mapped in the SE sector of the Tirokave Ring Feature, with some of the dykes shown to extend over at least 1km;

- outcrop mapping of at least three distinct phases of intrusive rocks, including the dykes, associated with the Elandora Porphyry, all hosting copper sulphides to varying concentrations; and

- the recognition of structurally controlled NW through N to NE trending hydrothermal altered and mineralized zones of at least 10m in width, as indicated by the Company's petrological studies.

Selectively tabulated in Figure 5 below, the most recent results returned confirm the likelihood of intrusive-related Au-Cu mineralisation; and the confidence in the working model being developed to rapidly delineate drill targets.

Figure 5: Selective Sample Results from East Avaninofi Prospect

	(ppb)	(ppm)									(%)
Sample No.	**Au**	**Au1**	**Ag**	**Cu**	**Mo**	**As**	**Bi**	**Te**	**W**	**S**	**Fe**
A06036	121	0.03	<0.5	240	8	<5	20	14	<10	15,619	3.2
A06040	7	0.01	0.6	1,950	5	21	<2	6	21	165,100	29.29
A06043	32	0.04	6.2	248	46	68	<2	<5	<10	3,539	6.27
A06046	407	0.1	3.6	3,775	18	14	5	<5	<10	73,000	23.64
A06048	3	0.02	1.2	2,363	2	10	<2	9	191	192,000	27.74
A06051	5	<0.01	1	3,938	<1	11	<2	6	12	245,300	34.81
A06054	462	0.32	11.9	1,222	20	791	<2	<5	12	29,753	14.99
A06067	17	0.02	<0.5	1,177	2	5	20	15	40	73,900	7.88

The results demonstrate a probable nugget effect on Au values, with the comparison of fire assay (ppm) and ICP (ppb) methods to be expected in the surficial portions of the mineralisation. The results also indicate strong correlations of Au with Ag, Cu, Mo, and As; in addition to some elevated values of Bi, Te, and W. This supports observations of geochemical similarity between KRL South and the nearby Bilimoia Mineral Field; and its intrusive-related gold-copper mineralisation style. High-grade Au potential may also be hosted, given the high proportions of S and Fe that indicate a substantial sulphide content.

During the final quarter KRL continued to intensify activities in this area, with excavation to continue to open up and expose the northern face of the East Avaninofi Prospect, progressively contour benching the downward slope towards the N, with related mapping and sampling expected to extend the strike directions as far as possible.

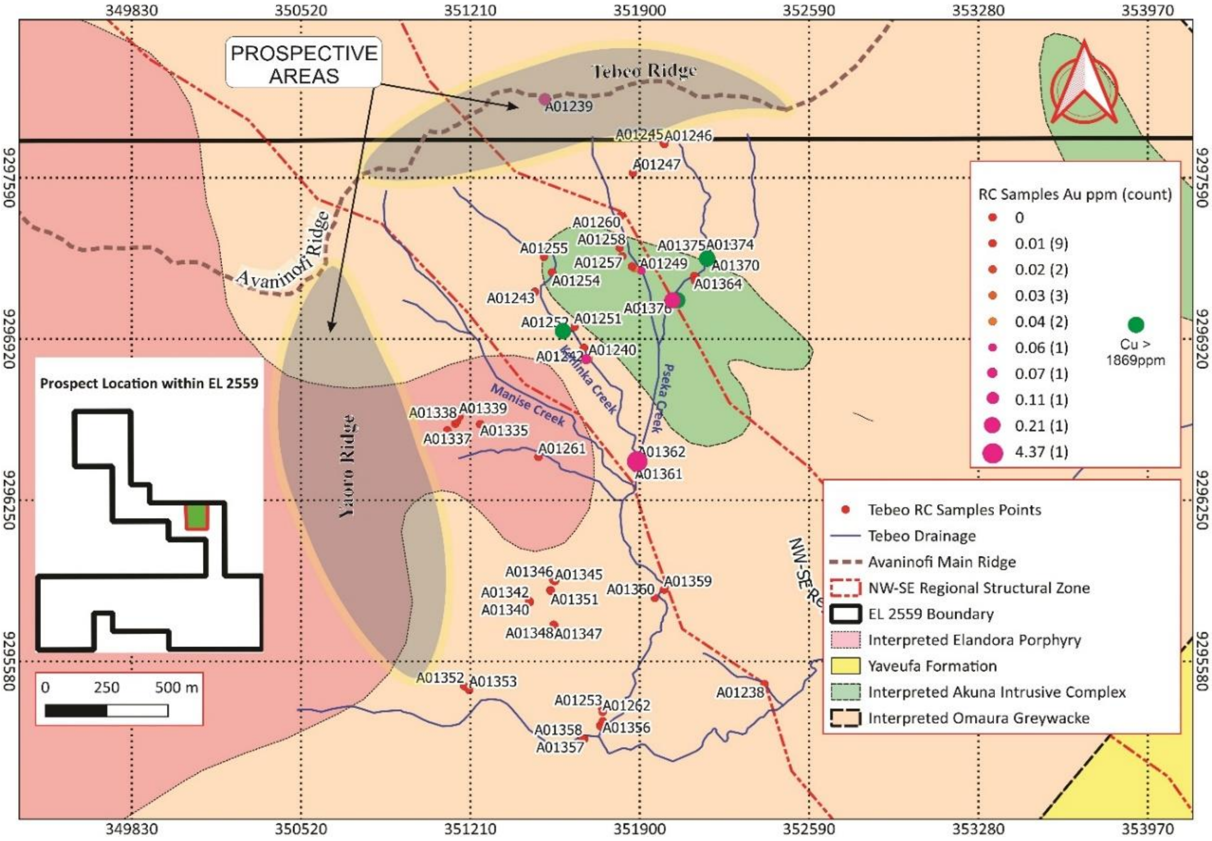
KRL has planned for circa 2km of excavation and benching at the East Avaninofi Prospect in order to define initial drill targets on three different levels nominally spaced 50m vertically and 100m laterally. Further benching has progressed northwards as the mineral controlling structures are exposed.

Yaoro Ridge Prospect

The Yaoro Ridge Prospect is east of the East Avaninofi Prospect and is a north trending feature (inclusive of the Tebeo ridge continuing in a further easterly direction for about 1.75km). High structural permeability was initially observed in some outcrops and earlier sampling supported further investigation. Upon resolution of inter-clan matters in this area, KRL was able to conduct further extensive exploration activities in the area during the second half of 2021.

Drainage mapping and sampling has now been completed, with a total of 1,617 samples taken, 292 rock chip (outcrop and float) 1,093 soil, 15 pan concentrate, 205 trench and inclusive of 29 QA/QC samples taken. Figure 6 below indicates comparative anomalous assay results for rock chips taken.

Figure 6: Sampling at Yaoro Ridge Prospects During the period



Results returned included a sample of 4.37 g/t Au at surface, likely derived from the convergence area of the eastern flank of the Yaoro Ridge Prospect with the western Tebeo ridge, as the sample is composed of fractured, hydrothermally altered and mineralised hornfels (similar to those found with the highest grades at the East Avaninofi Prospect).

Some strongly anomalous Cu and other pathfinder elements were also identified (including a dominant N trending structural zone hosting up to 0.59% Cu at surface near an old adit area on south Yaoro Ridge). This appears to be a likely extension of a zone of Au anomalies identified in hydrothermally altered breccias to the south; and supported by several clusters of Au-in-soil anomalies (20 to 129 ppb Au) and associated elevated As results returned from the southern trending fingers off the main ridge. Analyses of key sample results is contained in Figure 7.

Figure 7: Selective Sample Results and Correlations from Yaoro Ridge Prospects

	(ppm)							
Sample No.	**Au**	**Ag**	**As**	**Sb**	**Cu**	**Pb**	**Bi**	**Te**
A01362	4.37	2.5	1789	8.6	134	952	0.2	2.7
A01376	0.21	6.2	139	1.8	2134	16	4.6	1.1
A01239	0.11	3	17	0.2	16	105	0	0
A01240	0.07	2.6	45	0.8	88	581	0.4	0.1
A01249	0.06	0.2	9	0.1	785	23	192	24.9
A01363	0.04	0.3	10	0.1	38	4	0	0
A01364	0.04	0	2	0	161	0	2.2	0.8
A01248	0.03	0	32	0.6	463	368	17.2	3.6
A01343	0.03	0	0	0	22	2	0.4	0.1
A01370	0.03	0.8	21	0.9	2731	112	1.1	0.8
A01252	0.02	0.4	5	0	1870	16	56.8	8.7

Mapping indicates lithologies, alteration and mineralisation similar to the East Avaninofi Prospect (supported by sampling), meaning it is highly likely that the Yaoro Ridge Prospect is spatially and temporally associated.

Further excavation work is planned in coming months to expose mineralized zones along the eastern flank of Yaoro Ridge, moving in a northerly direction towards Tebeo ridge.

Kerefa Prospect

To the East the Kerefa Prospect was extensively mapped with sampling of 12 costeans and surrounds in 2021. Initial sample results identified some trends for further investigation however, a southern cluster of Au-in-soil samples indicated only weakly anomalous Au and Cu results. Given the strong outcomes at other prospects, the Company has temporarily suspended work at the Kerefa Prospect for the time-being to focus on other priorities.

In summary, as a result of the exploration activities during the period a number of encouraging results have been reported from the East Avaninofi Prospect and Yaoro Ridge Prospect, with samples revealing path finder elements similar to the nearby Bilimoia mineral field.

KRL North

In 2021, the Company conducted a mapping and sampling programme to identify further porphyry related alteration and mineralisation targets within KRL North, as potential extensions of Maniape and Arakompa veins.

Mapping and sampling were concentrated within the southern half of KRL North, where several altered and intrusive bodies were observed and interpreted as associated with the Elandora Porphyry, displaying hydrothermal alteration, mineralisation, and veining.

To date, a total of 809 samples comprising 453 soil, 295 rock outcrop and float, 30 stream sediments, and 14 pan concentrates (inclusive of 17 QA/QC) samples were taken and dispatched for multi-element analyses. Results returned a number of high Au spot values in correlation with anomalous pathfinder elements; in particular clustered within the central south of EL 2558.

In summary, analysis uncovered an Pb-Zn-Te signature towards the north; and a Mo-Bi-Sb-As signature towards the south.

Figure 8: Elevated Au-in-soil and Associated Pathfinders KRL North

	PPB	**PPM**										
Sample No.	**Au**	**Ag**	**As**	**Sb**	**Cu**	**Mo**	**Pb**	**Zn**	**Bi**	**Te**	**W**	**Sn**
D01254	90	0.2	28	1.5	48	0.8	9	207	0.9	0.4	0.1	2.7
D01252	46	0.2	23	1.4	57	0.3	18	106	5.4	1.1	0.1	1.1
D01265	38	0	6	0.3	32	0.6	3	60	0.3	0.2	0	0.6
D01272	37	0.2	21	2	112	0.3	21	366	0.4	0.3	0.2	0.8
D01101	35	0	6	0.5	65	0.4	9	111	1	0.2	0	0.8
D01092	30	0.2	7	0.7	85	0.3	12	87	0.2	0	0	0.4
D01263	30	0	5	0.4	61	1	11	91	0.4	0.3	0.1	1.9
D01273	22	0.3	9	1	64	0.2	146	264	0.3	0.1	0.1	0.7
D01260	21	0.1	3	0.5	51	0.5	11	188	1	0.2	0.2	1.4
	Note: Covers an area 636m E-W x 115m N-S in the central south half of the EL											

Amongst other objectives, this programme was intended to assess whether the enhanced structural permeability extends to KRL North from the adjacent rich Bilimoia Mineral Field (where K92 operates).

Analysis of data gathered to date suggests the potential presence of three significant mineralisation occurrences:

- controlling structures – similar to those seen at Bilimoia;
- Buried porphyry system at depth located near the ring feature;
- Epithermal style gold and base metal vein system in the middle of the tenement.

Overall, the 2021 field work and analysis confirms the Company's view as to the prospective nature of KRL North the project and the likely extension of high-grade mineralisation from the adjacent K92 project in the Bilimoia Mineral Field.

In this regard, results have been extremely encouraging with early indications supporting the potential of a mineralising porphyry source underlying the ground between the Arakompa Prospect and the SW corner of KRL North. Further work is planned, and updates will be provided in due course.

Geophysics

As noted above, with increased confidence KRL advanced final planning in Q4 2021 to commence an airborne geophysical programme at KRL South and KRL North in early 2022. The Company expects to provide further analysis on the outcome of this programme during H2 2022.

May River

May River is located in the North-East of PNG, less than 15km from the PanAust owned world-renowned Frieda River Project, with the district known for both porphyry and high-sulphidation epithermal styles of mineralisation trending along the Fiak Fault. The project is of significant interest to a number of major gold and copper producers in the region.

Key Project prospects (Skiraisa, Foya, Eserebe, Mountain Gate and Iku Hill) are situated along a 7km long N-NW trending structural corridor, exhibiting many attributes similar to the extended mineralised system identified at the Frieda River Project (between 10 and 15km to the east).

Historical work at the May River Project includes:

- soil, rock chip and channel anomalies indicating the existence of porphyry style copper-gold mineralisation in addition to near surface structurally controlled and breccia-hosted epithermal gold veins and breccias;
- previous drilling at the Skiraisa prospect has demonstrated significant gold potential: 54m at 1.83g/t Au; 109m at 1.53g/t Au and 96m at 0.89g/t Au;
- copper-in-soil anomalies of > 2,500ppm have been reported from several areas at the Mountain Gate prospect; and
- at the Iku Hill prospect, previous airborne geophysical surveys (and reprocessing of data) have identified intense magnetic targets over a 2km² area; sharing similar structures to the Frieda River Project's dominant Horse-Ivaal Cu-Au deposit (less than 10km to the east).

The May River Project consists of 3 prospective copper-gold mineral concessions, with further particulars stated in Figure 9.

Figure 9: May River Tenements

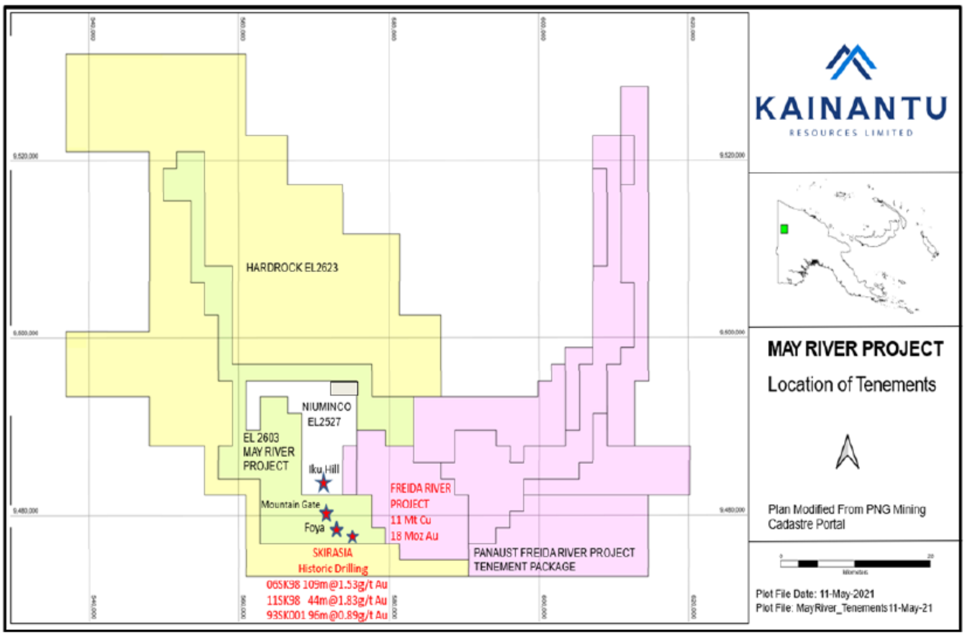
Exploration Licence/Name	Size	Current Holder	Prospects/Anomalous Areas
EL2603 - May River	331km²	Hardrock	Skiraisa, Foya, Mountain Gate
EL2623 - Hotmin	1272km²	Hardrock	Various Au-Cu drainage anomalies
EL2527 - Iku Hill*	94km²	Niuminco (ND) Ltd.	Iku Hill

The Hardrock tenements are currently being renewed for their second term.

A separate agreement was entered with Niuminco Group Limited ("Niuminco") subject to various conditions precedent (including confirmation of stakeholder support for the extension and transfer of their tenement). EL 2527 has now lapsed and Niuminco has brought a claim for judicial review of this decision.

On October 4, 2021, the Company was successfully granted a first in time ELA 2736 over the same EL 2527 area. KRL and Niuminco have agreed an extended sunset date of May 31, 2022 of their agreement, pending determination of the judicial review case. In any event, KRL's interest in the area will be preserved upon the granting of an EL in respect of ELA2736.

Figure 10: May River Project Location / Tenements



***MAY RIVER**: yellow; green; white/**FRIEDA RIVER**: purple*

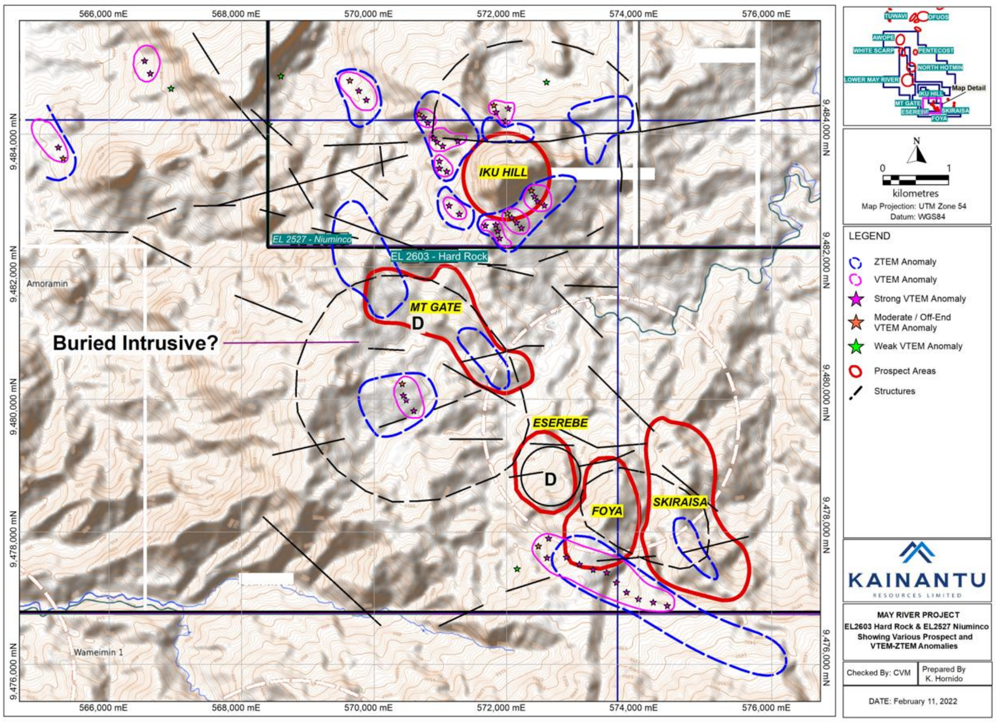
A field study program was conducted during the period with sampling confirming the high Cu prospectively validated desktop observations for the May River Project. On this basis the Company exercised the first option to acquire 10% of Hardrock the first step in consolidation of the May River Project.

At the Skiraisa Prospect, sample results recorded up to 1.58ppm (1.58g/t) Au; 5.4ppm (5.4g/t) Ag and 306ppm (0.03%) Cu and at Mountain Gate Prospect up to 2.07ppm (2.07gt) Au; >100ppm (>100g/t) Ag and 1709ppm (0.17%) Cu.

Petrology analysis results indicate an intrusive/volcanic environment in which widespread strong to intense hydrothermal alteration is confirmed, with fluid inclusion indicated temperatures consistent with the upper or outer shell of deeper magmatic processes, e.g. porphyry style alteration.

Additional field trips planned in the near term to complete follow up and targeted mapping and sampling programs. This exploration program will include Mountain Gate, which has demonstrated favourable geology, geochemistry and geophysics. Initial analysis of HVTEM and ZTEM has potentially identified an Au system with low sulphide content.

Figure 11: May River Exploration Targets



Corporate Development Initiatives

As discussed above the Company exercised the first option to acquire 10% of Hardrock on November 9, 2021, following the successful completion of a field study. In addition to the 10% initial option, the Company expects to execute a second option allowing KRL to acquire the remaining 90% interest in Hardrock. KRL will continue to take steps over coming months to complete these acquisitions and consolidate the May River Projects into the Company's portfolio.

Subsequent to the end of the reporting period on April 6, 2022, the Company announced it had entered into a definitive agreement with Harmony Gold (PNG) Exploration Limited, a wholly owned subsidiary of Harmony Gold Mining Company Limited to acquire 100% ownership of the Kili Teke Gold-Copper Project.

Kili Teke is a significant advanced exploration porphyry gold-copper project with an existing mineral resource, and potential for further re-optimization and discoveries to increase overall value.

The project in premier region of PNG with over 36,000m of drilling completed to date. The project has an existing defined Inferred Mineral Resource of 237Mt @ 0.34% Cu (=0.8Mt Cu), 0.24g/t Au (=1.8Moz Au) and 168ppm Mo (=0.04Mt Mo), with an effective date of 30 June 2021.

The project presents significant exploration resource upside, with near surface, high-grade Au skarn mineralisation not yet included in the defined Mineral Resource and potential for re-optimisation, bringing Kili Teke significantly closer to production as an open-pit mine to increase economic returns.

Capital Markets

The Company continues to conduct a range of investor relations activities to build profile as an emergent business.

KRL announced the commencement of a private placement on December 1, 2021. The placement was initially intended to raise C$1.5m with pricing set at C$0.18 per share with a full attaching warrant priced at C$0.36 for 36 months.

Subsequent to year end and due to overwhelming investor demand, the Company upsized the placement twice and split the placement into two tranches. The first tranche closed on January 4, 2022, with C$1.67m followed by the second tranche on January 21, 2022, bringing the gross proceeds to C$2.77m.

The net proceeds from the placement are intended to be used, but are not limited to, exploration programmes at KRL North and KRL South leading to delineation of drilling targets, sampling and technical reports for the May River Project, and general working capital purposes.

Environmental, Social & Governance (ESG)

The Company is committed to ensuring a sustained approach to project development, in conjunction with local communities and remains focused on maintaining a strong social licence. Positive outcomes were evident from community support at Wardens' Hearings in Kainantu district when granting and consolidating rights to explore. Where practical the Company engages local labour and acquires supplies and produce from local communities we operate in.

At KRL North, the Company through an awareness and consultation programme received local consent in accordance with PNG law before starting field work, resulting in the signing of an access agreement between with seven clans in early 2021. Throughout the period the Company has continued to work in a harmonious way with the local community groups.

The Company continues to work closely with the MRA and government at a national level, with the application for EL 2736 and subsequently ELA 2755 and 2756 illustrating the Company's standing and reputation within PNG.

Initial socialisation activities have been completed for the wardens hearings at the May River Project in 2022 with strong community support for KRL.

Annual General Meeting (AGM)

On September 20, 2021, the Company held its inaugural Annual General Meeting, shareholders voted unilaterally for the election of the four directors (Matthew Salthouse, Marcus Engelbrecht, Geoff Lawrence, David Loretto), the appointment of auditors and company stock option plan.

Summary of Financial Results

All results are presented in United Stated Dollars unless otherwise noted.

Results for 13-month period ended December 31, 2021

The Company is focused on the exploration programmes outlined above, with the cost of considerable exploration activities occurring during the period of $1.45 million being capitalised. These costs include major expenses on sampling, assaying and analysis by a team of national and expatriate geologists and technical consultants. In addition, all support costs associated with supplies, logistics, transport, and accommodation are also included. Our policy is to capitalise all exploration costs (explained in detail under accounting policies below).

The closing cash position was US$0.65 million. During the 13-month period to December 31, 2021, after raising $3.02 million, cash used in operating activities was USD $0.88 million and net investing cash outflows were $1.58 million (inclusive of exploration expenditure and settlement of working capital loans).

For the 13-month period ended December 31, 2021, the Company recorded a net loss of $1.78 million (2020 - $0.23m million) and a loss per share of $0.04 (2020 - $0.12). The increase in the net loss of $1.55 million is attributed to the following:

- listing expense cost of $0.38 million associated with the qualifying transaction and reverse acquisition of the Company, a one-off, non-recurring and non-cash item;
- share-based payments increased to $0.60 million (2020 - $nil) for stock options granted and two thirds vested during the period under the Company option plan, a non-cash item;
- board and executive fees increased to $0.28 million (2020 - $0.05 million) with the engagement of officeholders on listing; and
- marketing and investor relations costs of $0.23 million (2020 - $23 thousand) associated with the initial listing and investor engagement by the Company.

Selected Financial Information

The following is a summary of selected financial information for the most recent quarter and prior periods, with prior year end financial information provided for reference and comparison. The company is transitioning to a calendar reporting cycle and following the current transitional period future analysis will be presented on a conventional quarterly and annual basis.

In thousands of United States Dollars		13 months ended December 31, 2021	11 months ended November 30, 2020	3 months ended December 31, 2021	3 months ended September 30, 2021	4 months ended June 30, 2021	3 months ended February 28, 2021
Total revenues	$	Nil	Nil	Nil	Nil	Nil	Nil
Loss for the period	$	**(1,776)**	**(231)**	**(669)**	**(164)**	**(156)**	**(787)**
Cash		649	-	649	1,095	1,641	2,817
Exploration and evaluation assets		4,166	2,711	4,166	3,874	3,470	2,890
Total Assets	$	**5,508**	**3,430**	**5,507**	**5,545**	**5,674**	**6,238**
Total Liabilities	$	**451**	**866**	**451**	**410**	**338**	**829**

Notes to the summary financial information above:

Revenue

- the Company has no revenues to date.

Loss for the period

- the loss in the 13-month period has increased compared to the prior year 11-month period primarily due to the listing fee associated with the qualifying transaction and remuneration costs including non-cash share-based payment expenses with engagement of the board and executive teams; and

- the loss for the quarter ended December 31, 2021, is $0.67 million the second vesting date for non-cash share-based payment expense recognition during the quarter, other expenses are in line with the previous periods ended September and June 30, 2021. The loss of $0.79 million in the quarter ended February 28, 2021, included non-recurring one-off listing expense and non-cash share-based payments.

Assets

- assets have increased in 2021 from the prior period after the closing of the qualifying transaction financing in December 2020 and capitalised exploration and evaluation costs during the 13-month period;

- assets decreased in the quarters ended December 31 and September 30, 2021, with cash balances lower due to ongoing payments for exploration and evaluation and operating costs;

- assets decreased in the 4 months to 30 June, 2021 after repayment of working capital loans and advances (with such loans and advances primarily attributed to the financial support from 1 June 2020 prior to listing, to cover exploration and operating expenses); and

- exploration and evaluation expenditure was capitalised pending the determination of technical feasibility and commercial viability; increasing by $0.29 million in the December quarter, $0.40 million in the September quarter and $0.58 million during the 4 months to 30 June.

- for the 2 most recent periods the breakdown of the material components of exploration and evaluation expenditure are as follows:

In thousands of United States Dollars		**13 months ended December 31, 2021**	**11 months ended November 30, 2020**
Acquisition Costs	$	-	2,331
Assay and analysis		157	35
Consultants and contractors		324	87
Employees and labour		534	115
Field, camp and supply		167	75
Travel and accommodation		107	34
Vehicles, logistics and support		165	35
Total	**$**	**1,454**	**2,712**

Liabilities

- liabilities have decreased from the prior year after repayment of working capital loans; and
- liabilities increased in the quarters ended December 31 and September 30, 2021, with increased accounts and other payable amount, liabilities declined in the 4 months to June 30 mainly as a result of the settlement of working capital loans and advances for operating expenses accrued.

Summary of Quarterly Results

The following is a summary of quarterly financial information and results for the most recent 8 quarters.

In thousands of United States Dollars		Quarter ended December 31, 2021	Quarter ended September 30, 2021	4 months ended June 30, 2021	Quarter ended February 28, 2021
Working capital	**$**	420	760	1,423	2,065
Share based payments & Listing expense		415	-	-	566
Net loss		(669)	(164)	(156)	(787)
Basic loss per share (cents)		(0.011)	(0.004)	(0.003)	(0.017)

In thousands of United States Dollars		Quarter ended November 30, 2020	Quarter ended August 31, 2020	Quarter ended May 31, 2020	Quarter ended February 28, 2020
Working capital	**$**	(609)	(225)	(1)	(1)
Net loss		(189)	(40)	(-)	(2)
Basic loss per share (cents)		(0.05)	(0.01)	(0.03)	(5.16)

Discussion of Quarterly Results

The Company was dormant prior to completing a restructure on June 1, 2020, whereby the mineral properties were acquired. Following this, the Company focused on advancing the initial exploration program as well as financing and the listing process.

A qualifying transaction was completed on December 3, 2020, including a concurrent financing with a significant one-off non-recurring listing expense and non-cash share-based payment expense recognised. The Company has continued to focus on exploration at a number of mineral properties with the policy to capitalise these costs to exploration and evaluation assets pending the determination of technical feasibility and commercial viability.

Net losses from professional fees, corporate and administrative, board and executive fees remain relatively constant in line with corporate activities since acquiring the mineral properties. Share-based payments and the listing expense are separately disclosed given the non-cash and non-recurring nature respectively.

Liquidity and Capitalisation

Working Capital

As at December 31, 2021, the cash balance was $0.65 million (November 30, 2020 - $nil) with short term liabilities of $0.45 million (November 30, 2020 - $0.87 million).

During the 13 month period ended December 31, 2021:

- Operating Activities: cash used in operating activities amounted to $0.88 million including payment of one-off transaction costs from listing.
- Investing Activities: net cash used in investing activities was $1.58 million with cash outflows for exploration and evaluation of $1.70 million including repayment of working capital loans and advances incurred prior to listing, proceeds from the sale of unused equipment, cash balances from the acquisition and $0.1 million for the investment in Hardrock Limited.
- Financing Activities: net cash received from financing after deducting issuance costs and the exercise of share purchase warrants and stock options was $3.02 million.

As of the date of this MD&A, the Company has no outstanding commitments except for minimum spending requirements on exploration licences. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

Long-Term Liabilities

The Company had no long-term liabilities as at December 31, 2021, or as at November 30, 2020.

Related Party Transactions

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Board and executive management team.

Key management personnel compensation comprised fees paid and share-based compensation related to the fair value of the stock options granted to these key management personal. Fees paid to key management personal in the thirteen months ended December 31, 2021, were $0.64 million (2020 - $0.05 million).

Recognition of share-based payments expense is included in the consolidated financial statements on a graded vesting basis. During the period ended December 31, 2021, share-based compensation for the key management personnel amounted to $0.60 million (2020 - $nil).

Related Party Entities

As at December 31, 2021, $0.05 million was due from related parties APEV and PEC which are related by way of common director for recharged expenses to be reimbursed under a shared services agreement (November 30, 2020 – payable $0.44 million).

During the period and as noted above, the Company settled the initial working capital loans and further advances of $0.62 million, as provided by the APEV and PEC to cover operating and exploration expenses prior to and immediately post listing.

During the reporting period the Company incurred expenses through a shared services agreement totalling $0.12 million (2020 - $nil) for office space, administrative and provision of other support services provided by APEV. The agreement and expenses are incurred on arms length terms; and have been approved by the independent directors of the Company.

Off Balance Sheet Arrangements

The Company has no undisclosed off-balance sheet arrangements or financing structures in place.

Shares on Issue

As at the reporting date, 60,693,226 common shares were issued and outstanding.

In addition, 5,000,000 deferred consideration shares will be issued for nil consideration where the Company establishes an inferred resource, 5,291,667 stock options are outstanding with 3,103,334 exercisable at a weighted average exercise price of CAD$0.20 and 12,226,900 warrants are outstanding, exercisable at a weighted average exercise price of CAD$0.38.

Critical Accounting Policies

The Company's significant accounting policies are described in Note 6 of its audited consolidated financial statements for the year ended December 31, 2021. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Significant Judgements and Estimates

The preparation of the interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical judgments in applying accounting policies

Reverse Acquisition and Continuing Parent

On December 3, 2020, the Company and Kainantu Resources Pte. Ltd. completed the qualifying transaction which constituted a reverse acquisition. The shareholders of Kainantu Resources Pte. Ltd. obtained control of the Company.

The transaction was accounted for as a reverse acquisition in accordance with the guidance provided in IFRS 2, *Share-based Payments* and IFRS 3, *Business Combinations*. As the Company did not qualify as a business according to the definition in IFRS 3, the reverse acquisition did not constitute a business combination.

It has been determined Kainantu Resources Pte. Ltd. issued shares for the net assets of the Company and to obtain a listing status. Accordingly, no goodwill or intangible assets were recorded and for accounting purposes, Kainantu Resources Pte. Ltd. (legal subsidiary) was treated as the accounting parent company and the Company (legal parent) was considered the accounting subsidiary in these interim consolidated financial statements.

As Kainantu Resources Pte. Ltd. was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in the interim consolidated financial statements for the period ended December 30, 2020, at their historical carrying value (continuing parent). The Company's results of operations are included after the date of the acquisition.

The purchase price consideration being the equity instruments issued by Kainantu Resources Pte. Ltd. is based on the fair value per share for shares acquired by vendors at the transaction price of CAD $0.07 and the shares retained by the shareholders of the Company based on the capital raising price of CAD $0.20. Options and warrants issued were fair valued applying black-scholes option pricing.

The difference between the consideration and the identifiable assets received was recognised in the statement of loss and comprehensive loss as a listing expense are detailed in Note 2 of its audited consolidated financial statements for the year ended December 31, 2021.

Change in Financial Year End

On July 29, 2021, the Company announced a change of financial year end to December 31 from November 30 as outlined in Note 4c of the audited consolidated financial statements. On this basis, the financial results are presented on a transitional basis for the 13 months ended December 30, 2021. The comparative 2020 results are provided for the 11 months ended November 30, 2020. After the transition year, future results will be presented on a conventional quarterly and annual basis from 2022.

Key sources of estimation uncertainty

Exploration and Evaluation Assets

Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalised as exploration and evaluation assets. The costs are accumulated by areas of interest pending the determination of technical feasibility and commercial viability.

The application of the accounting policy for exploration and evaluation expenditure requires judgment in determining whether future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is recognised in loss in the period that the new information becomes available.

Share-Based Payments

The determination of fair value of share-based compensation associated with stock options and finders' fee warrants require assumptions with respect to volatility, expected life and discount rates. Changes in these assumptions impact the share-based compensation recognised in profit or loss over the vesting period of the stock options.

Other significant estimates include the value of deferred tax assets, evaluated based on the probability of realisation which is currently assessed as improbable that such assets will be realised and accordingly a value for deferred tax assets is not recognised.

Risks and Uncertainties

The Company is exposed to risks which may have a material effect on financial position, comprehensive income, cash flows and operations. Risks and uncertainties the Company considers material in assessing its financial statements are described below.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short term business requirements after taking into account cash and cash equivalents. All financial liabilities including accounts payable and accrued liabilities and loans from related party, are classified as current. As at December 31, 2021 the Company's financial liabilities include accounts payable and accrued and other liabilities of $0.45 million all of which are due within twelve months, with available cash and cash equivalents of $0.65 million.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty is unable to fulfil its contractual payment obligations and arises primarily from the Company's financial assets. The Company is mainly exposed to credit risk on its cash and cash equivalents. Credit risk exposure is limited through depositing cash with high-credit quality financial institutions. The carrying value of these financial assets represents the maximum exposure to credit risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors and prices such as interest rates, foreign exchange rates, and commodity and equity prices. The Company is currently not exposed to any material market risks.

Foreign currency risk

Foreign currency risk is the risk that the Company's financial performance will be affected by fluctuations in the exchange rates between currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in Canada, Singapore and PNG and is exposed to risk from changes in the USD, CAD, Singapore dollar and the PNG Kina. The Company manages this foreign currency risk by matching payments in the same currency where possible and monitoring movements in exchange rates.

Other risk factors

The Company faces a variety of other risk factors encompassing operational, geological, environmental, licencing, financing, commodities prices and COVID-19 which are outlined below.

Exploration and Operational Risks

The Company's operations are focused on mineral exploration and evaluation which involve a high degree of risk. No assurance can be given the acquisition of and exploration of resource properties will result in discovery of an economic mineral deposit which will be subsequently advanced to commercial production. To mitigate this risk the focus of the Company is on areas which are prospective for economic deposits and in the proximity of current mining operations.

The Company's operations are subject to hazards and risks normally associated with exploration, any of which could result in risk of injury, to property or the environment. Operations may also be subject to disruptions caused by physical geography, environmental, extreme weather and community interrelations which are outside the Company's control.

The Company's operations depend on the availability of adequate services and infrastructure including reliable air service, roads access including bridges, power sources, accommodation and water supply. Without appropriate services and infrastructure activities may be delayed and could result in higher costs.

Licenses

The Company's mineral exploration activities are subject to the issue, renewal and maintaining licenses from appropriate government authorities. Failure to renew, transfer or the loss of a license may impact the Company's operations. The Company is also required to meet minimum expenditure amounts on the exploration licenses to maintain them in good standing.

Financing

The Company will require additional funding with no revenues from operations and expects to incur operating losses in future periods on exploration projects, new business opportunities and working capital costs. The Company has relied upon equity subscriptions to date and will likely continue to depend upon these sources to finance its activities, with finite financial resources the ability to advance its projects will depend upon the ability to secure near and long-term financing. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms. These financing requirements may result in dilution of existing shareholders and the inability to obtain financing may result in delay or postponement of operations.

Gold and metal prices

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of metals. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

COVID-19

The Company's business could be adversely affected by ongoing widespread global contagious diseases. In particular, the recent outbreak of COVID-19 has had a negative impact on the ability to freely travel and processing of field samples. The Company cannot accurately predict the impact COVID-19 will have on activities in the future, including the ability to obtain financing, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

Subsequent Events

Private Placement

On December 1, 2021 the Company announced a private placement seeking to raise up to CAD $1.5 million through a non-brokered private placement at a price of CAD $0.18 per unit for aggregate. Each unit comprised one common share common share purchase warrant of the Company, with each warrant being exercisable for one common share at an exercise price of CAD $0.36 at any time up to 36 months following the closing date of the offering.

This placement was subsequently upsized to CAD $2.0 million when the first tranche closed on January 4, 2022 raising CAD $1.7 million. The placement closed oversubscribed on January 21, 2022 raising CAD $2.77 million with the Company issuing 15,387,492 units under the full offering (inclusive of the issuance of 9,268,825 units on January 4, 2022.

In connection with the offering, cash finder's fees equal to 6% of the gross proceeds raised by finders were paid and non-transferable compensation warrants equal to 6% of the number of units introduced by finders were issued. Each compensation warrant is exercisable for one common share at an exercise price of CAD $0.36 per share at any time prior up to 36 months following the closing date of the offering.

The Company paid cash finder's fees of CAD $58,882 and issued the 327,120 compensation warrants in connection with the offering.

Acquisition of Kili Teke Copper-Gold project

An April 6, 2022, the Company announced it had entered into a definitive agreement with Harmony Gold (PNG) Exploration Limited, a wholly owned subsidiary of Harmony Gold Mining Company Limited to acquire 100% ownership of the Kili Teke Gold-Copper Project.

Kili Teke (EL 2310) is a significant advanced exploration porphyry gold-copper project with an existing mineral resource, and potential for further re-optimization and discoveries to increase overall value.

Terms of Agreement include initial cash consideration of $1 million, payable in two instalments: $0.5 million on closing and $0.5 million on receipt of post-closing regulatory approvals. Upon publishing a Preliminary Economic Assessment, then a Feasibility Study further payments $3 million and $4 million will be made respectively. KRL will pay a 1.5% net smelter royalty from future mine revenue;

KRL will issue warrants equal to 9.9% of the issued share capital of KRL on closing (with each warrant exercisable at CAD$0.28 per share and a term of 3 years).

Stock Options

The Company granted 770,000 stock options that are exercisable for a period of five years at a price of CAD $0.19 per share to various directors and officers. The options will be subject to vesting over two years and hurdle price conditions CAD $0.35 and CAD $0.55.