KAINANTU RESOURCES LTD.

Management's Discussion and Analysis

For the Nine Months Ended

September 30, 2023

(Expressed in US Dollars, except stated otherwise)

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 interim condensed consolidated financial statements for the nine months ended September 30, 2023 and is prepared by management using information available as of November 30, 2023. 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 November 28, 2023. The information contained within this MD&A is current to November 28, 2023.

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; commodity prices 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 commodity 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 USD); 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.sedarplus.ca). 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*.

Description of Business and Overview

KRL is a Canadian listed, base, and precious metals exploration company led by an experienced management team, with a focus on Papua New Guinea ("**PNG**"), where it holds highly prospective tenements.

The Company's tenements cover three key areas in PNG with two of these areas located North and South of the K92 Mining Inc.'s ("**K92**") Kainantu Gold Mine in Eastern Highlands and the third area located to the West of Frieda River Copper Gold in the Sandaun and East Sepik provinces of PNG.

In addition the Company are on track to complete the closing conditions of the 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 ("**SAMREC**").

KRL's strategy is to build shareholder value through exploration and resource definition at its principal Kainantu and May River tenements as well as optimisation, infill drilling and preliminary feasibility at the soon to be acquired Kili Teke project. The Company is open to partnerships and other value accretive acquisitions to build on its portfolio of projects at increasingly advanced stages.

Further information on the Company's projects is available below and on the Company's website at https://kainanturesources.com/projects/overview/.

Operations Update, Strategy and Outlook

Overview

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

Figure 1: Project Tenement Summary

KRL Reference	Exploration Licence Number	Current Holder	Size (km ²)	Current Term Ending	Term
KRL North	EL 2558	KRL	41	Aug 28, 2022	Second
	EL 2655	PEC *	89	Nov 11, 2022	First
	ELA 2755	KRL	331	-	Application
KRL South	EL 2559	KRL	225	Aug 28, 2022	Second
	EL 2650	PEC *	143	Aug 13, 2022	First
	EL 2660	PEC *	102	Nov 11, 2022	First
	EL 2652	PEC *	126	Aug 13, 2022	First
May River	EL2603	Hardrock **	331	Jan 13, 2024	Third
	EL2623	Hardrock **	1,272	Jan 13, 2024	Third
	EL 2736	KRL	51	28 Jul, 2024	First
	EL 2756	KRL	1,357	Aug 27, 2024	First
Kili Teke	EL 2310	Harmony ***	252	May 23, 2022	Renewal – Fifth

NB: All tenements noted to expire during 2022 are currently in the renewal process with no expected impediments and are deemed current tenure by PNG law.

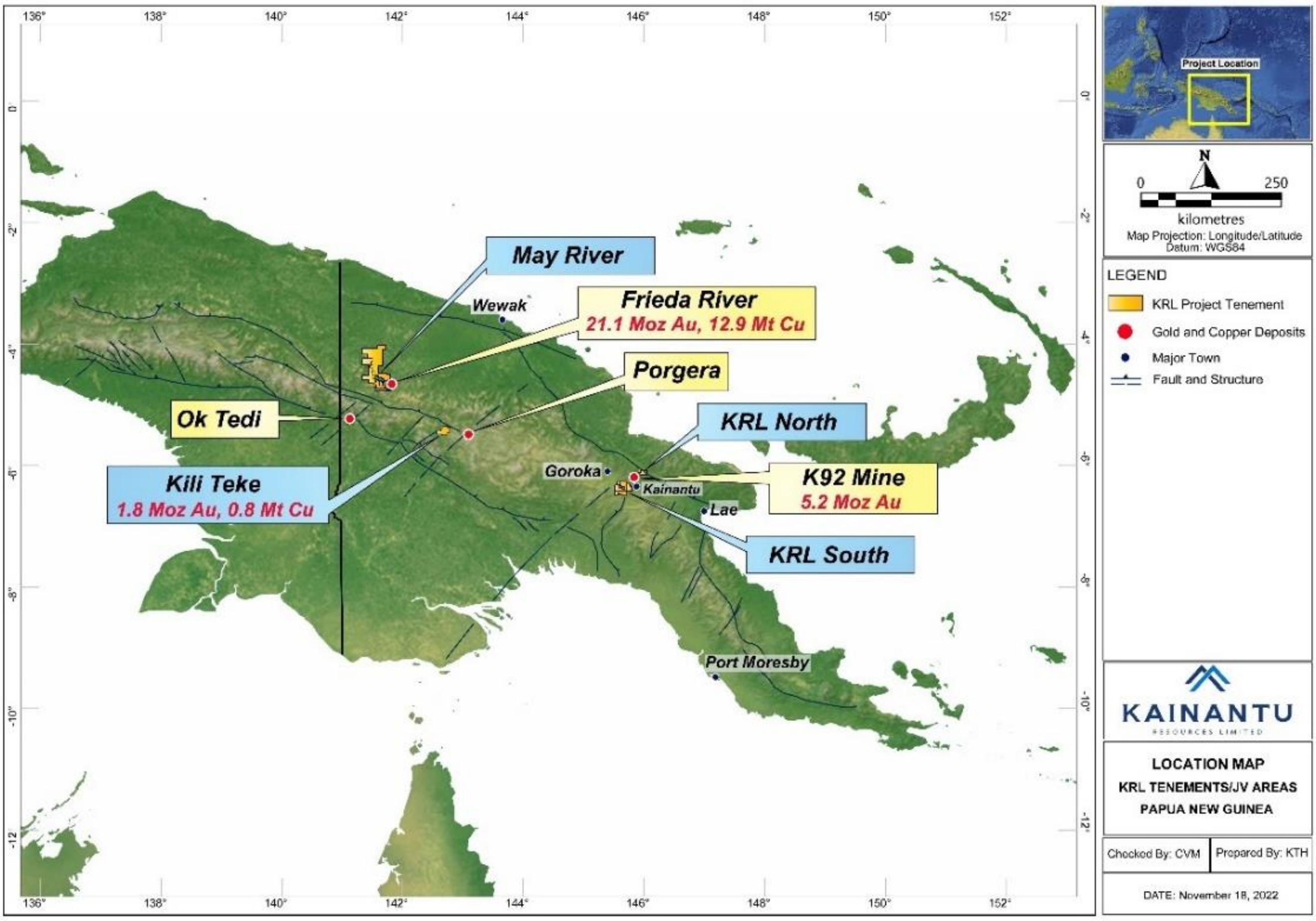
* Pacific Energy Consulting Limited ("PEC") holds tenements subject to exclusive options agreement in favour of KRL with tenements to be transferred at the commencement of the second term.

** Hardrock holds tenements. On April 3, 2023, KRL announced the completion of its acquisition of Hardrock Limited.

*** Harmony hold tenement EL 2310 which is subject to a sale agreement with conditions to be satisfied prior to transfer on completion.

Inclusive of these areas, the total area held by the Company is 3,608 km². On closing the Kili Teke acquisition, an additional area of 252 km² will be added to the portfolio. Geographically represented within PNG, KRL's projects are set out in Figure 2.

Figure 2: KRL Exploration Package in PNG



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/.

Geology

The Company's foundation projects tenements are EL 2558 (20 kilometres NE of Kainantu town) and EL 2559 (25 kilometres SW of Kainantu town). Significant work has also been undertaken in EL2560 (the 'regional' project).

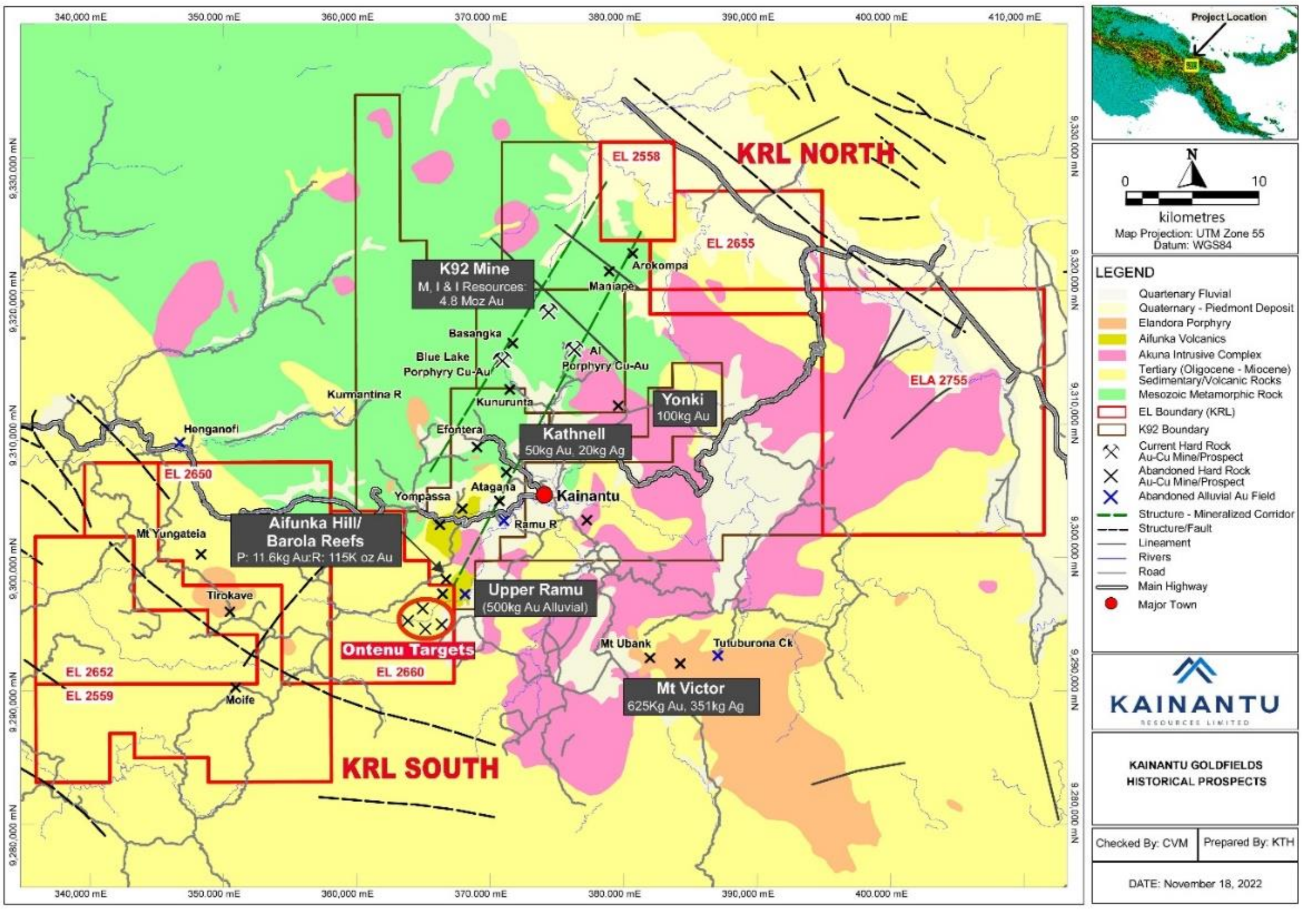
KRL South is located around the Tirokave River, where substantial alluvial gold mining has historically occurred in the catchment area. KRL South is centred along the Kainantu transfer structure, which has hosted a number of successful high grade mining operations and is approximately 34 km SW of the K92 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. Airborne geophysics and historic aeromagnetic data have 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.

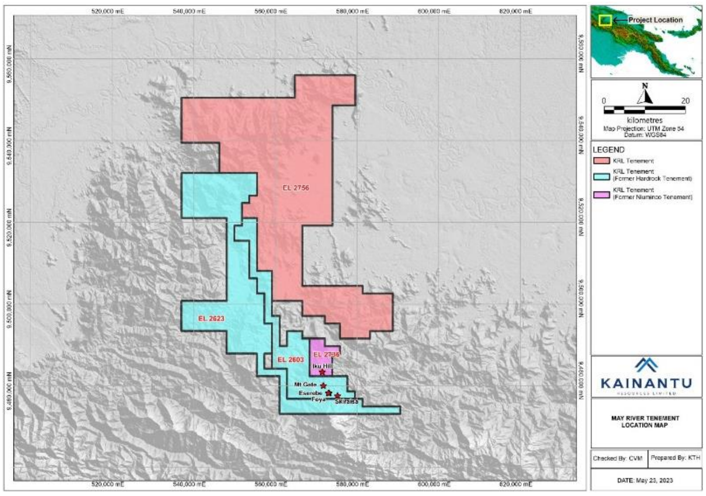
Figure 3: KRL Exploration Package – North & South



May River is located less than 15 km from the PanAust owned world-renowned Frieda River project. Historic drilling has returned substantial intercepts of near-surface gold mineralisation coupled with strong geochemical signatures have also been obtained from sampling suggesting the presence of gold and copper.

There are four main prospects that have been identified within the May River project - Skiraisa, Foya, Eserebe, and Mountain Gate, the project adds significant value to the KRL platform with close proximity copper/gold exposure.

Figure 4: May River Tenement Portfolio

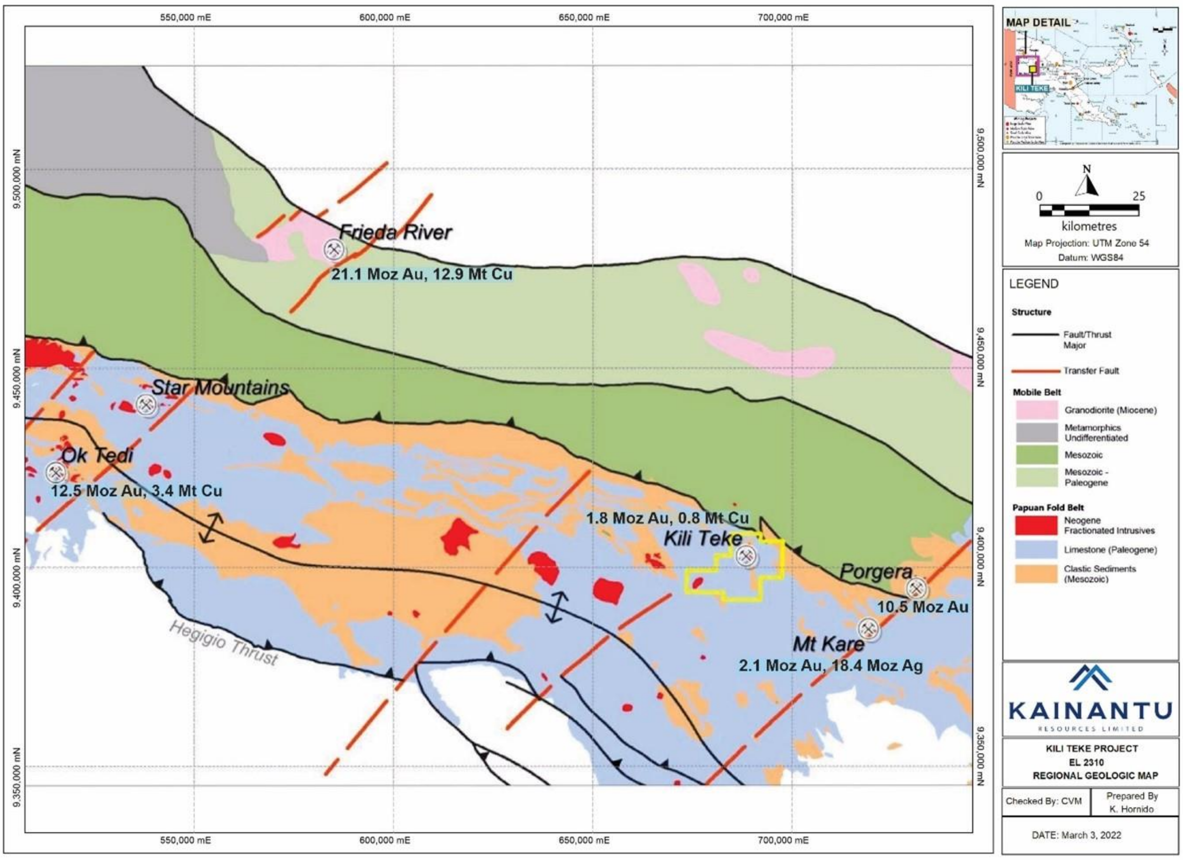


Kili Teke is situated approximately 40 km West of the Pogera gold mine. The project lies within the Papuan Fold Belt, a mixed terrane of limestone and clastic sediments which have been strongly folded and thrusted during the evolution of the New Guinea magmatic island arc, on the northern margin of the Australian tectonic plate.

Numerous felsic and intermediate plutons, generated from the subducting Australian plate, are intruded into these sediments, and several are host to, or are associated with, large porphyry Au-Cu and epithermal Au deposits, respectively, including Ok Tedi (3.4Mt Cu, 12.5Moz Au*), Frieda River (12.9Mt Cu, 21.1Moz Au), Porgera (10.4Moz Au), and Mt Kare (2.1Moz Au). *Pre-production figures.

These world-class ore deposits are all located close to major deep-seated transfer faults which accommodate lateral slip between adjacent segments of the Australian plate, as it moves northwards.

Figure 5: May River and Kili Teke Regional Project Locations



The Kili Teke deposit consists of various skarn units, a high sulphide "shell" zone, numerous hydrothermal breccias and mineralised porphyries centered on the Yalopi Creek area and extend under the limestone cap to the east and north. The limestone cap which forms the top of the main ridge currently obscures the extent of the underlying intrusives.

The Company believes there is significant potential to increase the deposit tonnage and grade as mineralisation has been shown to extend to surface, along strike and remains open at depth.

Historic work by Harmony, including drilling of over 36,000 m has contributed to the definition of a SAMREC compliant 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 June 30, 2021 (SAMREC is the South Africa equivalent comparable to NI 43-101).

During Q1 2023, the Company filed a National Instrument 43-101 compliant Technical Report. Further information is detailed in the Corporate Development Initiatives section below.

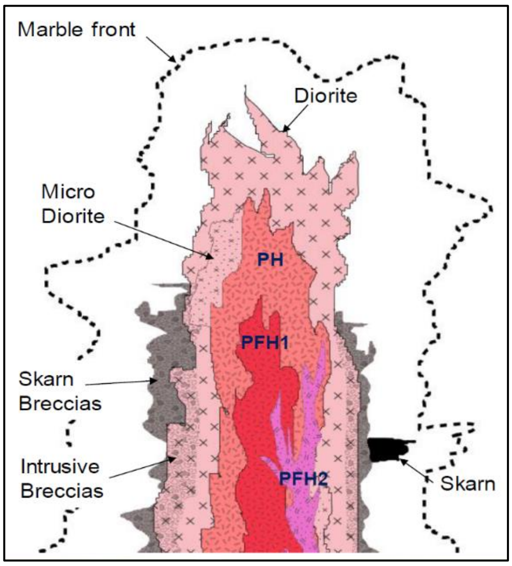


Figure 6: Schematic Cross Section

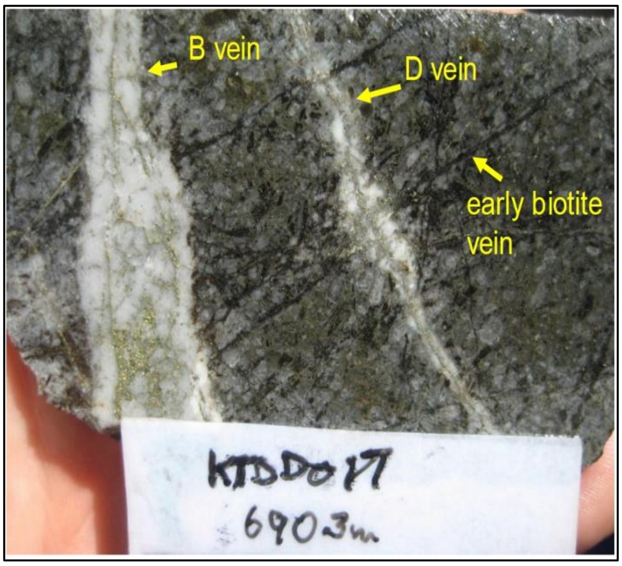


Figure 7: Hornblende Porphyry (PH) with visible vein assemblages

Exploration Operations Update

During the quarter ended September 30, 2023, the Company focused activities towards the KRL South, May River and Kili Teke projects. Some field work was also undertaken at KRL North.

Corporate Development Initiatives

Capital Markets

On September 15, 2023 - the Company announced the closing of its convertible debenture financing of C$1.27 million originally announced on May 30, 2023.

Subsequent Events

On October 12, 2023, the Company announced that Adam Clode was appointed interim Chief Executive Office ("**CEO**") and Dain Currie was appointed Chairman. These appointments filled the vacancies of outgoing CEO and director, Matthew Salthouse, and Chairman and director, Marcus Englebrecht

Subsequent to September 30, 2023, the Company announced a private placement financing of up to 100,000,000 common shares of the Company at a price of C$0.02 per Share for gross proceeds of up to C$2,000,000 on November 23, 2023 (the "**Offering**"). The shares issued under the Offering will be subject to restrictions on resale for a period of four months from the date of issue. The Company may pay a finder's fee in cash and/or share purchase warrants in connection with the Offering.

The net proceeds of the Offering will be used as follows: (i) to satisfy a $500,000 (approximately C$685,000) payment due to Harmony under the Asset Sale and Royalty Agreement dated April 6, 2022 with Harmony, (ii) to carry out exploration work of approximately $500,000 (approximately C$685,000) on its properties in PNG and (iii) the balance on general administrative and working capital purpose

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. Scheduled Warden Hearings for the quarter have been completed successfully and they are listed for MAC and Ministers signature. All tenements remain in good standing with KRL remaining in close contact with the MRA regarding progress.

KRL's community relations programs have proven to be very effective through proactive and ongoing engagement with representatives from local clans and stakeholders. Community sentiment continues to be supportive of KRL's work. Where practical the Company engages local labour and acquires supplies and produce from local communities we operate in.

The Community Relations team continues its focus on developing and maintaining good relationships within all the communities by:

- ✓ Establishing and maintaining positive community relations through effective communication and consultation;
- ✓ Effectively managing community grievances; and
- ✓ Minimising the adverse impact of KRL work in the community and environment.

Summary of Financial Results

All results are presented in USD unless otherwise noted.

Results for period ended September 30, 2023

The Company is focused on the exploration programmes outlined above, with the cost of ongoing exploration activities occurring during the period of $1.35 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 $0.07 million. During the period ended to September 30, 2023, cash used in operating activities was $0.43 million and net investing cash outflows were $1.21 million (inclusive of exploration expenditure and additions to investments).

For the period ended September 30, 2023, the Company recorded a net loss of $1.07 million (2022 - $0.78 million) and a loss per share of $0.011 (2022 - $0.002) for the nine months. The increase in the net loss of $0.29 million is mainly attributed to higher professional costs.

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		**9 months ended Sept 30 2023**	**12 months ended Dec 31 2022**	**9 months ended Sep 30, 2022**	**13 months ended Dec 31, 2021**
Total revenues	**$**	Nil	Nil	Nil	Nil
Loss for the period	**$**	**(1,066)**	**(1,485)**	**(782)**	**(1,776)**
Cash		74	331	145	649
Exploration and evaluation assets		8,316	6,198	5,944	4,166

Total Assets	**$**	**8,316**	**7,609**	**6,757**	**5,508**
Total Liabilities	**$**	**2,311**	**708**	**618**	**451**

Notes to the summary financial information above:

Revenue

- the Company has no revenues to date.

Loss for the period

- the loss in the nine month period has increased compared to the prior year nine month period primarily due to an increases in exploration activities.

Assets

- assets have increased as at September 30, 2023, from the prior period primarily due to an increase in exploration and evaluation assets and the purchase of the May River Project;
- exploration and evaluation assets increased by expenditure increased by $1.35 million. This comprised $0.85 million expenditure capitalised pending the determination of technical feasibility and commercial viability and $0.5 million for the May River Project.
- for the most recent period and annual periods the breakdown of the material components of exploration and evaluation expenditure are as follows:

In thousands of United States Dollars		**9 months ended Sep 30 2023**	**12 months ended Dec 31 2022**	**9 months ended Sep 30 2022**	**13 months ended Dec 31 2021**
Acquisition costs	$	*500*			
Assay and analysis		60	62	*62*	157
Consultants and contractors		*197*	641	*529*	324
Employees and labour		*395*	744	*656*	534
Field, camp and supply		*86*	230	*233*	167
Travel and accommodation		*37*	126	*133*	107
Vehicles, logistics and support		*60*	229	*165*	165
Total	**$**	***1,335***	**2,032**	***1,778***	**1,454**

Liabilities

- liabilities have increased from the prior periods due to an increase on accounts payable and the issuance of the Convertible note.

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 September 30 2023	Quarter ended June 30, 2022	Quarter ended March 31, 2023	Quarter ended December 31 2022
Working capital	**$**	(1,076)	(170)	(322)	(206)
Share based payments expense		-	-	-	181
Net loss for the period		(435)	(320)	(311)	(703)
Basic loss per share (cents)		(0.011)	(0.008)	(0.004)	(0.01)

In thousands of United States Dollars		Quarter ended September 30 2022	Quarter ended June 30 2022	Quarter ended March 31 2022	Quarter ended December 31 2021
Working capital	**$**	(244)	437	1,344	420
Share based payments / Listing expense		-	-	4	415
Net loss for the period		(261)	(258)	(263)	(670)
Basic loss per share (cents)		(0.004)	(0.004)	(0.004)	

Discussion of Quarterly Results

Throughout 2021 and 2022 into 2023 the Company has focused on exploration activities at the mineral properties in PNG 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 September 30, 2023, the cash balance was $0.07 million (September 30, 2022 - $0.15 million) with short term liabilities of $1.38 million (September 30, 2022- $0.71 million).

During the period ended September 30, 2023:

- Operating Activities: cash used in operating activities amounted to $0.43 million (2022 – $0.71 million).
- Investing Activities: net cash used in investing activities was $1.21 million (2022 - $1.65 million) with cash outflows for exploration and evaluation of $1.30 million (2022 – $1.65 million).
- Financing Activities: net cash received from financing after deducting issuance costs was $1.45 million (2022 – $1.90 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 is not subject to any debt covenants. On closing of the loan notes in September 2023 the Company pledge the assets of shares in Kainantu Resources Pte. Ltd., a Singapore registered company wholly owned by the Company.

Long-Term Liabilities

On May 30, 2023, the Company announced a convertible note (the "**Notes**") fundraising to issue Notes for a total of up to C$1.8 million. Subscription to date is C$1.8 million.

Key terms of the Notes include shares of the Singapore subsidiary pledged as security; a term of 36 months; which after 12 months the Notes are convertible into units at C$0.08 per unit; with each unit consisting of a common share and share purchase warrant exercisable at C$0.12 to a common share within the 36 month term; interest rate per annum of 10%; and with acceleration based on weighted average share price hurdles.

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 group as a whole. The group has determined that key management personnel consist of executive and non-executive members of the Board and corporate officers.

Key management personnel compensation comprised share-based compensation related to the fair value of the stock options granted to these key management personnel and its recognition in these consolidated financial statements on a graded vesting basis. Fees paid to key management personal the nine months ended September 30, 2023, were $0.26 million (2022 - $0.30 million) including Director remuneration of $0.06 million (2022 - $0.06 million).

During the nine months ended September 30, 2023, share-based compensation for the key management personnel amounted to $Nil (2022 - $Nil).

Related Party Entities

As at September 30, 2023, $0.07 million (2022 - $0.16 million) was due to related parties Asia Pacific Energy Ventures Pte. Ltd ("**APEV**") and Pacific Energy Consulting Limited ("**PEC**") which are related by way of common director.

In the nine months ended September 30, 2023, the group incurred expenses through fees charged under the shared services agreement totalling $0.07 million (2022 - $0.07 million) for office space, administrative and provision of other support services provided by APEV and PEC. The agreement and expenses are incurred on arm's 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, 101,427,956 common shares were issued and outstanding with 3,635,182 shares subject to escrow.

In addition, 5,000,000 deferred consideration shares will be issued for nil consideration where the Company establishes an inferred resource, 4,146,667 stock options are outstanding that are exercisable at a weighted average exercise price of C$0.20 and 51,748,567 warrants are outstanding, exercisable at a weighted average exercise price of C$0.30.

Critical Accounting Policies

The Company's significant accounting policies are described in Note 6 of its audited consolidated financial statements for the period ended September 30, 2023. 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.

Key sources of estimation uncertainty

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.

Income Taxes

The value of deferred tax assets are 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.

Investments in Privately Held Companies

The fair value of any shares which are not listed or traded upon a stock exchange are originally recorded at cost, any subsequent adjustments are made to reflect any changes in value as a result of an independent third-party transaction. Downward adjustments to the carrying values are also made when there is evidence of a decline in value, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts and other developments.

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 September 30, 2023 the Company's financial liabilities include accounts payable and accrued and other liabilities of $1.38 million due within twelve months, with available cash and cash equivalents of $0.08 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, Canadian, 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 and commodities prices 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.

Commodity 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.

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