



Kincora Copper Limited
(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

Expressed in Canadian Dollars

**FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2017**

As at November 29, 2017

Introduction

The following management's discussion and analysis (MD&A) of the Company has been prepared as of November 29, 2017. This MD&A should be read in conjunction with the interim condensed consolidated financial statements of Kincora Copper Ltd. and the notes thereto for the nine-month period ended September 30, 2017, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

Description of Business

Kincora Copper Limited (the "Company" or "Kincora") is a junior resource company engaged in the acquisition, exploration and development of mineral properties, with a focus on copper-gold projects in Mongolia. Our objective is to create value for shareholders through the advancement and discovery of porphyry copper-gold-molybdenum and epithermal precious metal deposits, particularly focused on the next generation of Tier 1 porphyries in the under explored Southern Gobi copper-gold belt.

In late 2016, the Company completed a transformational transaction to form the dominant landholding in the most prospective areas of the copper belt between and on strike from Rio Tinto's largest global expansion project, the Oyu Tolgoi mine, and the private Tsagaan Suvarga Serven Sukhait development project. The portfolio and targets included has attracted a first class Technical Team who are credited with multiple discoveries of Tier 1 copper projects. More recently, Kincora has strengthened our Board to reflect our exploration and further expansion strategy, having already been one of the most active copper exploration groups in Mongolia since 2011 and having completed three corporate transactions over that period.

During the nine-month period ended September 30, 2017, Kincora closed the first significant capital raising post the IBEX transaction that supports the first modern Tier 1 drill testing and district scale reconnaissance exploration program in the world class Southern Gobi porphyry belt.

The Company is a reporting issuer in Ontario, British Columbia and Alberta, Canada. The Company's common shares trade on the TSX Venture Exchange under the symbol **KCC**.

Location

Kincora's dominate position between and on strike from the two existing copper mines in the Southern Gobi is within only several hundred kilometers from the border with China, the largest consumer of copper in the world. The region is sparsely populated, generally flat open desert, enjoys existing and rapidly improving infrastructure, is not at altitude and is within trucking distance to China. This is a favorable location for exploration and mine development.

Our portfolio covers 11 existing licenses, 1 further application and covers over 1,454km². It is a strategic landholding including the majority of prospective copper belt offering the highest potential for further Tier 1 discoveries. Existing large incumbents are actively expanding portfolio and/or ramping up exploration within this Devonian copper belt. New entrants are also revisiting the belts potential following Stage 2 approvals of Oyu Tolgoi development, a change of Government in 2016 (85% super majority in place until 2020), the IMF lead US\$5.5 billion total external financial package for the Government of Mongolia, recent legislative progress, recent re-ratings of the few foreign listed exploration companies still active in Mongolia and improving commodity prices.

The Devonian copper belts' existing copper mines include two large scale greenfield copper construction projects: Oyu Tolgoi, invested capital to date over US\$7 billion, in Stage 1 open pit production and target production of up to 160,000t/day, owned by Rio Tinto, Turquoise Hill Resources minority shareholders and the Government of Mongolia ("GoM"); and, Tsagaan Suvarga, estimated capex of at least US\$1 billion and target production of 40,000t/day from its open pit, privately owned by MAK with project finance syndicated by the European Bank of Reconstruction and Development ("EBRD").

Ahead of formal notice to proceed with the recommencement of underground Stage 2 development of Oyu Tolgoi, in Dec'15 the largest project financing of its kind in the metals and mining industry was secured for up to US\$6 billion to fund underground construction. The financing was sourced from a syndicate of international financial institutions and export credit agencies representing the governments of Canada, the United States and Australia, along with 15 commercial banks.

Initial exports from Oyu Tolgoi's open pit in less than four years from final investment agreements, four years of production with an excellent safety record and the syndication of the underground project financing assists demonstrate the attractiveness of Mongolia as a place to do business and invest. This is reinforced by Rio Tinto in 2017 resuming regional drilling activities and looking to expand its landholding in the belt.

Other significant mines, including the world class Erdenes Tavan Tolgoi mine and other coal mines, with associated infrastructure (including rail, power and water) are proposed or under construction in this general region, which is one of the most rapidly developing mining centers anywhere in the globe despite being one of the last under-explored frontiers. Xanadu Mines' (c.A\$160m market cap) flagship Kharmagtai copper-gold exploration project sits in close proximity outside of the interpreted Devonian belt where they continue to explore for a fourth mineralized system and/or higher grade depth extensions to support it advancing from exploration to development.

With the IBEX transaction, Kincora now operates the winterized "White Pearl" camp, located within 400 metres of recently installed power lines. The southern licenses are located within the Oyu Tolgoi aquifer and northern licenses near the Tsagaan Suvarga aquifer.

History

Exploration in the Southern Gobi copper belt has been cyclical but has occurred in two major waves. Initially these were largely state-sponsored geological survey style exploration from the 1960s' that generated regional data sets including mineral occurrences.

Post Mongolia's own peaceful democratic revolution in 1990 and transition to a market economy, early exploration by western companies occurred during the ten-year period from 1996-2006 and saw the commercial discovery of the Oyu Tolgoi deposits. Significant regional exploration continued until through 2009 and included the JV between Ivanhoe and BHP Billiton, which included the Falcon survey, reconnaissance exploration and drilling. Ivanhoe Mines ("Ivanhoe", now Turquoise Hill Resources "TRQ"), under Robert Friedland's leadership, was responsible for the majority of exploration during this secondary phase, when its land inventory was at a point 126,626 km², about the same size as Japan or Italy, and at the time was the largest landholding in the mining industry.

Exploration has been impacted by the Mongolian legislative environment, local economic and global commodity cycles, and after 2011 being mainly focused on specific prospects, largely driven by junior exploration companies and various private groups with some private advancements by various majors across the wider belt. Extensive exploration and geological data were collected during this period, and understanding of the regional geology and controls on mineralization were significantly advanced utilising more modern exploration techniques that are common in more mature copper provinces. These included an understanding of the local geology of the Oyu Tolgoi porphyry systems, as well as other copper occurrences such as Tsagaan Suvarga, Kharmagtai and Bronze Fox, amongst others.

The then Ivanhoe released the majority of its extensive regional landholding following windfall tax (announced May'06) and during extended negotiations with the Mongolian Government to form the original Oyu Tolgoi Investment Agreement for the open pit development (secured Oct'09). The repeal of the Mongolian copper and gold windfall profits tax only occurred in Aug'09 (effective January 1, 2011) with reform to the Mongolian Minerals Law in July 2014 leading to the repeal of the 5-year moratorium for issuing new exploration licenses (since mid'2010) only in January 2015.

Kincora Copper was formed in mid Jul'11 following the closure of the transaction between Origo Partners (which remains Kincora's largest shareholder) and a TSXV listed "shell" company called Brazilian Diamond Ltd, raising C\$12.1m via a private placement and "reversing" the Bronze Fox license (15000X) into what then became known as Kincora.

The Bronze Fox license was originally part of the original Ivanhoe Bronze Fox project, which in 2005 was designated as one of four, alongside Oyu Tolgoi, Kharmagtai and Nariin Sukhait, high priority targets for large scale porphyry and skarn copper mineralization amongst its 126,626 km² land holding held in the wider Gobi region.

The license was a highly rated and large scale exploration target with mineralization identified over 40km² of a 223.2 km² total area and featuring numerous target zones of copper, gold, chrome and molybdenum and extensive copper mineralization from surface with unknown potential at depth and across the majority of its land package (only ~10% of the license has been explored in meaningful detail). Previous drilling included 72 holes for over 12,000 metres confirming continuous mineralization on a 9km strike, predominately at the Kincora named "West Kasulu" target (Ivanhoe named "Bronze Fox" target, with East Fox on the eastern section of the intrusive), a large low grade copper-gold feature from surface to depth (generally returning between 0.4% and 0.9% copper equivalent).

In 2012, Kincora acquired Golden Grouse LLC, a Forbes & Manhattan controlled company, to consolidate the rest of the original "Ivanhoe" Bronze Fox project (which hosted the Ivanhoe known "West Fox" and "Tourmaline Hills" prospects), including the Western license and extension of the West Kasulu target. The consolidated license portfolio now included the Bronze Fox Intrusive Complex and Tourmaline Hills Intrusive Complex, almost tripling Kincora's footprint from 223.2km² to 622km².

Shortly after completing the Golden Grouse transaction, having only completed one-field seasons' exploration, the licenses Kincora acquired were revoked by the Government of Mongolia as part of the 106-exploration dispute (a court case involving former government employees which the license holders were not party to). This resulted in a \$6.95 million impairment from the Company's balance sheet in 2013, and after leading the industries lobby efforts to resolve the 106-license dispute, in Mar'15 these licenses returned to Kincora as new with tenure of up to 12 years.

The two-year dispute significantly impeded Kincora's exploration efforts, corporate discussions and strategy over this period, particularly with the West Kasulu target within the Bronze Fox Intrusive Complex spreading across both the Eastern and Western licenses. For only one field season, in 2012, was Kincora not impeded with its exploration efforts in the Bronze Fox district, which resulted in the most favorable exploration results to date in the region at the West Kasulu prospect. Exploration on the Bronze Fox and Western license border returned over 800 metres at over 0.40% copper equivalent, including 37 meters at over 1% copper equivalent. Furthermore, 9 of the 15 holes drilled in 2012 at the Tourmaline Hills gold prospect in the Western license have returned intervals of at least 1g/t Au, up to 7.7g/t Au and with up to 75g/t Ag locally in the mineralization zone, often with elevated copper values. Active artisanal mining during the summer is common at the Tourmaline Hill and Southwest prospects, and various Bronze Age pits/workings evidenced at the former in the Western license. Approximately a third of all holes previously drilled at Bronze Fox across both the eastern and western licenses have returned intervals of at least 1g/t gold.

In 2013, when only having undisputed access to the 15000X, Kincora had 14 confidentially agreements in place with most industry groups active in the copper sector, which resulted in a period of exclusivity in 2014. Feedback from industry groups at the time was that there were three major sovereign risk impediments:

1. the dispute with the Government for the development of Stage 2 underground at Oyu Tolgoi;
2. our Golden Grouse licenses having been revoked as part of the 106 license dispute; and,
3. uncertainty relating to the minerals law, with no new exploration licenses having been issued since 2010 due to a moratorium.

While all these items were resolved, and a change of Government occurred in 2016, these Mongolia specific impediments were overshadowed by the downturn in the global commodity cycle, which saw the last of the long standing groups such as Anglo American and Teck Resources close their Mongolia regional offices in Dec'15.

In 1Q'16, Kincora secured a new exploration license from the direct application system operated by the Mongolian government, named Ulaan Khudag (Red Well), associated with a known outcropping copper-gold porphyry system, located as close as 15 km along the mineralized trend from the Rio Tinto controlled, Oyu Tolgoi project. An identified contact zone continues to the eastern and western sections of the license, the margin just to the east returning a previous 2% copper and 0.25g/t gold sample with anomalous values also to the west.

In May'16, Kincora announced it has reached agreement regarding Ibez Land Mongolia LLC and Ibez Mongolia LLC ("IBEX"), entities indirectly controlled by High Power Exploration Inc. ("HPX"), which resulted in Kincora more than tripling its landholding in the Southern Gobi copper belt, totaling over 1,500km². This transaction was closed in Nov'16.

Background to the IBEX transaction

- IBEX's portfolio is focused on porphyry targets to the east and south of Kincora's existing licenses with the consolidated landholding now being the dominant position in the Oyu Tolgoi-Tsagaan Suvarga (Devonian) copper belt.
- A large regional geophysical and surface geochemical dataset supported various style targets: i. Devonian porphyries; ii. "Traditional" gold rich copper porphyries; and, iii. epithermal and Carlin-style gold deposits.
- Consolidates a regional portfolio in an underexplored but potentially world-class gold rich copper province analogous to exploring the majority of the Northern Chile copper belt from the 1970's.
- Fully winterized camp, fleet, permitted landing strip, IT and exploration equipment.
- Kincora issued to HPV 5,895,000 common shares and 2,947,500 warrants a exercise price of \$0.54 (equal to 1.8 times the price per security of the July 28th, 2016, private placement of Kincora) and a term of 24 months. There is no cash consideration relating to the IBEX transaction.
- It is intended that these Kincora securities will ultimately be held by the shareholders of HPV, the largest of whom are HPX Techco Inc. ("HPX Techco") as to 65.78%, a subsidiary of High Power Exploration Inc., a private company which Robert Friedland is CEO and Co-Chair, and GoviEx Uranium Inc., a TSX venture exchange listed company, as to 21.64%.
- HPX will have certain rights to maintain their ownership percentages by participating in further capital raisings and, at a threshold of share ownership, have the right to a board seat.
- A Relationship Agreement with HPX Techco was executed which provides Kincora conditional access to HPX's suite of geophysical technologies.

Regional potential

The Devonian age, gold rich Oyu Tolgoi copper porphyry system is a Tier 1 asset, being the largest high-grade group of Paleozoic porphyry deposits known in the world, which coupled with the underexplored Tsagaan Suvarga Devonian porphyry system encourages exploration in this underexplored Southern Gobi district.

Geologically, copper porphyries generally occur in clusters focused on key geological structures within established belts, they do not occur in isolation. There is increasing recognition of the Southern Gobi's copper potential, being one of the last under-explored known copper frontiers with various analogies in terms of legislative roadmap, existing producing mines/development projects, limited exploration activities, key likely structural geological settings and understanding of geological potential to the development of Chile's copper industry in the early 1970's. In terms of landmass size and important geological structural features/controls, the Devonian belt in the Southern Gobi is particularly comparable to Northern Chile, where there are over 15 current large mines producing ~2Mtpa Cu (>10% of global production).

Exploration approach

Post the IBEX transaction, copper experts credited with multiple Tier 1 discoveries have joined Kincora's team, the Company has implemented an exploration strategy to replicate the systematic approach successfully applied in discovering similar profile Tier 1 gold rich copper porphyry discoveries and exploration activities are ongoing advance a unique portfolio along the value curve.

A comprehensive workshop and field visit was concluded in Sep'16, including the newly formed Technical Committee, industry leading specialists and geologists with extensive recent experience in the gold rich Southern Mongolian copper belt. A second workshop was completed in Jan'17 to review 2016 activities, support recommencement of initial exploration activities (commenced in early Feb'17), ahead of board approvals for more extensive activities in 2Q'17.

In October 2017, Kincora completed a two tranche non-brokered private placement for total gross proceeds of \$5.92 million to support a 12-month budget for proposed exploration and expansion activities. Field season activities in 2017 have drill test two high priority target areas that are analogies to the two existing large-scale economic copper projects in the belt and objectives for this the field seasons are to provide geological support for our interpretations of these targets.

Activities to date have identified priority targets, assisted understand the belts potential and built out a pipeline of regional prospects focused on the following key attributes:

- Scale: Kincora's portfolio supports the advancement of potential Oyu Tolgoi and Tsagaan Suvarga (Devonian) analogues, and/or traditional gold rich Carboniferous finger type porphyries (such as Kharmagtai or Bronze Fox). Exploration activities currently are focused on replicating systematic and proven techniques that have been successful at other similar profile targets, including the Tier 1 copper-gold discoveries that the Technical Team has prior experience with.
- Shallow targets: The focus is targets on the margins of half grabens and/or uplifted fault blocks where outcrop or subcrop provides a geological window to support integration of geophysical datasets to de-risk exploration.

Since closing the IBEX transaction, Kincora has announced the only two new, known Devonian porphyry targets in the belt since the discovery of Oyu Tolgoi - Bayan Tal & East Tsagaan Suvarga ("East TS"). Bayan Tal is an "Oyu Tolgoi" style target and East TS a 'brownfield' "Tsagaan Suvarga" style target (within the Tsagaan Suvarga Intrusive Complex). These two targets will have first phase drilling completed before year end with rigs now mobilized post the recent capital raising.

New analysis of age dating, whole rock geochemistry and magma fertility highlights a common suite between quartz monzodiorite within the Serven Sukhait open pit at Tsagaan Suvarga, the high-grade underground deposits at OT and East TS. This is an important new advancement in understanding of Devonian belts formation with implications to future regional exploration.

Summary of targets anticipated to be drill tested in 2017, are:

- East TS: Confirmed Devonian “*brownfield*” exploration target along strike to the Tsagaan Suvarga (“*TS style*”) open pit development project within the TS Massif porphyry system. East TS is an open pit target being only 13km from the existing Serven Sukhait 307Mt @ 0.54% Cu open pit sulfide deposit, which a further oxide resource of 21Mt @ 0.40% Cu.

Mapping, age dating/stratigraphy, petrology and fertility in 2016 supported our geological model with ongoing field work refining near surface drill targets with the objective of the 2017 season to confirm our analogue to TS with copper mineralization.

- Bayan Tal: Confirmed Devonian “*Oyu Tolgoi style*” stratigraphy at the Bayan Tal Igneous Complex (“*BTIC*”), including 18m @ 0.66% CuEq down hole and 0.75% CuEq in a trench on the margin of the interpreted system. As illustrated by magnetics, Bayan Tal is one of the most significant untested Complexes in the Southern Mongolian belt with multiple drill ready targets supporting a candidate for a new Tier 1 porphyry discovery.
- Pipeline: Integration of extensive ground magnetics, detailed mapping, regional and local geochemistry, petrography, whole rock geochemistry with fertility analysis, and age dating are ongoing to advance a portfolio of high quality, ranked exploration targets across the district level portfolio developing additional drill targets and areas for systematic exploration in spring and summer of 2017.
- Bronze Fox: analysis is ongoing regarding the extensive lower grade copper-gold system intersected to date at Bronze Fox. For the period of the 106-exploraiton license dispute (2013 until 2015) this target was largely sterilized and since impacted by depressed copper prices.

For only one field season, in 2012, was Kincora not impeded with its exploration efforts in the Bronze Fox district, the Company returned one of the most favorable exploration results to date in the region at the West Kasulu prospect. Exploration on the Bronze Fox and Western license border returned over 800 metres at over 0.40% copper equivalent, including 37 meters at over 1% copper equivalent.

- Following the recent improvement in prices and investor sentiment towards exploration Kincora has appointed Mining Associates to undertake a review of the Bronze Fox Intrusive Complex to provide an independent resource model and assist in future exploration.

On October 11, 2017, Kincora closed the second tranche of a non-brokered private placement for gross proceeds of \$5,924,687 that is funding the first modern Tier 1 drill testing and district scale reconnaissance exploration program in the world-class Southern Gobi copper gold porphyry belt. The equity placement enables Kincora to explore identified Tier 1 targets across its enlarged portfolio, including a targetted 20,000m of drilling.

Corporate and Operational Highlights

Highlights for the nine-month period ended September 30, 2017 include:

Closes Private Placement: On February 10, 2017, the Company has completed its private placement of 1,543,720 shares at 34.50 cents per share for gross proceeds of \$532,584. On September 22, 2017, the Company announced a subscription agreement for a second tranche non-brokered private placement of units at C\$0.33 per Unit to raise C\$1,400,000 with the European Bank for Reconstruction and Development (“EBRD”). The Second Tranche Private Placement with EBRD closed subsequent to period end on October 11, 2017.

On August 4, 2017, the Company closed the previously announced non-brokered private placement for gross proceeds of \$4,524,687 through the issuance of 13,711,174 units at a price of 33 cents per unit.

- **Begins fieldwork at East Tsagaan Suvarga:** On February 15, 2017, the Company has provided details on its exploration strategy following further analysis of two priority drill targets and an earlier-stage district-scale pipeline. The drill targets are Devonian age and analogous to the two development projects in the belt. Bayan Tal is an Oyu Tolgoi-style (OT) target and East Tsagaan Suvarga is a brownfield Tsagaan Suvarga-style (TS) target.

Previously unidentified outcrop was mapped in the Company's area of interest at the East Tsagaan Suvarga (East TS) target, with fertility analysis, age dating and ground magnetics supporting the company's geological model of an open-pit target being within or on the eastern margin of the TS intrusive complex, 13 kilometres away from the existing Serven Sukhait open-pit development project. Following a review of copper soil anomalies, 2016 ground magnetics and satellite images, the Company has commenced field activities looking to expand the near-surface target area at East TS.

- **Issues shares for debt and services:** On March 3, 2017, the Company has issued 254,112 shares at a deemed price of 42.5 cents per share to certain directors, officers and service providers on account of services rendered during the period October 1, 2016 to December 31, 2016.

The Company also announced the issuance of 186,831 shares to HPX Techco Inc., an affiliate of High Power Ventures, at a deemed price of 34.5 cents per share. As detailed in the Company's news release of December 7, 2016, the debt shares are being issued in repayment of loans totalling \$48,576 (U.S.) made during the course of the Ibox transaction.

On August 21, 2017, the Company issued 127,272 shares to settle the \$42,000 outstanding debt to directors. On August 21, 2017, the Company issued 166,919 shares to certain directors, officers and service providers for services rendered during the period January 1, 2017 to June 30, 2017 in the amount of \$53,414.

- **Granted Mongolian exploration license:** On June 8, 2017, Kincora announced that the Mineral Resources, Petroleum Authority of Mongolia (MRPAM) had recently issued a new copper-gold exploration licence adjoining one of the Company's existing and large-scale priority exploration licences that host the Bayan Tal Igneous Complex (BTIC).

Limited previous exploration at the Bayan Tal target on the Khuren Tsav licence returned favourable copper-gold widths and grades on or near to the distal southern outcropping margin of an interpreted large-scale target at shallow to moderate cover with the first comparable Devonian age stratigraphy and conglomerate to Oyu Tolgoi (OT), since OT. Previous results include 18 metres at 0.75 per cent copper equivalent (trench) and 18 m 0.66 per cent CuEq in drill hole IBEX006, and the main body of this interpreted mineralized system will be drill tested for the first time in 2017.

Kincora also announced that it had elected to relinquish license areas which do not meet our rigorous exploration criteria, dropping 103km² of the Amtgain Toirom license. The Company retains the dominant landholding in the region, now totals 1437km².

Highlights for events subsequent to the nine-month period ended September 30, 2017:

- **Closes Private Placement:** On October 11, 2017, the Company closed a second tranche non-brokered private placement of units at \$0.33 per unit to raise \$1,400,000. The second tranche private placement follows closing of a first tranche on August 22, 2017, with total gross funds raised being \$5,924,687, supporting a well-financed and aggressive exploration and expansion strategy. Each unit comprises one common share and one-half of a share purchase warrant with each whole warrant entitling the holder to acquire a further share at \$0.445 cents for a period of two years.
- **Phase 1 drilling completed at East Tsagaan Suvarga:** On October 12, 2017, the Company announced first phase drilling of porphyry copper targets has recently been completed at the East TS target and drilling commenced at the Bayan Tal target.
- **Geophysics commenced at Red Well:** On October 17, 2017, the Company announced ground magnetic and gravity surveys had commenced at the Red Well license.
- **Drilling commenced at Ulgii Khud massif:** On October 24, 2017, the Company announced a maiden drilling program commenced on the western margins of the Ulgii Khud massif.
- **Review of Bronze Fox discovery:** On November 21, 2017, the Company announced Mining Associates had been appointed to undertake a review of the Bronze Fox Intrusive Complex to provide an independent resource model and assist in future exploration.

Results of Operations

Three-Month Period Ended September 30, 2017

The Company's loss for the three-month period ended September 30, 2017 (the "Current Period") was \$724,000 or \$0.01 per share as compared with a loss of \$1,119,000 or \$0.03 per share for the three-month period ended September 30, 2016 (the "Comparative Period").

General and administrative expenses were \$414,000 lower in the Current Period at \$705,000 compared with \$1,119,000 in the Comparative Period, the largest decrease being relating to non-cash foreign exchange gain and share-based compensation. This difference was mainly due to lower corporate administrative and office services (\$60,000 versus \$74,000), lower share-based compensation (\$Nil versus \$762,000), lower foreign exchange gain (\$14,000 versus (\$12,000)), lower interest on convertible debenture (\$Nil versus \$64,000), lower salaries and management fees (\$54,000 versus \$69,000) and lower transfer agent and filing fees (\$31,000 versus \$32,000). These decreases were offset by higher consultants expenses (\$307,000 versus \$23,000), higher consultants – Geologists (\$42,000 versus \$40,000), higher consultants – Technical (\$84,000 versus \$Nil), higher legal and accounting (\$44,000 versus \$14,000), higher travel expenses (\$13,000 versus \$8,000) and higher directors and audit committee fees (\$47,000 versus \$36,000).

Nine-Month Period Ended September 30, 2017

The Company's loss for the nine-month period ended September 30, 2017 (the "Current Period") was \$2,429,000 or \$0.05 per share as compared with a loss of \$1,662,000 or \$0.05 per share for the nine-month period ended September 30, 2016 (the "Comparative Period").

General and administrative expenses were \$708,000 higher in the Current Period at \$2,370,000 compared with \$1,662,000 in the Comparative Period, the largest increase being relating to non-cash share-based compensation. This difference was mainly due to higher share-based compensation (\$936,000 versus \$769,000), higher consultants' expenses (\$535,000 versus \$55,000), higher consultants – Geologists (\$96,000 versus \$40,000), higher consultants – Technical (\$84,000 versus \$Nil), higher directors and audit committee fees (\$138,000 versus \$129,000), higher foreign exchange loss (\$18,000 versus \$6,000) and higher travel expenses (\$32,000 versus \$16,000). These increases were offset by lower corporate administrative and office services (\$135,000 versus \$163,000), lower insurance (\$12,000 versus \$16,000), lower investor relations costs (\$10,000 versus \$12,000), lower salaries and management fees (\$214,000 versus \$227,000), lower transfer agent and filing fees (\$50,000 versus \$51,000) and lower legal and accounting (\$107,000 versus \$115,000).

Summary of Quarterly Results – 000's

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
<i>In thousand \$</i>	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Financial Results								
Net income (loss) for period	(724)	(360)	(1,345)	18	(1,119)	(322)	(221)	(301)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.03)	0.00	(0.03)	(0.01)	(0.01)	(0.01)
Exploration expenditures	460	169	27	2,003	45	30	28	55
Financial Position								
Cash and cash equivalents	3,146	261	418	228	782	88	217	398
Exploration and evaluation assets	49,689	49,229	49,060	49,033	47,030	46,985	46,955	46,927
Total assets	53,512	49,849	50,294	50,046	47,969	47,653	47,757	47,939
Shareholders' equity	52,871	49,076	49,308	49,041	47,568	44,531	44,894	45,070

Liquidity and Capital Resources

As of September 30, 2017, the Company had \$3,146,000 in cash and subsequent to period end raised gross proceeds of \$1,400,000 in new equity. The current cash balance is \$3,492,284.

The Company does not have any cash flow from operations due to the fact that it is an exploration stage company; therefore, financing activities have been the sole source of funds and continued efforts to reduce non-core expenditure. Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets.

At September 30, 2017, the Company had an accumulated deficit of \$121,020,000, a net loss for the nine-month period ended September 30, 2017 of \$2,429,000, and working capital of \$2,916,000. During the nine-month

period ended September 30, 2017, the Company used cash of \$1,173,000 in operating activities, had cash provided by financing activities of \$4,926,000 from private placement and had investing activities use of cash of \$835,000 which was mainly used for the acquisition of capital assets and expenditures for the exploration and evaluation asset. The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs.

As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required.

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company has raised money through equity sales, and in the future could raise money from optioning its exploration and evaluation assets.

Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved which may be beyond its control.

On May 24, 2016 the Company entered into a share exchange agreement with High Power Ventures Inc. (HPV) where the Company merged two of its subsidiaries with two subsidiaries of the HPV and obtained seven mineral exploration licenses and two new license applications covering 1,500 square km in Mongolia.

The transaction resulted in Kincora having a 100-per-cent interest in a portfolio covering over 1,500 square kilometres and the majority of the prospective exploration licences that dominate a key geological trend between and along strike from the Oyu Tolgoi and Tsagaan Suvarga (Devonian) copper mines. Kincora now holds an industry-leading proposition of copper-gold and gold targets, a large and high quality database of exploration targets, and the dominant landholding in this proven but underexplored gold-rich porphyry district.

In consideration for the licenses, the Company issued 5,895,000 shares at a deemed price of \$0.225/share and issued 2,947,500 warrants exercisable at \$0.54 for two years.

The allocation of fair value of the consideration transferred are as follows:

	Ibex Mongolia	Ibex Land Mongolia	Total
Shares and warrants consideration paid	\$ 880	\$ 1,100	\$ 1,980
Less: Net assets of IBEX and IBEX Land			
Cash	(12)	(18)	(30)
Equipment	(169)	(74)	(243)
Add: Loan from HPV	-	64	64
Add: Transaction costs	43	22	65
FV of IBEX licenses obtained	\$ 742	\$ 1,094	\$ 1,836

Related Party Transactions

The Company incurred the following amounts for related party services:

- a) During the nine-month ended September 30, 2017, the Company incurred directors' fees of \$Nil (2016 - \$8,334), to Rickus Partners Ltd., a company with a former officer and former director in common.
- b) During the nine-month ended September 30, 2017, the Company incurred \$55,350 (2016 - \$31,230) to BridgeMark Financial Corp, a company with an officer in common for management and accounting services.
- c) During the nine-month ended September 30, 2017, the Company incurred management fees of \$213,750 (2016 - \$174,583) to Spring Resources Pty Ltd., a company with an officer in common.
- d) During the nine-month ended September 30, 2017, the Company incurred consulting fees of \$51,000 (2016 - \$Nil) to a director of the Company. \$13,333 was paid in cash and \$24,000 was settled by issuance of 25,000 shares at \$0.48 per share and 34,285 shares at \$0.35 per share.
- e) During the nine-month ended September 30, 2017, the Company paid director's fees of \$139,333 (2016 - \$6,000).
- f) At September 30, 2017, the Company owed \$Nil (December 31, 2016 - \$66,833) in accrued directors' fees in accounts payable and prepaid \$170,072 in directors' fees.
- g) At September 30, 2017, the Company prepaid \$300,572 for management fees, chairman, directors and audit committee fees.
- h) During the nine months ended September 30, 2017, the Company issued 548,303 common shares with a fair value of \$256,773 to settle \$217,500 payables owing to the officers and directors of the Company. During the year ended December 31, 2016, the Company issued 339,167 common shares with a fair value of \$115,317 to settle \$101,750 of payables owing to the officers and directors of the Company.

Compensation of key management personnel

	September 30, 2017	September 30, 2016
Management fees, chairman, directors and audit committee fees	\$ 459	\$ 220
Share-based payments*	936	729
	\$ 1,395	\$ 949

* The estimated fair value of the stock options granted during the period was determined using the Black-Scholes option pricing model.

Share Capital Information

The table below presents the Company's common share data as of November 29, 2017.

	Price (\$)	Expiry date	Number of common shares
Common shares, issued and outstanding			68,854,402
Securities convertible into common shares			
Warrants	<i>various</i>	<i>various</i>	12,289,792
Stock options	<i>various</i>	<i>various</i>	6,649,426
			87,793,620

Commitments and Contingencies

Contingencies

In the course of its business activities the Company has from time to time, been the subject of civil claims by third parties, including former employees that could give rise to a liability to pay compensation or damages. In addition, the Company may receive notices from regulatory and other governmental agencies responsible for the administration of regulations impacting on the Company's business affairs, in relation to the imposition or intended imposition of penalties, assessments and other orders that could potentially have an adverse effect or negatively impact on the Company's business and financial condition. Based upon historic experience with the management of such claims, assessment and regulatory actions, the Company does not anticipate that the outcome of those claims, assessments and regulatory actions will have a materially adverse effect on the Company's business or financial condition.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company is uncertain as to whether its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

New Accounting Standards Adopted

New standard IFRS 9 “Financial Instruments”

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

Financial and Other Instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company’s accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company’s management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes amounts due to related parties, convertible debenture and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and cash equivalents as fair value through profit and loss. The Company's receivables and subscription receivable are classified as loans and receivables. The Company's accounts payable and accrued liabilities, due to related parties and convertible debenture are classified as other financial liabilities.

Fair value hierarchy

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair values of the Company's cash and cash equivalents constitutes a Level 1 fair value measurement. The fair value of the Company's receivables, subscriptions receivable, due to related parties, and accounts payable and accrued liabilities approximate the carrying value due to their short-term nature. The convertible debenture is recorded at amortized cost.

Interest Rate Risk

The Company has non-material exposure at September 30, 2017 to interest rate risk through its financial instruments.

Currency Risk

The Company's operations are focused to Mongolia, where many exploration and administrative expenses are incurred in the Mongolian Tugrik and the US Dollar. The Company's ability to advance funds to Mongolia is subject to changes in the valuation of the Tugrik and the US dollar, as well as rules and regulations of the Mongolian government. Fluctuations in the value of the Tugrik and the US Dollar may have an adverse effect on the operations and operating costs of the Company.

Credit Risk

The Company has some cash balances and a convertible debenture. The Company has no significant concentrations of credit risk arising from operations.

Receivables consist of goods and services and the harmonized sales tax due from the Government of Canada. Management believes that the credit risk concentration with respect to receivables is remote.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. Management believes its credit risk to be minimal.

Liquidity Risk

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at September 30, 2017, the Company had a cash balance of \$3,146,000 (December 31, 2016 - \$228,000) to settle current liabilities of \$641,000 (December 31, 2016 - \$1,005,000). Subsequent to period end the Company announced and closed a second tranche non-brokered private placement raising gross proceeds of \$1,400,000. The current cash balance is \$3,492,284.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of copper and gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Critical Accounting Estimates

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the statement of financial position date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs, which policy it believes to be consistent with IFRS and applicable guidelines for exploration stage companies. The policy is consistent with other junior exploration companies that have not established mineral reserves objectively. An alternative policy would be to expense these costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established; or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Risks and Uncertainties

The Company is engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven copper/gold deposits and there is no assurance that the Company's exploration programs will result in proven copper/gold deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties. There have been no changes to any of the known and unknown risks and uncertainties during the nine-month ended September 30, 2017.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Kincora's general and administrative expenses and exploration and evaluation costs is provided in the Company's annual consolidated statement of loss and note disclosures contained in its annual consolidated financial statements for the year ended December 31, 2016. These statements are available on Kincora's website at www.kincoracopper.com or on its SEDAR Page Site accessed through www.sedar.com.

Dividends

Kincora has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on Kincora's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

At the present time, there are no proposed transactions that are required to be disclosed that are not disclosed elsewhere.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional information is available on the Company's website at www.kincoracopper.com or on SEDAR at www.sedar.com.

Forward Looking Information

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.