

PNG Copper Inc.

Management's Discussion and Analysis Form 51-102F1

For the Three and Six months Ended June 30, 2022 and 2021

August 25, 2022

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of PNG Copper Inc. ("PNG Copper" or the "Company") has been prepared by management as at August 25, 2022 and should be read in conjunction with the interim financial statements of the Company for the six months ended June 30, 2022 and 2021 (the "Financial Statements") and related notes.

The Financial Statements have been prepared by management in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the interim Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as of the date of and for the periods presented in the filings.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied, or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks, limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits; ability to physically access and work the Company's property assets; availability of skilled labor; timing and amount of capital expenditures; future currency exchange and interest rates; and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events, or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

Description of the Business

PNG Copper was incorporated on October 4, 2017, under the Canada Business Corporations Act (the "Act") as Golden Birch Resources Inc.. The name was changed to PNG Copper Inc on August 12, 2021. The principal business of the Company is the acquisition, exploration, and development of mineral property interests in Papua New Guinea. The Company is a public company incorporated in Canada with limited liability under the legislation of Canada. The Company's shares trade on the Canadian Securities Exchange under the symbol PNGC. The Company's portfolio is comprised of an option to acquire an 85% interest in two mineral concessions located in Papua New Guinea, called the Mount Suckling Project (the "Mount Suckling Project"). The project was previously known as the Keveri Project, however subsequent to December 31, 2021, the name was changed to reflect the correct geographical location.

Both the registered and head office of the Company is located at 66 Wellington Street West, Suite 4100, Toronto, ON Canada M5K 1B7.

Pursuant to an option and joint venture agreement with Papuan Mineral Pty Ltd. ("PMPL") and its wholly owned subsidiary Papuan Minerals Ltd. ("PML") dated August 28, 2018, which agreement was replaced by a definitive option agreement amongst the parties dated March 20, 2020 and subsequently amended in November 2021, the Company has an option to acquire 85% of the issued and outstanding shares of PML. PML is the legal and beneficial owner of 100% of the licenses which make up the Mount Suckling Project in Papua New Guinea.

The Company is in the exploration stage and is subject to the same risks and challenges as other companies in a comparable stage of development. These risks include, but are not limited to, the dependence on key individuals, successful exploration, and the ability to secure adequate financing to meet the minimum capital expenditure required to successfully complete its planned work programs on mineral properties. The financial statements for the period ended March 31, 2022, have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the Company's ability to dispose of its interests on an advantageous basis.

PNG Copper is at an early stage of exploring, evaluating, and acquiring copper and gold properties and, as is common with many small companies, it carries out equity financing for its exploration and acquisition activities in discrete tranches. The Company had a working capital deficiency of \$258,706 at June 30, 2022 (deficiency of \$425,662 at December 31, 2021). For the six months ended June 30, 2022, the Company had a net loss and comprehensive loss of \$1,191,837 (six months ended June 30, 2021 - loss of \$1,622,628). These circumstances may affect the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon obtaining additional equity financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's future financing activities will continue to be successful or sufficient.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional equity capital.

Highlights – Q2 June 30, 2022

Corporate

During the quarter the Company closed a private placement on June 1, 2022, by the issuance of 3,480,000 units at \$0.05 per unit for gross proceeds of \$174,000. Each unit consists of 1 Class A common share of the Company and 1 Common Share purchase warrant which entitles the holder to purchase one additional Common Share at an exercise price of \$0.07. The warrants expire June 1, 2027. The Company paid a cash fee of \$15,660 and issued 348,000 non-transferable broker warrant. Each warrant entitles the holder to acquire a unit at a price of \$0.07 per unit for a period of five year.

Exploration

Fieldwork during the March quarter of 2022 involved preparatory work ahead of the completion of 4 drillholes, totalling 230 m of coring, at the Doriri nickel-palladium-platinum prospect. By the end of the March quarter, drill pads for 4 holes had been manually excavated on the steep slopes and a suitable light manportable drill rig had been identified, purchased and mobilised to site. However, commencement of drilling operations was delayed while a stock of essential spare parts were sourced from the Philippines and Australia. With shipping delays and the slow processing of imported goods by Papua New Guinea customs authorities, the inventory of parts took nearly 8 weeks to assemble onsite. The drilling crew was mobilised to site on 1 June 2022.

Drilling operations commenced on 3 June 2022, when DOD005 was collared on Section 10040N. A single 12-hour shift was drilled while the recently purchased drill rig was "settled in" and the crew was familiarised with the rig's operation. Drillhole DOD005 was designed to provide a deep (60 m below surface) test below previously completed Costean IV, which assayed 7.00 m @ 0.66 % Ni, 1213 ppb Pb and 57 ppb Pt, and two previously completed cored drillholes (DOD001 and DOD002), both of which intersected the Doriri lode. DOD005 was terminated at 74.15 m on 15 June 2022. The Doriri lode was intersected from 46.60 m to 64.20 m downhole.

The drill rig was moved to the drill pad on Section 10025N on 16 June 2022, without the need for helicopter use. Drillhole DOD006 was collared on 17 June 2022. This hole was designed as a shallow test beneath the previously completed Costean III, which assayed 7.00 m @ 0.78 % Ni, 1011 ppb Pd and 92 ppb Pt, to establish the presence of the Doriri lode in the near surface. DOD006 was terminated at 30.75 m on 21 June 2022. The Doriri lode was intersected from 11.55 m to 27.00 m downhole.

DOD007 was drilled from the same drill pad as DOD006 on Section 10025N. It was designed to provide a deeper intersection below DOD006 and provide information on the dip of the Doriri lode in this part of the prospect. The hole was collared on 22 June 2002 and terminated at 60.50 m depth on 30 June 2022. The Doriri lode was intersected from 17.70 m to 36.65 m downhole. The hole (with DOD006) confirmed a 70o dip of the lode towards the northeast.

After a brief delay waiting for a helicopter, the partially disassembled drill rig was lifted down the exceedingly steep slope from Section 10025N to 10000N on 4 July 2022. DOD008 was collared on 5 July 2022. Placement of the hole was constrained by a nearby steep gully adjacent to Doriri Creek. The hole was designed as another, marginally deeper, test below previously completed Costean I, which assayed 11.10 m @ 1.31 % Ni, 944 ppb Pd and 81 ppb Pt, and two previously completed cored drillholes (DOD003 and DOD004), both of which intersected the Doriri lode. DOD008 was collared on 5 July 2022. It was terminated at 34.35 m depth on 10 July 2022. The Doriri lode intersected from 10.95 m to 29.50 m downhole.

Core samples from the 4 drillholes were dispatched to Australian Laboratory Services for analysis. Gold, platinum and palladium analyses will be completed by standard 50 gm lead collection Fire Assay followed by Inductively Coupled Plasma analysis. Nickel assaying (including copper and silver) will involve a four-acid digest including hydrofluoric, nitric, perchloric and hydrochloric acids in Teflon tubes. Analyses will be completed by Inductively Coupled Plasma-Optical (Atomic) Emission Spectrometry.

Additional drill holes (in total 10 holes) were laid-out across the prospect during the March quarter. Two drill pads on Section 10060N, adjacent to Section 10040N, have been manually excavated in anticipation of a resumption of drilling. It is planned that 3 drill holes will be completed from these pads. These holes will mark the commencement of a programme to drilling to trace the Doriri lode in a northwest direction. The Doriri nickel-palladium-platinum lode is presently open-ended in this direction.

SELECTED QUARTERLY INFORMATION
Summary of Quarterly Results

	For the three-month period ended			
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
	\$	\$	\$	\$
Net income (loss)	(469,220)	(722,616)	(330,251)	(1,073,768)
Net (loss) per share				
- Basic	(0.00)	(0.01)	(0.00)	(0.01)
- Diluted	(0.00)	(0.01)	(0.00)	(0.01)
Total assets	151,986	140,191	202,624	337,858

PNG Copper Inc.
Management's Discussion and Analysis
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For the three-month period ended

	June 30, 2021 \$	March 31, 2021 \$	December 31, 2020 \$	September 30, 2020 \$
Net income (loss)	(451,171)	(1,171,457)	(934,585)	(450,739)
Net (loss) per share		(0.01)	(0.01)	(0.01)
- Basic	(0.01)	(0.01)	(0.01)	(0.01)
- Diluted	(0.01)			
Total assets	388,338	630,895	1,599,202	1,885,543

Transactions for the six months ended June 30, 2022 and 2021 on the Mount Suckling project are as follows:

Category	June 30, 2022 \$	June 30, 2021 \$
Accommodations	7,540	20,517
Accounting services	21,172	36,656
Administration	8,052	5,959
Assays	nil	9,015
Communications	9,117	7,110
Drilling	65,776	4,018
Employment services	21,218	86,881
Field supplies	20,311	56,015
Geologists	106,242	68,889
Helicopter chartering	202,127	203,798
In-country logistics	1,856	47,145
Landowner compensation	285	Nil
Option payments	279,946	296,985
Other	10,872	9,673
Site meal services	14,290	33,779
Travel	75,524	36,775
Wages	56,120	161,034
TOTAL	908,591	1,073,717

Results of Operations

Three months ended June 30, 2022 compared to three months ended June 30, 2021:

The following is a summary of general and administrative expenses of the Company for the three months ended June 30, 2022, and 2021:

Category	Three months ended June 30,	
	2022 \$	2021 \$
Consulting services	4,322	7,196
Foreign exchange loss	1,613	6,651
Management fees	Nil	43,750
Professional fees	85,539	108,391
Salaries and employee benefits	Nil	44,858
Share based payment	20,327	31,994
All others	15,192	44,798
TOTAL	137,316	278,136

Consulting services declined due to changes in company focus with the change of management.

Foreign exchange loss decreased with the reduction in funds from Canada being sent to PNG.

Management fees decreased with the termination of the Company's contract with Mr. Alan Martin.

Professional fees decreased with the change in company management.

Salaries and employee benefits decreased due to the termination the Company's contract with Mr. Iain Martin.

Share based payments represent the Black-Scholes value of the options vested in 2022.

Related Party Transactions

PNG Copper entered into the following transactions with related parties during the six month periods ended June 30, 2022 and 2021:

With Directors of the Company:	2022 \$	2021 \$
Management fees to directors of the Company	nil	87,500
Wages to directors of the Company	nil	91,912
Share-based Payments to directors of the Company	12,159	18,801
Rent paid to a person related to a director of the Company	nil	6,000
Accounting services paid to a partnership in which an officer of the Company is a partner	68,022	79,728
Option payments to a company controlled by one director of the Company	277,499	296,985

Accounts payable and accrued liabilities as at June 30, 2022 include amounts owing to directors and officers in the amount of \$10,546 (June 30, 2021 - \$9,650). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The directors of the company are the chairman of the board, Mr. David Drinkwater, and non-executive directors representing PMPL, Mr. Stephen Grey, Mr. Chris Cornelius (until March 21, 2022) and Mr. Andrew Morris (since March 21, 2022).

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive or non-executive) of the Company.

Liquidity, Capital Resources, and Outlook

The Company is an exploration-stage company and does not generate revenues. As such, it finances all of its operations and the exploration of its mineral properties entirely through the issuance of share capital. Although PNG Copper has to date been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The mineral exploration business is high risk, and the vast majority of exploration projects will not result in producing mines. The success of future financings will depend on a variety of factors including geological success – i.e., obtaining superior results from exploration; a positive investment climate encompassing strong metal prices, solid stock market conditions, and a “risk-on” appetite among investors; and the Company’s track record and the ability and experience of management. If such financing is unavailable, PNG Copper may be unable to retain its mineral interests and execute its business plans.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements at June 30, 2022.

Critical Accounting Estimates and Policies

The Company’s significant accounting policies and the adoption of new accounting policies are disclosed in Notes 2(b) 3 to the interim financial statements prepared for the six months ended June 30, 2022.

Critical accounting estimates used in the preparation of the financial statements include the Company’s estimate of the value of stock-based compensation and income tax accounts. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company’s control.

Future Accounting Changes

The Company has not yet adopted certain new International Financial Reporting Standards (“IFRS”) standards, amendments, and interpretations to existing standards, which have been published but are only effective for its annual periods beginning on or after January 1, 2022.

Novel Coronavirus

The outbreak of the novel coronavirus (“COVID-19”), has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Company delayed work on the access road to the Mount Suckling project, implemented daily health and safety meetings and has been reinforcing safety practices and social distancing as a result of the virus. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Company in future periods. It is management’s assumption that the Company will continue to operate as a going concern.

Commitments and Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Capital Management

The capital of the Company consists of common shares, treasury shares, warrants and options. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no significant changes in the risks, objectives, policies, and procedures in 2022 or 2021.

The Company's Mount Suckling Project is in the exploration stage, and it has neither revenues nor profits. As such the Company is wholly dependent on external financing to fund its planned exploration programs and administration costs. The Company will therefore spend its existing working capital and raise additional amounts when conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- (i) ensuring cost-effective deployment of existing funds, generally through competitive bidding;
- (ii) avoiding project "overstretch" – i.e., too many properties and projects, and too many commitments;
- (iii) minimizing discretionary disbursements;
- (iv) reducing or eliminating exploration expenditures that are of limited value;
- (v) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns; and
- (vi) exploring alternative sources of liquidity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company is not presently subject to any capital requirements imposed by a regulator or lending institution body.

Disclosure of Outstanding Share Data (as at August 25, 2022)

The following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Common Shares

Authorized: Unlimited number of Class A shares.

Outstanding: 130,429,327 Class A shares.

Options

A summary of the Company's options outstanding and exercisable as of August 25, 2022 is presented below:

Exercise price	Options outstanding	Options exercisable	Expiry date
\$0.25	975,000	975,000	June 30, 2023
\$0.15	359,425	359,425	October 21, 2024
\$0.15	280,575	280,575	March 2, 2024
\$0.20	340,000	255,000	October 26, 2024
\$0.10	400,000	200,000	February 14, 2026
\$0.15	600,000	150,000	November 25, 2025
\$0.10	2,150,000	537,500	February 14, 2026
\$0.10	300,000	300,000	May 30, 2024
\$0.10	1,350,000	337,500	August 25, 2026
Total	6,755,000	3,395,000	

As at August 25, 2022, the Company has 43,045,440 warrants outstanding with exercise prices of \$0.05 to \$0.20 expiring from May 14, 2025, to August 16, 2027

Events after the Reporting Period

Issuance of Class A shares

On August 16, 2022, the Company completed a non-brokered private placement financing, consisting of the sale of 2,000,000 units at a price of \$0.05 per unit for gross proceeds of \$100,000, with each unit being comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the company at a price of \$0.07 per common share until August 16, 2027. The Company paid a finder's fee of \$9,000 in cash and issued 200,000 non-transferable broker warrants, with each such broker warrant entitling the holder thereof to acquire one unit of the Company at a price of \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant which entitles the holder to purchase one common share at a price of \$0.07 per common share until August 16, 2027.

Settlement of accounts payable

On August 16, 2022, the Company issued 500,000 Class A common shares to the acting president to settle accounts payable in the amount of \$25,000.

On August 16, 2022, the Company settled outstanding obligations in the amount of \$313,164 with a director of the Company by the issuance of 6,263,285 Class A common shares of the Company and warrants to purchase 6,263,285 Class A common shares of \$0.07 per share expiring August 16, 2027.

Grant of Stock Options

On August 25, 2022, the Company granted 1,350,000 stock options to directors of the Company which options are exercisable into common shares of the Company at a price of \$0.10 per share. Subject to the rules of the CSE and the Company's stock option plan the options vest in four equal instalments, being at the date of grant and the end of each six-month period ended thereafter, have a term of four years and will expire on August 25, 2026.

Risks and Uncertainties

The Company's securities should be considered high risk and highly speculative due to the nature of its business.

Substantial Number of Authorized but Unissued Shares

The Company has an unlimited number of Common Shares that may be issued by the Board without further action or approval of the Company's shareholders. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Dilution

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Common Shares. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change, and purchasers may suffer additional dilution.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Mount Suckling Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Mount Suckling Property is exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Mount Suckling Property will generate earnings, operate profitably, or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the Common Shares distributed hereunder will be affected by such volatility.

Use of Funds

The Company has prepared a detailed budget setting out the way in which it proposes to expend the funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Company's exploration activities on the Mount Suckling Property. As the Company conducts its exploration program, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilise part of its financial resources to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value.

No Production History

The Mount Suckling Property is not a producing property, and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future. The Company has not generated any revenue to date and there is no assurance that it will do so in the future. The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Company proposes to undertake.

Limited Operating History

The Company has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Exploration, Mining and Operational Risks

The business of exploring for and mining minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Mount Suckling Property does not have any known mineral resources or reserves, and the proposed exploration and drilling programs are an exploratory search for such mineral resources or reserves.

The Company's operations are subject to all the hazards and risks normally associated with the exploration, development, and mining of minerals, any of which could result in risk to life, to property, or to the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures and labour disputes, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment, machinery, labour, or adverse weather conditions. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

In the event the Company is fortunate enough to discover a mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

Mining Claims

The operations of the Company will require licenses and permits from various governmental authorities in Papua New Guinea ("PNG"). There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

The activities of the Company will be subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, a gold export license, labour standards and occupational health, mine safety, toxic substances, and other matters. Although the Company intends to carry out its activities in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

The Company's operations will also be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties.

There are several permits required for mining operations in PNG, including:

- License to keep, store or possess explosives;
- Permit for persons using explosives;
- Conveyance of explosives and dangerous goods;
- License to keep, or register premises to store inflammable liquids;
- Approval to recruit non-citizens;
- Gold export license;
- Export consignment form;
- Establishing foreign bank accounts to meet exchange control requirements;
- Tax clearance certificates for transfer of funds out of PNG.

The Company does not have any of these permits in a current or useable form and will be required to apply for and obtain all necessary permits as required to mine, process, and sell product. There is no guarantee the Company will be able to obtain the necessary permits in a timely manner or at all. Delays in obtaining permits could materially delay the Company's operations, and failure to obtain any necessary permit could materially restrict the Company's future operations.

Country Risks

The Company's mineral properties are located in, and its activities will be conducted in PNG and as such the Company will be exposed to various levels of political, economic, and other risks and uncertainties associated with carrying on business in PNG. These risks include but are not limited to, political instability, an unpredictable legal system, civil unrest, inconsistent and unsophisticated land tenure system, government land policy and government ownership of or participation in mining projects, high levels of corruption, significant delays in permitting and approvals, fluctuations in currency exchange rates, high rates of inflation, excessive import duties and taxes on the importation of equipment, expropriation and nationalization, restrictions on foreign ownership, possible future restrictions on foreign exchange and repatriation, changes in taxation, labour and mining regulations and policies, and changing political conditions, currency controls, and government regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ local citizens.

Changes, if any, in mining or investment policies, or shifts in political attitude in PNG, may adversely affect the Company's operations or profitability. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications, and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

One potential cost of care and maintenance to be incurred by the Company will be for security personnel. The Company will have to maintain a minimum level of security to protect its assets and personnel; however, there is no guarantee that such measures will provide an adequate level of protection for the Company.

Corruption and Bribery

The Company must comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act as well as similar laws in the countries in which the Company conducts its

business. Such laws apply to all directors, officers, employees, consultants and agents of the Company and each subsidiary thereof. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company, which may have a material adverse effect on it.

Mining Decision

The Company may choose to initiate mining operations on any part of the Mount Suckling Property, without basing its production decision on a feasibility study, pre-feasibility study, preliminary economic assessment or mining study of mineral reserves demonstrating economic and technical viability, and therefore be subject to a higher risk of uncertainty. There is no assurance, given all of the known and potentially unknown risks associated with the Mount Suckling Property that the Company will be able to profitably carry on mining operations. In addition, there is no assurance continued exploration of the Mount Suckling Property will demonstrate adequate additional mineralization which can be mined economically, such that mining operations on the Mount Suckling Property may not be sustainable beyond currently estimated resources.

Royalties

The PNG Mining Act 1992 provides that all minerals at or below the surface of any land are the property of the State. As a result, the tenements underlying the Mount Suckling Property are subject to royalties and interests in favour of the government of PNG in accordance with that Act. The holder of a mining lease or a special mining lease under that Act is required to pay a royalty to the State equal to 2% of either: (i) the free on board value of the minerals if they are exported without smelting or refining in PNG; or (ii) the net smelter return from the minerals if they are smelted or refined in PNG. In addition to royalty costs, the PNG government also imposes a second cost on mining project in PNG in the form of a 0.25% levy of mine revenue.

State Participation Right

The PNG government has the right to participate in mining operations by acquiring up to a 30% interest in a mining licence. It is uncertain whether the PNG government will choose to exercise this right with regards to the Mount Suckling Property, however the risk remains that the government could seek to impose and exercise such right, which could result in, among other things, material, and costly negotiations as to the fair market value of such right and the terms of payment. Upon exercise of the government's option, the state would fund its share of capital and ongoing costs and the Company repaid its share of sunk costs.

Foreign Enterprise Carrying on Business in PNG

Foreign companies carrying on business in PNG are required to obtain a certificate under the Investment Promotion Act (PNG) permitting such activity. Papuan Minerals Ltd. had the necessary certificate under that Act, however there is a requirement for foreign companies to recertify in the event of a change in the ownership, shareholder or beneficial ownership or control of the foreign enterprise. The Company will be required to seek recertification under that Act upon exercise of the Company's option to acquire of 51% of the shares of Papuan Minerals Ltd. pursuant to the Mount Suckling Option Agreement. There is no assurance such re-certifications will be granted, failure of which will adversely impact on, or may preclude, the Company's ability to carry on business in PNG.

Assurance of Title

The Company has taken all reasonable steps to attempt to ensure that proper title to the Mount Suckling Property has been obtained and that all grants of such rights thereunder, if any, have been registered with the appropriate public offices. Despite the due diligence conducted by the Company, there is no guarantee that title to such Mount Suckling Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects.

Possible Loss of Interests in Mount Suckling Property

The Mount Suckling Option Agreement pursuant to which the Company acquired its interest in the Mount Suckling Property requires the Company to make a series of payments in cash and to issue Common Shares over certain time periods and expend certain minimum amounts on the exploration of the Mount Suckling Property. If the Company fails to make such payments or expenditures within the prescribed time periods, the Company may lose its interest in the Mount Suckling Property without any recourse.

Possible Failure to Obtain Mining Licenses

Even if the Company does complete the required exploration activities on the Mount Suckling Property, it may not be able to obtain the necessary licences or permits to conduct mining operations, and thus would realize no benefit from such exploration activities.

Competition

The Company competes with numerous other companies and individuals possessing greater financial resources and technical facilities than itself in the search for, and acquisition of, mineral claims, leases, and other mineral interests, as well as the recruitment and retention of suitably qualified individuals.

Conflicts of Interest

Some of the Company's directors and officers act as directors and/or officers of other mineral exploration companies. As such, the Company's directors and officers may be faced with conflicts of interests when evaluating alternative mineral exploration opportunities. In addition, the Company's directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team, and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its exploration program on the Mount Suckling Property. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

Volatility of Commodity Prices

The market prices of commodities are volatile and are affected by numerous factors, which are beyond the Company's control. These factors include international supply and demand, consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in commodity prices could render less economic, or uneconomic, some or all of the exploration activities to be undertaken by the Company.

Environmental Risks and Other Regulatory Requirements

Inherent with mining operations is an environmental risk. The current or future operations of the Company, including exploration and development activities and commencement of production on the Mount Suckling Property, require permits from various governmental authorities. Such operations are governed by laws and regulations that govern prospecting, mining, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production as a result of needing to comply with applicable laws, regulations and permits. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups, or any other group or person opposed in general to the Company's activities and in particular, the proposed exploration and mining by the Company within the Republic of PNG.

Uninsured Risks

The Company, as a participant in exploration and mining programs, may become subject to liability for hazards such as unusual geological or unexpected operating conditions that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Company is currently uninsured against all such risks as such insurance is either unavailable or uneconomic at this time. The Company also currently has no key man insurance or property insurance as such insurance is uneconomical at this time. The Company will obtain such insurance once it is available and, in the opinion of the Board, economical to do so. The Company may incur a liability to third parties (in excess of any insurance coverage) arising from pollution or other damage or injury.

The Company is not insured against most environmental risks. Insurance against environmental risks has not been generally available to companies within the mining and exploration industry. Without such insurance, and if the Company does become subject to environmental liabilities, the costs of such liabilities would reduce or eliminate the Company's available funds or could result in bankruptcy. Should the Company be unable to fully fund the remedial costs of an environmental problem, it may be required to enter into interim compliance measures pending completion of the required remedy.

Health and Safety Risks

A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on the Mount Suckling Property or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Company's operations and/or financial condition.

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Additional Requirements for Capital

Substantial additional financing will be required if the Company is to be successful in pursuing its ultimate strategy of discovering and extracting mineral resources. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses, geological results, and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in the Mount Suckling Property, incur financial penalties, or reduce or terminate its operations.

Smaller Companies

The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Liquidity of the Common Shares

Listing on the Exchange should not be taken as implying that there will be a liquid market for the Common Shares. Thus, an investment in the Common Shares may be difficult to realise. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realise less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realise their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some that may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases, or sales of the Common Shares, liquidity, or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions.

General

Although management believes that the above risks fairly and comprehensively illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited annual financial statements and (ii) the audited annual financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the years presented.

The Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures ("**DC&P**") or its internal control over financial reporting ("**ICFR**"). There are inherent limitations on the ability of the certifying officers of the Company to design and implement on a cost-effective basis DC&P and ICFR for the Company, which may result in risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports required under applicable securities legislation."

Additional Information

Additional information relating to the Company is available at <https://pngcopper.ca/>