

K92 Mining 2022 Operational Guidance

Forecasts Significant Production Increase

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- Production in 2022 is expected to grow up to 34% year over year, with gold equivalent ("AuEq") production of 115,000 to 140,000 ounces, a range that incorporates a COVID-19 contingency.
- High margin production forecasted in 2022, with cash costs between \$560-\$640 per ounce gold and all-in sustaining costs ("AISC") between \$890-\$970 per ounce gold.
- Exploration to increase with \$12-\$15 million expenditures projected for 2022. With the infill drill program at Kora for the updated resource estimate complete, focus has now shifted to predominantly resource growth drilling at Kora, Judd, Kora South, Judd South and the Blue Lake Porphyry.
- Growth capital costs forecasted to be \$41-\$47 million, which includes the Stage 2A Expansion to increase throughput 25% to 500,000 tonnes per year (1,370 tonnes per day), major upgrades to our underground and surface infrastructure and the twin incline development to also support the Stage 3 Expansion.

Note: All amounts in United States Dollars unless otherwise indicated.

VANCOUVER, British Columbia, Jan. 24, 2022 -- [K92 Mining Inc.](#) ("K92" or the "Company") (TSX: KNT; OTCQX: KNTNF) is pleased to provide its operational outlook for 2022. The Company expects a significant, year over year, increase in gold equivalent production of up to 34% to 115,000 to 140,000 ounces, while also delivering low-cost production with an estimated cash cost of \$560-\$640 per ounce gold and all-in sustaining cost ("AISC") of \$890-\$970 per ounce gold. Additionally, the Company plans to ramp-up exploration activities and invest in future production growth.

On exploration, 2022 is forecasted to have a significant increase in both near-mine and regional activities with forecasted expenditures of \$12-15 million. Since 2020, the drill fleet has more than doubled to up to eleven drill rigs. Importantly, exploration has recently made a major pivot to focus on resource growth from previously largely infill-drilling at Kora, with plans to drill the Judd, Kora, Judd South and Kora South vein systems, and the Blue Lake porphyry. Significant generative surface exploration activities from 2021 are planned to continue into 2022.

Growth capital is forecasted to be \$41-\$47 million, which includes the ongoing Stage 2A Expansion to 500,000 tonnes per year (1,370 tonnes per day), substantial upgrades to our underground and surface infrastructure and the twin incline development to also support the Stage 3 Expansion. The twin incline is designed for a throughput capacity of up to 2 million tonnes per annum ("tpa") or 3 million tonnes per annum with conveyors. As of December 31, 2021, the furthest twin incline has advanced 893 metres.

Table 1 - 2022 Operational Outlook Summary

Gold Equivalent Production ⁽¹⁾ Oz	115,000 to 140,000
Cash Costs ⁽²⁾	\$/Oz \$560 to \$640 per ounce gold
All-in Sustaining Costs ⁽²⁾	\$/Oz \$890 to \$970 per ounce gold
Growth Capital	US\$ \$41 to \$47 million
Exploration	US\$ \$12 to \$15 million

(1) - Gold Equivalent Production based on the following commodity prices: Gold \$1,750/oz; Copper \$3.75/lb, and; Silver \$25/oz.

(2) - The Company provides some non-international financial reporting standard measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. Please refer to non-IFRS financial performance measures in the Company's management's discussion and analysis dated November 10, 2021, available on SEDAR, for reconciliation of these measures.

John Lewins, K92 Chief Executive Officer and Director, stated, "2021 was a record year and we plan to deliver another record year in 2022. The end-of-year momentum from the fourth quarter of 2021 which delivered record production, mill throughput, mine throughput and some of the highest metallurgical recoveries over the past two years for both gold and copper, has certainly set the operation up well for 2022. We also achieved our beginning of 2021 target of reaching Stage 2 Expansion mine and mill throughput by year-end, and we look to continue to expand in 2022 through the Stage 2A Expansion designed to increase throughput +25% to 500,000 tpa with commissioning planned for 3Q 2022.

We are also very excited about exploration for 2022, with most of the program focused on resource growth. Surface drilling is advancing at Judd South and Kora South, targeting large step-outs from the existing known deposits. Surface drilling is also advancing at Blue Lake with deeper drilling targeting the potassic core. Underground drilling for the first time has the majority of drill rigs at Judd and plans are also in place to leverage the twin incline later in the year for step-outs at Kora along strike to the north and at depth.

Advancing the Stage 3 Expansion is a key part of our plans this year, with considerable progress planned on multiple fronts. Twin incline development advance has performed well, exceeding budget in the second half of 2021. The resource update for Judd and Kora is planned to be announced together this quarter, and our Stage 3 Definitive Feasibility Study and Updated Preliminary Economic Assessment ("PEA") are progressing well and planned for Q2 publication. Work on the drilling of a 5-metre diameter raisebored ventilation shaft located in the south of the Mining Lease is also scheduled to commence in late 2022.

In terms of COVID-19, it continues to be a factor to societies and industries globally, and as a result, we have incorporated a contingency in our production guidance range by extending its lower bound. It is also important to highlight that our resiliency to the pandemic has significantly improved over the past year, with over 65% of our workforce having received their first vaccine dose and COVID-19 control measures on site have proven durable to date. Operations have also benefited from a substantial improvement in international travel for our expatriate workforce, consultants and suppliers.

Lastly, I would like to once again thank our workforce - their strong commitment and resilience have been extraordinary. The Government of Papua New Guinea and the Government of Australia have also been a major factor in our success. This has set up a potentially very exciting 2022."

Qualified Person

K92 Mine Geology Manager and Mine Exploration Manager, Andrew Kohler, PGeo, a qualified person under the meaning of Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, has reviewed and is responsible for the technical content of this news release. Data verification by Mr. Kohler includes significant time onsite reviewing drill core, face sampling, underground workings, and discussing work programs and results with geology and mining personnel.

About K92

[K92 Mining Inc.](#) is engaged in the production of gold, copper and silver from the Kora deposit at the Kainantu Gold Mine in the Eastern Highlands province of Papua New Guinea, as well as exploration and development of mineral deposits in the immediate vicinity of the mine. The Company declared commercial production from Kainantu in February 2018 and is in a strong financial position.

The Company commenced an expansion of the mine based on an updated Preliminary Economic Assessment on the property which was published in January 2019 and updated in July 2020. K92 is operated by a team of mining company professionals with extensive international mine-building and operational experience.

On Behalf of the Company,

John Lewins, Chief Executive Officer and Director

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