

K92 Mining Announces Extension to Mining Lease 150 and Approval of the Kainantu Gold Mine Stage 3 and Stage 4 Expansions

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- Mining Lease 150 ("ML 150" or the "Mining Lease") has been granted an extension for an additional 10 years, to June 2034, by the Government of Papua New Guinea. The renewal is well in advance of the original expiry date of June 2024, highlighting the significant support of various levels of Government and stakeholders for the Kainantu Gold Mine.
- Concurrent with the Mining Lease extension, the Board of Directors of K92 have approved the Company progressing with Kainantu Gold Mine's Stage 3 and 4 Expansions. The Stage 3 Expansion plans to increase annual throughput to 1.2 million tonnes per annum ("mtpa") and the Stage 4 Expansion to 1.7 mtpa, representing a 140% and 240% increase from the Stage 2A Expansion, respectively.
- The expansions are expected to transform Kainantu into a Tier 1 mine, as demonstrated in the Integrated Development Plan's Stage 4 Preliminary Economic Assessment Case (the "Stage 4 PEA Case"), outlining peak annual production of 500,192 ounces gold equivalent ("AuEq") in 2027, life of mine average all-in sustaining cost of \$687/oz (co-product) or \$444/oz net of by-product credits, and self-funded from mine cash flow at \$1,600/oz Au. The tendering process for long-lead time expansion items has already commenced.

VANCOUVER, British Columbia, Dec. 06, 2022 -- [K92 Mining Inc.](#) ("K92" or the "Company") (TSX: KNT; OTCQX: KNTNF) is pleased to announce that the Government of Papua New Guinea has granted an extension of Mining Lease 150 for the Kainantu Gold Mine in Papua New Guinea for a period of 10 years to June 13, 2034.

Concurrent with this announcement, K92's Board of Directors have approved the Stage 3 and Stage 4 Expansions (collectively the "Expansions"), increasing the annual processing throughput to 1.2 mtpa and 1.7 mtpa, respectively. This represents a 140% increase and 240% increase, respectively, from the Stage 2A processing capacity of 500,000 tonnes per annum. The current Stage 2A Expansion run-rate throughput has already been achieved, with the last major process plant upgrade, the installation of flotation cells to double rougher capacity expected in early 2023.

The Expansions are expected to be transformational for Kainantu, as demonstrated in the Integrated Development Plan ("IDP") Stage 4 PEA Case, outlining a peak annual production of 500,192 oz AuEq in 2027, a life of mine average all-in sustaining cost of \$687/oz (co-product) or \$444/oz net of by-product credits. Importantly, the growth capital cost of US\$187 million, sustaining capital cost until operating both process plants of approximately US\$60 million per annum, and life of mine sustaining capital cost of US\$429 million are expected to be self-funded from mine cash flow at US\$1,600/oz Au (see press release dated September 12, 2022 - [K92 Mining Inc. Announces Robust Kainantu Gold Mine Integrated Development Plan](#)). Tendering for long-lead time items for the expansion has already commenced.

John Lewins, K92 Chief Executive Officer and Director, stated, "*The extension of the Mining Lease by the Government of Papua New Guinea and the approval of the Stage 3 and 4 Expansions by the Board of Directors of K92 are major milestones for the Kainantu Gold Mine, Papua New Guinea, our communities, investors and many other stakeholders.*"

When we acquired the Kainantu Gold Mine in 2015, it was under care and maintenance and had a designed throughput of 150,000 tpa - the Stage 4 Expansion targets throughput of 1.7 million tonnes per annum, a more than 11-fold increase. The throughput increase, as outlined in the IDP Stage 4 PEA Case, transforms Kainantu into a Tier 1 mine, with peak production of 500,192 oz AuEq in 2027, low life of mine average all-in sustaining costs of \$687/oz (co-product) or \$444/oz net of by-product credits and capital self-funded from

mine cash flow. The boost to the economy of Papua New Guinea, in terms of jobs, exports, royalties and income tax will be very significant. We also plan to expand our community programs as we expand the mine so that the benefits to our community continue to grow as the mine grows.

Beyond the mine expansion, as we approach 2023, we are very excited about our exploration programs at Kainantu. We plan to expand the number of drill rigs in 2023 from the 11 currently operating, with a focus on resource expansion of our vein fields and porphyries."

About K92

[K92 Mining Inc.](#) is engaged in the production of gold, copper and silver 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 is carrying out a series of expansions on the mine and 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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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Such forward-looking statements include, without limitation: (i) the results of the Kainantu Project Definitive Feasibility Study, and the Kainantu 2022 Preliminary Economic Assessment, including the Stage 3 Expansion, a new standalone 1.2 mtpa process plant and supporting infrastructure; (ii) statements regarding the expansion of the mine and development of any of the deposits; and (iii) the Kainantu Stage 4 Expansion, operating two standalone process plants, larger surface infrastructure and mining throughputs.

All statements in this news release that address events or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation, Public Health Crises, including the COVID-19 Pandemic; changes in the price of gold, silver, copper and other metals in the world markets; fluctuations in the price and availability of infrastructure and energy and other commodities; fluctuations in foreign currency exchange rates; volatility in price of our common shares; inherent risks associated with the mining industry, including problems related to weather and climate in remote areas in which certain of the Company's operations are located; failure to achieve production, cost and other estimates; risks and uncertainties associated with exploration and development; uncertainties relating to estimates of mineral resources including uncertainty that mineral resources may never be converted into mineral reserves; the Company's ability to carry on current and future operations, including development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company's ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the availability and costs of achieving the Stage 3 Expansion or the Stage 4 Expansion; the ability of the Company to achieve the inputs the price and market for outputs, including gold, silver and copper; inability of the Company to identify appropriate acquisition targets or complete desirable acquisitions; failures of information systems or information security threats; political, economic and other risks associated with the Company's foreign operations; geopolitical events and other uncertainties, such as the conflict in Ukraine; compliance with various laws and regulatory requirements to which the Company is subject to, including taxation; the ability to

obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions, including relationship with the communities in Papua New Guinea and other jurisdictions it operates; other assumptions and factors generally associated with the mining industry; and the risks, uncertainties and other factors referred to in the Company's Annual Information Form under the heading "Risk Factors".

Estimates of mineral resources are also forward-looking statements because they constitute projections, based on certain estimates and assumptions, regarding the amount of minerals that may be encountered in the future and/or the anticipated economics of production. The estimation of mineral resources and mineral reserves is inherently uncertain and involves subjective judgments about many relevant factors. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation. Forward-looking statements are not a guarantee of future performance, and actual results and future events could materially differ from those anticipated in such statements. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause actual results to differ materially from those that are anticipated, estimated, or intended. There can be no assurance that such 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. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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