

K92 Mining Reports Strong 2023 Operational Guidance and Expansion of Exploration Activities

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- Production in 2023 is expected to be 120,000 to 140,000 ounces gold equivalent ("AuEq"), a range that incorporates a contingency for supply chain related delays.
- High margin production forecasted in 2023, with cash costs between \$620-\$680 per ounce gold and all-in sustaining costs ("AISC") of \$1,180-\$1,300 per ounce gold. The increase from 2022 is driven predominantly by accelerating sustaining capital and development expenditures related to the Stage 3 and 4 Expansions, in addition to sustaining capital items originally scheduled for 2022 arriving in 2023 due to supply chain delays.
- The Stage 3 and 4 Expansions, approved on December 6, 2022, are expected to significantly increase production and drive economies of scale at the Kainantu Gold Mine, transforming Kainantu into a Tier 1 mine. The Integrated Development Plan's Stage 4 Preliminary Economic Assessment Case (the "Stage 4 PEA Case")*, outlines peak annual production of 500,192 ounces AuEq in 2027, life of mine average AISC of \$687/oz (co-product) or \$444/oz net of by-product credits, and self-funding from mine cash flow at \$1,600/oz Au.
- Exploration to increase, with \$13-\$16 million expenditures projected for 2023, including the total number of operating drill rigs increasing from the current 11 to 13 rigs. Exploration will predominantly focus on resource growth with surface drilling to focus on Kora South, Judd South, Judd, and the A1 copper-gold porphyry targets, with underground drilling focusing on Kora, Kora South, Kora Deeps, Judd, Judd South, Judd Deeps and Northern Deeps targets.
- Tender process underway for growth capital items for the Stage 3 and 4 Expansions. Upon completion of the tender process, timing of the growth capital items will be established to provide its 2023 forecast.

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

** The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral reserves are defined by the definitive feasibility study and are not predicated on the preliminary economic assessment in any way.*

VANCOUVER, British Columbia, Jan. 19, 2023 -- [K92 Mining Inc.](#) ("K92" or the "Company") (TSX: KNT; OTCQX: KNTNF) is pleased to provide its operational outlook for 2023. The Company expects gold equivalent production of 120,000-140,000 ounces, while also delivering low-cost production with an estimated cash cost of \$620-\$680 per ounce gold and AISC of \$1,180-\$1,300 per ounce gold. Cash cost and AISC per ounce have increased from 2022, driven predominantly by accelerating sustaining capital and development expenditures related to the Stage 3 and Stage 4 Expansions approved on December 6, 2022 (see December 6, 2022 press release: *K92 Mining Announces Extension to Mining Lease 150 and Approval of the Kainantu Gold Mine Stage 3 and Stage 4 Expansions*), in addition to sustaining capital items that were planned to arrive in 2022 and are now arriving on-site in 2023 due to supply chain related delays. The Stage 3 and 4 Expansions are expected to transform the Kainantu Gold Mine into a Tier 1 mine, through significantly increased production and economies of scale. The Stage 4 PEA Case outlines peak annual production of 500,192 ounces AuEq in 2027, life of mine average AISC of \$687/oz (co-product) or \$444/oz net of by-product credits, and self-funding from mine cash flow at \$1,600/oz Au.

For exploration, 2023 is forecasted to have a significant increase in both near-mine and regional activities with forecasted expenditures of \$13-16 million. Since 2020, the drill fleet has more than doubled to 11 drill rigs currently operating, with the number of drills planned to increase to 13 in 2023. Importantly, surface and underground exploration activities will continue to focus on resource growth at Kora, Judd, Kora South, Judd South, Kora Deeps, Judd Deeps and Northern Deeps vein systems, and the A1 copper-gold porphyry targets.

In terms of growth capital, the tender process commenced in late-2022 for the Stage 3 and 4 Expansions. Upon completion of the tender process, timing of growth capital items that will be incurred this year will be established to provide 2023 guidance.

Table 1 - 2023 Operational Outlook Summary

Gold Equivalent Production ⁽¹⁾ Oz	120,000 to 140,000
Cash Costs ⁽²⁾	\$/Oz \$620 to \$680 per ounce gold
All-in Sustaining Costs ⁽²⁾	\$/Oz \$1,180 to \$1,300 per ounce gold
Exploration	US\$ \$13 to \$16 million

(1) - Gold Equivalent Production based on the following commodity prices: Gold \$1,750/oz; Copper \$3.75/lb, and; Silver \$21.50/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 performance measures on pages 13-15 of the Company's management's discussion and analysis dated November 10, 2022, available on SEDAR, for reconciliation of these measures.

John Lewins, K92 Chief Executive Officer and Director, stated, "In 2022, Kainantu once again took a major step forward, achieving its sixth consecutive year of production growth, including multiple records such as ore tonnes processed, ore tonnes mined, total tonnes mined and underground development. Importantly, Kainantu finished 2022 strong, achieving multiple quarterly records in the fourth quarter. In 2023, we look to continue to build on this positive operational momentum while also focusing on investing in the long-term future of Kainantu via the Stage 3 and 4 Expansions, which was approved in December 2022 following the renewal of the Mining License for a further 10 years through until the end of 2034. This will transform the Kainantu Gold Mine into a Tier 1 mine.

As part of our guidance, we have incorporated contingency for supply chain related impacts as the global economy recovers from lingering effects of the COVID-19 pandemic environment, particularly in relation to suppliers in Asia. Based on our expectations of supply chain impact timing and stope sequencing, we expect the second half of 2023 to be our strongest in terms of production.

We are also very excited about exploration in 2023, and are pleased to be expanding our activities, through increasing the number of drill rigs from 11 currently operating to 13. The number of highly prospective drill targets at Kainantu is very large and has grown considerably over the past 18 months through surface exploration work. Our surface drilling plans to target Kora South, Judd South, Judd and the A1 Copper-Gold Porphyry Target, with underground drilling targeting, Kora, Judd, Kora South, Judd South, Kora Deeps, Judd Deeps and Northern Deeps. Other targets identified may be drilled in 2023 and we look to provide exploration updates in due course."

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.

Technical Report

Further details about the Integrated Development Plan's Stage 4 Preliminary Economic Assessment Case can be found in the technical report dated October 26, 2022 and titled, "Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea Definitive Feasibility Study", filed on the Company's website at www.k92mining.com and the SEDAR website at www.sedar.com.

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, is in a strong financial position. A maiden resource estimate on the Blue Lake porphyry project was completed in August 2022. 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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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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