



Suite 488 – 1090 West Georgia Street
Vancouver, British Columbia
Canada V6E 3V7

Telephone: (604) 687-7130
Facsimile: (604) 608-9110

NEWS RELEASE

October 23, 2017

Vancouver, British Columbia

K92 MINING INC.

K92 Announces Positive Final Results from Treating 2,050 Tonne Bulk Sample from the Kora Vein

- **96 tonnes of concentrate at an average grade of 138 g/t Au and 19% Cu containing 427 ozs of gold and 18.2 tonnes of copper produced from the bulk sample**
- **The average feed assay of the material treated was 7.11 g/t Au and 0.95 % Cu**
- **The gold recovery achieved was 91.1% and the copper recovery was 92.6%**

K92 Mining Inc. (“K92”) is pleased to announce it has completed treating an initial 2,050 tonne bulk sample from the interpreted Kora vein, and has final results from treating this material (initial results describing the treatment of the first 800 tonnes of the bulk sample are stated in K92 News Release dated October 11, 2017).

A total of 96 tonnes of concentrate at an average grade of 138 g/t Au and 19% Cu containing 427 ozs of gold and 18.2 tonnes of copper was produced from this 2,050 tonne bulk sample.

The bulk sample was mined from a four-metre-by-four-metre horizontal development designed to reflect the production stoping width envisaged in the preliminary economic assessment (“PEA”) referred to below. The average grade of the material treated was 7.11 g/t Au and 0.95 % Cu which is consistent with that predicted from grade control face sampling underground.

The Company believes that there is considerable potential to improve metallurgical performance beyond the impressive results achieved in treating this first bulk sample with the installation of a gravity gold circuit and the optimization of the flotation circuit following detailed review of the performance of the plant.

John Lewins, K92 Chief Executive Officer and Director, states, *“The results achieved in treating this initial 2,050 tonne bulk sample from Kora are significantly above our best expectations. To*

achieve this level of metallurgical performance from almost the very first tonne treated is outstanding and a testament to the quality and ability of our processing personnel. While the results are consistent with those achieved in earlier metallurgical test work reported in the PEA, it is exciting to consider that our processing personnel believe that the plant performance can be improved beyond that already achieved following detailed analysis of these results. Of equal or potentially greater importance is that the bulk sample was mined from a part of Kora which was only discovered by the Company in May of this year and is 500 metres down dip and a similar distance along strike from the known Kora deposit.”

The horizontal development has mined through where K92 Kora hole KMDD0009 intersected the vein (see K92 news release dated May 24, 2017, for details regarding discovery hole KMDD0009 including true thicknesses).

The KMDD0009 intersection is approximately 500 metres along strike and 150 metres down dip from the closest point of the currently defined Kora deposit inferred resource and is typical of the Kora/Eutompi mineralization.

The current Kora/Eutompi inferred resource, as defined by previous drilling to date, is 4.36 million tonnes at a grade of 7.3 g/t Au, 35 g/t Ag and 2.23 per cent Cu, or 11.2 g/t gold equivalent (see attached table) and is open for expansion at depth and in both directions along strike.

K92 has filed and made available for download on the company's SEDAR profile a technical report titled "Independent Technical Report, Mineral Resource Update and Preliminary Economic Assessment of Irumafimpa and Kora Gold Deposits, Kainantu Project, Papua New Guinea," with an effective date of March 2, 2017, that provides additional information on the geology of the deposits, drilling and sampling procedures, lab analysis, and quality assurance/quality control for the project, and additional details on the resource estimates.

The PEA estimates for Kora, based on the current resource estimates (4.36 million tonnes of 7.3 g/t Au, 35 g/t Ag and 2.23 per cent Cu):

- Over a nine-year operating life, the plant would treat 3.2 million tonnes averaging 7.1 g/t Au, 25 g/t Ag and 1.7 per cent Cu (9.3 g/t AuEq (1));
- This would generate an estimated positive cash flow of \$537-million (U.S.) using current metal prices if 15-metre levels are used in mining; if 25-metre levels are used, then net cash flows are estimated as \$558-million (U.S.); this cash flow includes conceptual allowances for capital;
- Production of an estimated average of 108,000 AuEq (1) ounces per annum over an eight-year period from year 2 through to year 9;
- An estimated pretax net present value (NPV) of \$415-million (U.S.) for 25-metre levels, or \$397-million (U.S.) for 15-metre levels, using current metal prices, exchange rates and a 5-per-cent discount;
- An estimated after-tax NPV of \$329-million (U.S.) for 25-metre levels, or \$316-million (U.S.) for 15-metre levels, using current metal prices, exchange rates and a 5-per-cent discount;
- Initial capital cost is estimated to be \$13.8-million (U.S.), including the \$3.3-million (U.S.) for the plant upgrade identified in the Mincore scoping study, but excluding the proposed

Kora exploration inclines and diamond drilling; sustaining capital cost is estimated to a further \$64-million (U.S.) spent over the life of the Kora mining for 25-metre levels, or \$83-million (U.S.) for 15-metre levels;

- Operating cost per tonne is estimated to be \$125 (U.S.) per tonne for 25-metre levels, or \$126 (U.S.) per tonne for 15-metre mining levels;
- Excluding initial capital expenditure of \$14-million (U.S.), cash cost is estimated to be \$547 (U.S.) per ounce AuEq (inclusive of a 2.5-per-cent net smelter return (NSR) royalty) and all-in sustaining cost (AISC) of \$619 (U.S.) per ounce AuEq for 25-metre mining levels, or \$549 (U.S.) per ounce (inclusive of a 2.5-per-cent NSR royalty) and AISC of \$644 (U.S.) per ounce AuEq for 15-metre mining levels.

Metal prices used were \$1,300 per ounce for gold, \$18 (U.S.) per ounce for silver and \$4,800 per tonne for copper.

(1) Gold equivalent calculated on above metal prices.

Kora remains open for expansion in every direction and strongly mineralized at the extent of all drilling.

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. The technical report contains a full description of all underlying assumptions relating to the PEA. Mineral resources that are not mineral reserves and do not have demonstrated economic viability.

Table 1.0 IRUMAFIMPA AND KORA/EUTOMPI RESOURCES

Resource by Deposit and Category										
Deposit	Resource Category	Tonnes	Gold		Silver		Copper		Gold Equivalent	
		Mt	g/t	MOz	g/t	MOz	%	Mlb	g/t	MOz
Irumafimpa	Indicated	0.56	12.8	0.23	9	0.16	0.28	37	13.4	0.24
	Inferred	0.53	10.9	0.19	9	0.16	0.27	74	11.5	0.20
Kora/Eutompi	Inferred	4.36	7.3	1.02	35	4.9	2.23	215	11.2	1.57
Total Indicated		0.56	12.8	0.23	9	0.16	0.3	4	13.4	0.24
Total Inferred		4.89	7.7	1.21	32	5.06	2.0	218	11.2	1.76

*M in Table is millions. Reported tonnage and grade figures are rounded from raw estimates to reflect the order of accuracy of the estimate. Minor variations may occur during the addition of rounded numbers. Gold equivalents are calculated as AuEq = Au g/t + Cu%*1.52 + Ag g/t*0.0141.*

K92 Vice President Chris Muller, PGeo, a qualified person under the meaning of Canadian National Instrument 43-101, has reviewed and is responsible for the technical content of this news release. Data verification by Mr. Muller includes significant time onsite reviewing drill core, surface exposures, underground workings and discussing work programs and results with exploration personnel.

On Behalf of the Company,
John Lewins, Chief Executive Officer and Director

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. All statements that address future plans, activities, events or developments that the Company believes, expects or anticipates will or may occur are forward-looking information, including statements regarding the realization of the preliminary economic analysis for the Project, expectations of future cash flows, the proposed plant expansion, potential expansion of resources and the generation of further drilling results which may or may not occur. Forward-looking statements and information contained herein are based on certain factors and assumptions regarding, among other things, the market price of the Company’s securities, metal prices, exchange rates, taxation, the estimation, timing and amount of future exploration and development, capital and operating costs, the availability of financing, the receipt of regulatory approvals, environmental risks, title disputes, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, claims and limitations on insurance coverage and other risks of the mining industry, changes in national and local government regulation of mining operations, and regulations and other matters.. 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.