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## **NEWS RELEASE**

**August 16, 2018**

**K92 MINING INC.**

### **K92 Mining Releases Second Quarter Financial Results and Confirms 2018 Production Guidance**

- **Production of 10,485 gold ozs or 10,800 gold equivalent (AuEq) oz's for the Quarter at a cost of \$576/gold oz or \$590/ gold equivalent oz and an all-in sustaining cost of \$784/gold oz or \$792/gold equivalent oz<sup>1</sup>**
- **Revenue less Cost of Sales for the three months ended June 30, 2018, was US\$6,453,063**
- **Reaffirms production guidance issuance for 2018 expected to be between 42,000 and 46,000 gold equivalent ozs**
- **Cash cost guidance for 2018 expected to be US\$530 to US\$560 per gold equivalent oz, with all-in sustaining costs expected to be US\$720 to US\$780 per gold equivalent oz<sup>1</sup>**

**Note<sup>1</sup> - a non-IFRS measure computed in the Company's MD&A in the non-IFRS performance measures section.**

Vancouver, British Columbia – August 16, 2018 - K92 Mining Inc. (TSX-V: KNT; OTCQX: KNTNF) (the “**Company**” or “**K92**”) is pleased to announce second quarter financial results and confirm 2018 production guidance.

For complete details of the unaudited condensed consolidated interim financial statements and associated management's discussion and analysis, please refer to the company's filings on SEDAR. All amounts are in U.S. dollars unless otherwise indicated.

#### **Other Highlights**

- An updated resource for Kora North, comprising a Measured Resource of 242,900 tonnes @ 13.9 g/t Au, 19 g/t Ag and 1.0% Cu; an Indicated Resource of 442,800 tonnes @ 11.8 g/t Au, 21 g/t Ag and 1.2% Cu and an Inferred Resources of 1,084,400 tonnes @ 13.6 g/t Au, 15 g/t Ag and 1.0% Cu announced.
- Exploration drilling commenced on Yanobo/Yompassa porphyry target.

- No lost time injuries recorded in the three months ended June 30, 2018.

John Lewins, K92 Chief Executive Officer and Director, states, “*The Second Quarter of 2018 saw a continuation of the build-up in production from the Kora deposit, with 10,800 ozs of gold equivalent ozs produced – an increase of over 10% on the First Quarter. The Quarter also saw the Company report a net income in excess of US\$4 million with a Cash Cost of US\$576/oz and AISC of US\$784/oz. The slight increase in the AISC reflecting the increased expenditure on development and equipment necessary to establish the access and infrastructure for the longer term sustainable mining of the Kora deposit.*”

*At the end of the quarter a fall of ground (“FOG”) near muck bay 4 in the incline necessitated the acceleration of the remediation and replacement of ground support in this area. This work had been scheduled to be undertaken over an extended period to spread the resultant disruption to operations over the balance of the year. However, as a result of the FOG, this work has been completed in a single period of approximately 3 weeks. This work has not changed the production guidance for 2018.”*

## MINE OPERATING ACTIVITIES

	Three months ended June 30, 2018	Six months ended June 30, 2018
Operating data:		
Head grade (Au g/t)	20.40	18.78
Gold Recovery (%)	93.5%	92.6%
Gold ounces produced	10,485	19,809
Gold ounces equivalent produced <sup>(1)</sup>	10,800	20,529
Pounds of copper produced	128,634	294,610
Silver ounces produced	1,671	4,423
Financial data (in thousands of dollars):		
Revenues -- gold sales	\$13,734	\$22,260
Mine operating expenses	(\$6,665)	(\$9,903)
Depreciation and depletion	(\$619)	(\$1,145)
Statistics (in dollars):		
Average realized selling price (per ounce)	\$1,301	\$1,311
Cash cost (per ounce) <sup>(1)</sup>	\$576	\$566
All-in sustaining cost (per ounce) <sup>(1)</sup>	\$784	\$768

## Review of financial results

### Net income

The Company's net income for the three-month period ended June 30, 2018, totalled \$4,071,596 or income per share of two cents compared with net loss of \$1,035,441 or a loss per share of one cent for the three-month period ended June 30, 2017.

## Notes

- (1) 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 of the Company's management's discussion and analysis dated August 15, 2018, available on SEDAR, for reconciliation of these measures.

K92 has not based its production decisions on mineral reserve estimates or feasibility studies, and historically such projects have increased uncertainty and risk of failure. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

### 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.

For further information regarding the Kainantu gold mine, please refer to the technical report dated March 2, 2017, and entitled "Independent Technical Report, Mineral Resource Update and Preliminary Economic Assessment of Irumafimpa and Kora Gold Deposits, Kainantu Project, Papua New Guinea," available on SEDAR.

On Behalf of the Company,

John Lewins, Chief Executive Officer and Director

For further information, please contact the Company at +1-604-687-7130.

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*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, future production, estimated cash costs, 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.*