



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

Telephone: +1 (604) 687-7130  
Facsimile: +1 (604) 608-9110

## **NEWS RELEASE**

**May 18, 2018**

### **K92 Mining Releases First Quarter Financial Results and Provides 2018 Production Guidance**

- **Production of 9,324 gold ozs or 9,729 gold equivalent (AuEq) ozs for the Quarter at a cost of \$532/gold oz or \$555/ gold equivalent oz and an all-in sustaining cost of \$726/gold oz or \$741/gold equivalent oz<sup>1</sup>**
- **Revenue less Cost of Sales for February and March, the first two months of commercial production, was US\$4,759,371**
- **Initial 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 - May 18, 2018 - K92 Mining Inc. (TSX-V: **KNT**; OTCQX: **KNTNF**) (the “**Company**” or “**K92**”) is pleased to announce first quarter financial results and provide 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 33,200 tonnes @ 10.3 g/t Au, 31 g/t Ag and 1.2% Cu; an Indicated Resource of 103,500 tonnes @ 12.7 g/t Au, 30 g/t Ag and 1.3% Cu and an Inferred Resources of 183,500 tonnes @ 14.4 g/t Au, 27 g/t Ag and 0.9% Cu announced.
- A contract for the installation of a gold gravity recovery circuit and a new flotation cleaner circuit awarded to Mincore Pty Ltd.

- Additional underground mobile fleet purchased, including Volvo A30F haul truck, Cat R1300G and 1700G LHD loaders, Sandvik DD420-60 twin boom jumbo and Qasar single boom jumbo.
- Underground exploration program commenced targeting an area immediately up dip, down dip and along strike from the initial Kora North resource.
- Exploration field work identifies a new highly prospective porphyry target, Blue Lake, containing gold/silver/copper mineralization and hydrothermal alteration typical of that encountered in high sulphidation epithermal systems.

John Lewins, K92 Chief Executive Officer and Director, states, *“The first Quarter of 2018 marks a major step for our Company with the declaration of commercial production on the Kora deposit on February 1, 2018, just four months after mining the first bulk sample. The Quarter also saw the Company report an initial net income in excess of US\$3 million including a gross margin in excess of US\$4.7 million from just the first two months following the declaration of commercial production. Production for the first three months of the year was just over 9,700 gold equivalent ozs, approximately 80% of design. Importantly, although not at design production levels, cash costs were extremely low at US\$532/gold oz, while all-in sustaining costs were just US\$726/gold oz.”*

#### MINE OPERATING ACTIVITIES

	Three months ended March 31, 2018
Operating data	
Head grade (Au g/t)	16.95
Gold Recovery (%)	91.7
Gold ounces produced	9,324
Gold ounces equivalent produced (1)	9,729
Pounds of copper produced	165,976
Silver ounces produced	2,752
Financial data (in thousands of dollars)	February 1, 2018 – March 31, 2018
Revenues -- gold sales	\$8,526
Mine operating expenses	(\$3,223)
Depreciation and depletion	(\$526)
Statistics (in dollars)	
Average realized selling price (per ounce)	\$1,327
Cash cost (per ounce) (1)	\$532
All-in sustaining cost (per ounce) (1)	\$726

#### Review of financial results

Net income

The Company's net income for the three-month period ended March 31, 2018, totalled \$3,317,070 or income per share of two cents compared with net loss of \$5,637,593 or a loss per share of five cents for the three-month period ended March 31, 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 May 17, 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.*