



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

Telephone: +1 (604) 687-7130
Facsimile: +1 (604) 608-9110
www.k92mining.com

NEWS RELEASE

November 12, 2019

Vancouver, British Columbia

K92 MINING INC. RELEASES 2019 Q3 FINANCIAL RESULTS

2019 Third Quarter Highlights

- For the three months (brackets nine months) ended September 30, 2019, K92 produced 18,636 (56,741) oz gold, 209,287 (735,131) lbs copper and 5,284 (17,742) oz silver for a total of 19,170 (58,610) gold equivalent (“AuEq”) oz.
- AuEq production for the three months ended September 30, 2019, exceeded budget by 14% and represents a significant increase of 93% from the same quarter last year.
- For the three months (brackets nine months), ended September 30, 2019, K92 reports cash cost of US\$602/oz¹ (US\$507/oz¹) and an All-in Sustaining Cost (“AISC”) per produced ounce of US\$709/oz¹ (US\$638/oz¹).
- Based on the Kainantu Gold Mine’s strong year-to-date performance, 2019 annual guidance was upgraded on August 15, 2019 to 72,000-80,000 AuEq oz (was 68,000-75,000 AuEq oz), cash costs of US\$560-600/oz Au (was \$580-\$620/oz Au) and AISC of US\$720-760/oz Au (was US\$780-820/oz Au) on a sales basis.
- Revenue less Cost of Sales for the three months (brackets nine months) ended September 30, 2019 was US\$8,750,138 (US\$34,206,897).
- Adjusted Net Income for the three months (brackets nine months) ended September 30, 2019 was US\$3,522,012¹ (US\$18,833,345¹) or US\$0.02¹ (US\$0.09¹) per share. The financial results at September 30, 2019 do not include revenue from 4,277 oz of gold held in inventory, which was only sold in October due to a concentrate loading equipment breakdown.

K92 Mining Inc. (“K92” or the “Company”) (TSXV: KNT; OTCQB: KNTNF) is pleased to announce results from its financial statements for the three and nine months ended September 30, 2019.

This third quarter of 2019 saw 32,094 tonnes processed, production of 19,170 oz AuEq from the Kora North deposit, with Cash Costs of US\$602/gold oz, and AISC per ounce produced of US\$709/gold oz. Revenue for the third quarter was US\$20,989,036 with a gross margin of US\$8,750,138 which excluded 4,277 ounces of gold that was held in inventory as at September

30, 2019 due to a breakdown of a crane that prevented the ounces to be transported for sale until October 2019.

For complete details, please refer to the consolidated interim financial statements and associated management's discussion and analysis, under the Company's profile on SEDAR (www.sedar.com). All amounts are in U.S. dollars unless otherwise indicated.

John Lewins, K92 Chief Executive Officer and Director, stated, *“The Third Quarter saw a substantial strengthening of the financial and commercial position of the Company and the achievement of a number of major milestones.*

During the quarter, the Company paid out all the outstanding gold ounces owed to Cartesian Royalty Holdings II (“CRH”) and having previously paid US\$3 million to extinguish the royalty held by CRH on Kora and Irumafimpa, now has no outstanding liabilities or obligations to CRH. In addition, the Company paid the sum of US\$12.5 million to Barrick Gold Corporation (“Barrick”) to eliminate the contingent payment of up to US\$60 million payable under the original share sale agreement dated June 11, 2014, again leaving no outstanding liability or obligation to Barrick. As a result, as at September 30, 2019, the Company held just under US\$18 million in cash, with the only material debt being a US\$15 million secured facility with Trafigura Pte Ltd.

The Company celebrated 1,216 days with no Lost Time Injury (“LTI”) at the end of the quarter, a very special and industry-leading achievement. At the same time, the progress on the Kainantu Mine Expansion Project has been very pleasing with a number of significant capital projects completed, including the incline bypass and debottlenecking, the first phase of the camp expansion and the installation of the gravity circuit in the plant which is currently being commissioned.

With production of just under 20,000 oz AuEq for the Third Quarter and just under 60,000 oz AuEq for the year-to-date and despite significant disruption associated with the expansion project, we have confirmed our conviction that we will achieve the top half of our updated AuEq production guidance, while delivering all-in sustaining costs at the bottom of or below our guidance.”

MINE OPERATING ACTIVITIES

	Three months ended September 30, 2019	Nine months ended September 30, 2019
Operating data		
Head grade (Au g/t)	19.20	19.44
Gold Recovery (%)	94.1%	93.7%
Gold ounces produced	18,636	56,741
Gold ounces equivalent produced ⁽¹⁾	19,170	58,610
Pounds of copper produced	209,287	735,131
Silver ounces produced	5,284	17,742

Financial data (in thousands of dollars)

Gold ounces sold	15,652	52,893
Gold ounces produced	18,636	56,741
Revenues from gold sales	US\$20,989	US\$68,277
Mine operating expenses	US\$9,670	US\$28,184
Depreciation and depletion	US\$2,569	US\$5,886

Statistics (in dollars)

Average realized selling price per ounce, net	US\$1,341	US\$1,291
Cash cost per ounce ⁽¹⁾ sold	US\$602	US\$507
All-in sustaining cost per ounce ⁽¹⁾ sold	US\$740	US\$650
All-in sustaining cost per ounce ⁽¹⁾ produced	US\$709	US\$638

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 November 12, 2019, 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.

Review of financial results**Net income**

The Company's net loss for the three months ended September 30, 2019, totalled US\$389,139, or loss per share of US\$0.002 compared with US\$1,831,372 or US\$0.01 per share for the three months ended September 30, 2018.

The loss was attributable to the full repayment of gold deliverable to CRH Funding II Pte Ltd during the quarter. K92 recorded its final amortization of deferred loss (see Note 10 to the financial statements) of \$3,279,469 and its final fair value loss on the gold purchase agreement of \$802,386.

In addition, 4,277 ounces of gold was held in inventory as at September 30, 2019 due to a breakdown of a crane that prevented the ounces being transported for sale until October 2019.

Operating Cash Flow

The Company's operating cash flow for the nine months ended September 30, 2019 totalled US\$12,910,698 or US\$0.06 per share compared with US\$11,871,213 or US\$0.07 per share for the nine months ended September 30, 2018. Operating cash flow before working capital adjustments for the nine months ended September 30, 2019 totalled US\$31,652,183 or US\$0.15 per share

compared with US\$11,352,456 or US\$0.07 per share for the nine months ended September 30, 2018.

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 January 8, 2019, and entitled, "Independent Technical Report, Mineral Resource Estimate Update and Preliminary Economic Assessment of Kora North and Kora Gold Deposits, Kainantu Project, Papua New Guinea," available on SEDAR.

About K92

K92 Mining Inc. is engaged in the production of gold, copper and silver from the Kora and Kora North deposits of 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 has commenced an expansion of the mine. An updated Preliminary Economic Assessment on the property was published in January 2019. 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

For further information, please contact Investor Relations at +1-604-687-7130.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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 Kainantu Gold Mine, expectations of*

future cash flows, the planned plant expansion, production results, cost of sales, sales of production, 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 in PNG, 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.