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NEWS RELEASE

K92 MINING RELEASES STRONG Q3 FINANCIAL RESULTS AND ACHIEVES STAGE 2 EXPANSION RUN-RATE THROUGHPUT IN SEPTEMBER

Vancouver, British Columbia, November 15, 2021 - K92 Mining Inc. (“K92” or the “Company”) (TSX: KNT; OTCQX: KNTNF) is pleased to announce financial results for the three and nine months ended September 30, 2021.

Third Quarter 2021 Highlights

Safety

- Strong focus on safety with zero lost time incidents (“LTI”) in the third quarter. Since the start of operations, Kainantu has had one of the best safety records in the Australasia region.
- Proactive and focused management of COVID-19. K92 has continuously operated throughout the COVID-19 pandemic, has strong preventative and response plans, with pandemic resiliency strengthening through ongoing vaccination programs.

Production

- Record quarterly tonnage of 87,621 tonnes treated, a 35% increase from Q3 2020.
- Stage 2 Expansion run-rate processing throughput achieved in September, averaging 1,100 tonnes per day (“tpd”), while consistently delivering a product size that is notably finer than required. On September 22, 2021, a single-day record of 1,408 tonnes processed was set, and subsequent to quarter end, a new record of 1,538 tonnes processed was set on October 24, 2021.
- Quarterly gold equivalent (“AuEq”) production of 24,122 oz, or 21,908 oz gold, 802,545 lbs copper and 19,736 oz silver.
- Cash costs of \$596/oz gold and all-in sustaining costs (“AISC”) of \$752/oz gold ⁽²⁾.
- In the second half of Q3, flat backing commenced at the J1 Vein, providing a considerable boost to underground productivities. In September, production of 11,095 oz Au, 284,002 lbs Cu, 7,871oz Ag, or 11,891 oz AuEq was achieved. Subsequent to quarter end, long-hole drilling commenced at the Judd Vein System with the first production stope on target for Q4, representing an entirely new mining front.

Financials

- Balance sheet remained strong during Q3, with a net-cash position of \$55 million as at September 30, 2021. During the first nine months of 2021, a total of \$29.2 million was spent on growth and sustaining capital, including towards Stage 2A and Stage 3 Expansions.

- Sold 24,057 oz AuEq, or 21,675 oz gold, 868,175 lbs copper and 20,444 oz silver in the quarter. Gold concentrate inventories of 4,469 oz as of quarter end, a quarterly decrease of 986 oz.
- Quarterly revenue of \$35.4 million and net income of \$4.9 million or \$0.02 per share.
- Operating cash flow (before working capital adjustments) for the quarter of \$12.6 million or \$0.06 per share and earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) of \$12.7 million or \$0.06 per share.

Growth

- Following the strong performance of the expanded Stage 2 process plant, K92 announced the approval for a Stage 2A Expansion to increase annual throughput +25% to 500,000 tonnes per annum (“**tpa**”) or 1,370 tpd, with commissioning in Q3 2022. The expansion involves low plant capital cost upgrades with an estimate capital cost of \$2.5 million.
- Reported the first high-grade underground development results on the underexplored Judd Vein #1 (“**J1**”) 1265 Level with 83 metres of strike recording an average J1 vein thickness of 3.5 metres at 16.48 g/t AuEq (see August 23, 2021 press release). Subsequent to quarter end, the J1 Vein on the Judd 1265 Level was extended a further 221 metres of strike at 21.69 g/t AuEq at 3.9 metre J1 Vein Width (see October 27, 2021 press release).
- Results of 17 diamond drill holes reported for the Judd deposit, with 35% of holes exceeding 10 g/t AuEq and 29% of holes exceeding 20 g/t AuEq, including JDD0022 recording multiple intersections including 8.51 m at 48.56 g/t Au, 47 g/t Ag and 0.54% Cu (49.93 g/t AuEq, 6.25 m true width) on the J1 Vein and JDD0019 recording multiple intersections including 3.70 m at 52.27 g/t Au, 39 g/t Ag and 0.60% Cu (53.63 g/t AuEq, 3.32 m true width) from the J1 Vein (see August 30, 2021 press release).
- Results of 32 diamond drill holes from underground and surface reported for the Kora deposit, with 24 intersections exceeding 10 g/t AuEq, including underground drill hole KMDD0383 recording multiple intersections including 6.45 m at 105.96 g/t Au, 11 g/t Ag and 0.60% Cu (106.95 g/t AuEq, 4.06 m true width) from the K1 Vein and surface drill hole KMDD0015 recording multiple intersections including 6.35 m at 60.25 g/t Au, 321 g/t Ag and 7.96% Cu (75.72 g/t AuEq, 5.59 m true width) from the K1 Vein (see September 7, 2021 press release).
- Phase 2 drilling at Blue Lake commenced deeper targeted drilling during the quarter including KTDD0020 drilled to a record depth of 1400.6 metres. Drill holes pending include targeting the potassic zone and south-western extensions.
- Quarterly development advance of the twin incline +16% above budget, with incline #2 (6m x 6m) advanced a total of 638 metres and #3 (5m x 5m) advanced a total of 680 metres as of September 30, 2021.

Operational Guidance

- Challenges related to COVID-19 were significantly greater than expected, with COVID-19 mitigation measures directly increasing cash costs of \$60 to 80 per ounce and \$70 to \$90 per ounce gold attributable. COVID-19 also had a notable impact on production, particularly due to staff shortages from increased quarantine requirements and absenteeism. As a result, 2021 guidance is now production of 96,000 and 102,000 oz AuEq (originally 115,000 to 135,000 oz), cash costs between \$670 and \$720 per ounce gold (originally \$515 to \$565 per ounce gold), All-in Sustaining Costs between \$920 and \$970 per ounce gold (originally \$825 to \$875 per ounce gold), growth capital of \$20-25 million (originally \$25-30 million) and exploration expenditures of \$10-13 million (originally \$14-17 million).

- For 2022, we see multiple positive outcomes from recent developments, including: i) easing of expatriate travel as COVID-19 restrictions are progressively relaxed; ii) COVID-19 vaccination roll-out ramping up on site (+55% of workforce has received at least their first dose); iii) entirely new mining front commencing production at Judd Vein System (Q4 2021); iv) Stage 2 Expansion plant throughput achieved, with Stage 2A Expansion approved to increase throughput +25% (commissioning targeting Q3 2022), and; v) significant focus on resource growth initiatives (Kora South, Kora Deeps, Judd) with Kora infill program for the definitive feasibility study resource estimate completed in Q4 2021.

The Company's interim consolidated financial statements and associated management's discussion and analysis for the quarter ended September 30, 2021 are available for download on the Company's website and 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, *"Despite 2021 being one of the most challenging years our Company has faced due to the impact of the COVID-19 pandemic, it has also featured numerous major accomplishments, setting the operation up for a very promising near and long-term."*

On production, the processing plant achieved Stage 2 Expansion run-rate throughput in September averaging 1,100 tpd. Importantly, the plant delivered a notably finer than required grind size and also set multiple daily records well in excess of the 1,100 tpd design. This has continued in October, with a new daily record of 1,538 tonnes processed on October 24, 2021. The strong performance of the process plant, resulted in the approval of a Stage 2A Expansion, which is expected to increase throughput a further +25% to 500,000 tpa. Commissioning is expected in Q3 2022, with a low estimated plant expansion capital cost of US\$2.5 million. The expansion is expected to provide a considerable boost to our ability to self-fund the Stage 3 Expansion.

Operations are also expected to get a considerable boost via the commencement of a new mining front at the Judd Vein System. Long-hole drilling is underway and production stoping is planned to commence this quarter. The proximal location of Judd to much of Kora's mine-infrastructure, makes for low cost and highly efficient mining and exploration of the system.

On exploration, we are now at a major inflection point, where the vast majority of activities will be focused on resource growth, as infill drilling is complete at Kora for its resource update later this year. The resource update due in Q4 will underpin the Stage 3 Expansion Definitive Feasibility Study in the first half of 2022. A majority of underground drill rigs have now commenced drilling at Judd, and we plan to increase this further. On surface, drilling for the first time is underway at Kora South, significantly increasing our ability to step-out along strike. And, drilling at Blue Lake is also progressing and with the backlog of holes to assay and core-log at Kora and Judd almost complete, we expect to provide an update in the near future.

On COVID-19, our pandemic resiliency continues to improve. The vaccination roll-out has made considerable progress with over 55% of our workforce having received at least their first dose. As our vaccination uptake increases, we expect to progressively ease other COVID-19 mitigation measures. International travel restrictions have also begun to considerably ease, particularly within parts of Australia, enabling more efficient personnel movement. Importantly, this has enabled access to specialized project contractors, in most cases for the first time since the pandemic began, to provide

additional operational support and also commence several highly accretive projects near-term, including the commissioning of the gravity circuit for the Stage 2 Expansion.

Lastly, once again, I would like to thank the workforce at the Kainantu Gold Mine. Their dedication and resourcefulness have been extraordinary. The support of the Government of Papua New Guinea and also the Government of Australia continues to be a major factor in our success as well.”

Mine Operating Activities

	Three months ended September 30, 2021	Three months ended September 30, 2020
<u>Operating data</u>		
Head grade (Au g/t)	9.0	11.3
Gold recovery (%)	86.1%	90.7%
Gold ounces produced	21,908	21,298
Gold ounces equivalent produced ⁽¹⁾	24,122	22,261
Tonnes of copper produced	364	221
Silver ounces produced	19,736	7,127
<u>Financial data (in thousands of dollars)</u>		
Gold ounces sold	21,675	19,265
Revenues from concentrate sales	\$35,370	\$35,605
Mine operating expenses	\$6,076	\$8,068
Other mine expenses	\$10,704	\$5,113
Depreciation and depletion	\$3,352	\$2,702
<u>Statistics (in dollars)</u>		
Average realized selling price per ounce, net	\$1,707	\$1,815
Cash cost per ounce	\$596	\$700
All-in sustaining cost per ounce	\$752	\$839

Notes:

- (1) Gold equivalent for 2021 is based on the following prices: gold \$1,800 per ounce; silver \$25 per ounce; and copper \$4.35 per pound. Gold equivalent for 2020 is based on the following prices: gold \$1,500 per ounce; silver \$17.75 per ounce; and copper \$2.70 per pound.
- (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 financial performance measures in the Company's management's discussion and analysis dated November 10, 2021, available on SEDAR or the Company's website, 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.

Conference Call and Webcast to Present Results

K92 will host a conference call and webcast to present the 2021 third quarter financial results at 8:30 am (EST) on Monday, November 15, 2021.

- Listeners may access the conference call by dialing toll-free to 1-800-319-4610 within North America or +1-604-638-5340 from international locations.

The conference call will also be broadcast live (webcast) and may be accessed via the following link: <http://services.choruscall.ca/links/k92mining20211115.html>

Qualified Person

K92 Mine Geology Manager and Mine Exploration Manager, Mr. 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.

About K92

K92 Mining Inc. is engaged in the production of gold, copper and silver from the Kora deposit 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 and is in a strong financial position.

The Company commenced an expansion of the mine based on an updated Preliminary Economic Assessment on the property which was published in January 2019 and updated in July 2020. 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 David Medilek, P.Eng., CFA at +1-604-687-7130.

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 Project, 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, assumptions contained in the PEA, 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, mitigation of the Covid-19 pandemic, continuation of the lifted state of emergency, 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.