

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

K92 Mining Inc. (“**K92**” or the “**Company**”)
Suite 488 – 1090 West Georgia Street
Vancouver, B.C.
Canada V6E 3V7

Item 2 **Date of Material Change**

September 26, 2023

Item 3 **News Release**

The news release, dated June 21, 2023, was issued in Vancouver, British Columbia and disseminated through GlobeNewswire and filed on SEDAR with applicable securities commissions.

Item 4 **Summary of Material Change**

The Company announced that it has entered into a loan agreement with Trafigura Pte Ltd, a market leader in the global commodities industry, pursuant to which Trafigura will provide a US\$100 million senior secured loan (the “**Loan**”) to K92.

In addition, the Papua New Guinea subsidiary of the Company, K92 Mining Limited, and Trafigura have amended and restated the offtake agreement dated July 1, 2019 for the purchase by Trafigura of 100% of K92’s copper/gold concentrates produced at the Kainantu Gold Mine in Papua New Guinea (the “**Amended Offtake Agreement**”). The Loan and the Amended Offtake Agreement will only come into effect upon satisfaction of express conditions precedent, including but not limited to (i) the execution and registration of the Security and (ii) regulatory approvals. These conditions precedent have not yet been satisfied. K92 expects first drawdown to occur in early- to mid-Q4 2023.

The Loan is at the corporate level and may be used for general corporate purposes, working capital purposes, and capital expenditures. No hedging is required for the Loan.

Item 5 **Full Description of Material Change**

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Key Terms

US\$100 Million Senior Secured Loan

- 4-year term from the date which the first advance of funds is made.
- Competitive interest rates.
- One-year interest only repayment grace period.
- No hedging conditions.
- The Loan will be secured by, among other things, a charge over the assets of K92 Mining Limited and a pledge of the shares of both K92 Mining Limited and K92 Holdings International Limited (the “**Security**”).
- Drawdown of conditions precedent, including but not limited to (i) the execution and registration of the Security and (ii) regulatory approvals, which have not as yet been satisfied. the first US\$25 million under the Loan (the “**Initial Advance**”) is subject to
- Drawdown of the balance of the Loan is subject to subsequent conditions in relation to the registration of certain items which form part of the Security (the “**Conditions Subsequent**”).
- Prior to satisfaction of the Conditions Subsequent, should an event of default occur under the Loan, Trafigura has, among other rights, the right to accelerate repayment of the Loan, and convert all or any portion of the Initial Advance into common shares of K92 (the “**Conversion Right**”).
- Once the Conditions Subsequent are satisfied, the Conversion Right will expire and be of no further force or effect.

Amended Offtake Agreement

- The term of the Offtake Agreement will extend and continue for an additional seven (7) consecutive calendar years, beginning January 1, 2026, or until a minimum quantity of 600,000 dry metric tons of concentrate has been delivered to Trafigura.
- Competitive industry terms in relation to all metrics at London Metals Exchange spot prices.
- Attractive payment arrangements which provide for upfront payment on delivery of concentrates to port of dispatch and provision of certain shipping documents.
- Amended and improved metals payabilities for deliveries of concentrates, which include amending penalties, treatment and refining charges, and transport charges, all of which are better than the assumptions outlined in the Kainantu Integrated Development Plan (“IDP”) Definitive Feasibility and Preliminary Economic Assessment cases (see September 12, 2022 press release – K92 Mining Inc. Announces Robust Kainantu Gold Mine Integrated Development Plan).

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 **Omitted Information**

Not applicable.

Item 8 **Executive Officer**

John D. Lewins, President

Tel: +1-604-416-4445

Item 9 **Date of Report**

This report is dated the 3rd day of October, 2023.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This material change report includes certain “forward-looking information” within the meaning of applicable Canadian securities legislation (“forward-looking statements”), including, but not limited to, the impact of global supply chain and financial market disruptions; projections of future financial and operational performance; statements with respect to future events or future performance; production estimates; anticipated operating and production costs and revenue; estimates of capital expenditures; future demand for and prices of commodities and currencies; estimated mine life of our mine; estimated closure and reclamation costs and statements regarding anticipated exploration, development, construction, production, permitting and other activities on the Company’s properties, including: expected gold, silver and copper production and the Stage 3 Expansion and Stage 4 Expansion. Estimates of mineral reserves and mineral resources are also forward-looking statements because they constitute projections, based on certain estimates and assumptions, regarding the amount of minerals that may be encountered in the future and/or the anticipated economics of production. All statements in this material change report that address events or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation, Public Health Crises, including pandemics; changes in the price of gold, silver, copper and other metals in the world markets; fluctuations in the price and availability of infrastructure and energy and other commodities; fluctuations in foreign currency exchange rates; volatility in price of our common shares; inherent risks associated with the mining industry, including problems related to weather and climate in remote areas in which certain of the Company’s operations are located; failure to achieve production, cost and other estimates; risks and uncertainties associated with exploration and development; uncertainties relating to estimates of mineral resources including uncertainty that mineral resources may never be converted into mineral reserves; the Company’s ability to carry on current and future operations, including development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company’s ability to meet or

achieve estimates, projections and forecasts; the availability and cost of inputs; the availability and costs of achieving the Stage 3 Expansion or the Stage 4 Expansion; the ability of the Company to achieve the inputs the price and market for outputs, including gold, silver and copper; inability of the Company to identify appropriate acquisition targets or complete desirable acquisitions; failures of information systems or information security threats; political, economic and other risks associated with the Company's foreign operations; geopolitical events and other uncertainties, such as the conflict in Ukraine; compliance with various laws and regulatory requirements to which the Company is subject to, including taxation; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions, including relationship with the communities in Papua New Guinea and other jurisdictions it operates; other assumptions and factors generally associated with the mining industry; and the risks, uncertainties and other factors referred to in the Company's Annual Information Form under the heading "Risk Factors" and filed on SEDAR or the Company's website.

Estimates of mineral resources are also forward-looking statements because they constitute projections, based on certain estimates and assumptions, regarding the amount of minerals that may be encountered in the future and/or the anticipated economics of production. The estimation of mineral resources and mineral reserves is inherently uncertain and involves subjective judgments about many relevant factors. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation. Forward-looking statements are not a guarantee of future performance, and actual results and future events could materially differ from those anticipated in such statements. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause actual results to differ materially from those that are anticipated, estimated, or intended. 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.