

- Drilling and blasting has commenced and the drive to Kora will represent a continuation, from the switchback point, of the current Irumafimpa incline drive that is accessed from the 840 Portal
- Kora is a large and high grade deposit, open for expansion in every direction and strongly mineralized at the extent of all drilling, with a current resource estimate of 4.36 million tonnes of 7.3 g/t Au, 35 g/t Ag and 2.23% Cu
- Underground drive will allow access to Kora for future production as part of the Company's growth strategy
- Expansion and exploration drill testing along the drive from underground set ups is expected to commence within 60 days
- K92 is targeting the commencement of production in First Half Q1 2018 from the Kora Deposit

[K92 Mining Inc.](#) (TSX VENTURE:KNT)(OTCQB:KNTNF) ("K92" or the "Company") is pleased to announce that it has commenced the underground incline drive from the Irumafimpa Mine towards the Kora Deposit.

This 5m x 5m drive is designed to provide access to the Kora deposit, where K92 is targeting the commencement of production in First Half 2018, while also providing the Company with the ability to drill test thereafter between Irumafimpa and Kora from underground set ups. This area has not been previously tested due to topographical challenges associated with drilling from the surface and is considered highly perspective given the current interpretation of Irumafimpa and Kora being on the same vein structure.

K92 Chief Executive Officer, Ian Stalker, states, *"Kora is already a large and high grade deposit and the upcoming drill program is designed to test our belief that this high grade deposit has significant expansion potential. While accessing Kora as part of our production strategy is important, equally exciting is the ability to use underground set ups to drill test the area between Irumafimpa and Kora, and Kora at depth. Also, while the gold and silver grades at Kora are exceptional, it is also important to point out that this is a high grade copper deposit which bodes well should the macro environment for copper continue to strengthen."*

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It is estimated that the Kora deposit is approximately 700 metres from the switchback point. The Company estimates that it will take about nine months from the start date to complete the drive and the drive is planned to extend to the Mining Lease 150 boundary, which is the current known limit of Kora mineralization. Drill testing from underground set ups, designed to take place at 100 metre intervals along the way, is expected to commence within the next 60 days.

In addition to drilling between the Irumafimpa and Kora deposits, K92 will also be drilling down dip from the known resource to infill between the known resource and the single deepest known hole drilled on the deposit BKDD0023. This hole recorded an intersection of 30.6 metres @ 2.0 g/t Au, 4.8 g/t Ag and 1.3% CU, including 6.4 metres @ 5.52 g.g/t Au and 8M @ 3.7% Cu from 920.8 metres, approximately 500 metres below the current resource.

Consideration will be given to extending the drive beyond the Mining Lease 150 into the adjacent Exploration Lease (EL 693) which is also held by K92, to allow exploration drilling to be undertaken to potentially extend the known limit of mineralization to the North.

K92 has filed and made available for download on the Company's SEDAR profile, a technical report titled "Independent Technical Report, Mineral Resource Update and Preliminary Economic Assessment ("PEA") of Irumafimpa and Kora Gold Deposits, Kainantu Project, Papua New Guinea" with an effective date of March 2, 2017 (the "Technical Report").

The PEA estimates for Kora, based on the current resource estimates (4.36 million tonnes of 7.3 g/t Au, 35 g/t Ag and 2.23% Cu);

- Over a 9 year operating life the plant would treat 3.2 million tonnes averaging 7.1 g/t Au, 25 g/t Ag and 1.7% Cu (9.3 g/t Au Eq*)
- this would generate an estimated positive cash flow of US \$537 million using current metal prices if 15m levels are used in mining. If 25m levels are used then net cashflows are estimated as US \$558 million. This cashflow includes conceptual allowances for capital
- production of an estimated average of 108,000 Au Eq* ozs per annum over an 8 year period from Year 2 through to Year 9
- An estimated pre-tax NPV of US \$415 million for 25m levels; or US \$397 million for 15m levels; using current metal prices, exchange rates and a 5% discount
- an estimated after-tax NPV of US \$329 million for 25m levels; or US \$316 million for 15m levels; using current metal prices, exchange rates and a 5% discount

- initial capital cost is estimated to be US \$13.8 million, including the US \$3.3 million for the plant upgrade identified in the Mincore Scoping Study but excluding the proposed Kora exploration inclines and diamond drilling. Sustaining Capital Cost is estimated to a further US \$64 million spent over the life of the Kora mining for 25m levels or US \$83 million for 15m levels
- operating cost per tonne is estimated to be US \$125/tonne for 25m levels or US \$126 / tonne for 15m mining levels
- excluding initial capital expenditure of US \$14 million, cash cost is estimated to be US \$547 / oz Au Eq (inclusive of a 2.5% NSR) and AISC of US \$619/oz Au Eq for 25m mining levels; or US \$549/oz (inclusive of a 2.5% NSR) and AISC of US \$644/oz Au Eq for 15m mining levels

Metal prices used were Au - \$1300; Ag - US \$18/oz; Cu - US \$4800/tonne

*Au Eq calculated on above metal prices

Kora remains open for expansion in every direction and strongly mineralized at the extent of all drilling.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. The Technical Report contains a full description of all underlying assumptions relating to the PEA. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

On behalf of the Company,

Ian Stalker, Chief Executive Officer and Director

The TSXV has neither approved nor disapproved the contents of this press release.

K92 Advisor, Brian Lueck, P.Geo, a qualified person under the meaning of Canadian National Instrument 43-101, has reviewed and is responsible for the technical content of this news 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 Project, expectations of future cash flows, 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.

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