

K92 Mining Announces Strong Q1 Production Results at Kainantu Gold Mine – Record Throughput of 1219 tpd in March

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- Strong quarterly production in the first quarter of 28,188 oz of gold equivalent ("AuEq")⁽¹⁾ or 24,152 oz gold, 1,524,827 lbs copper and 28,142 oz silver, an increase of 49% from Q1 2021.
- Q1 sales of 29,798 oz AuEq⁽¹⁾ or 26,471 oz gold, 1,247,967 lbs copper and 24,899 oz silver.
- Record monthly mill throughput achieved in March of 1,219 tonnes per day ("tpd"), 11% above the Stage 2 Expansion target of 1,100 tpd, and 45% of days (14 days) exceeding 1,300 tpd.
- Q1 plant throughput of 99,611 tonnes processed, a 36% increase from Q1 2021, at metallurgical recoveries of 90.9% for gold and 91.1% for copper.
- Significant advance of the twin incline in Q1, 15% above budget, with incline #2 (6m x 6m) advanced to 1,101 metres and #3 (5m x 5m) advanced to 1,063 metres as of March 31, 2022. In the past three quarters, development exceeded budget by 10%.

Note (1): Gold equivalent for Q1 2022 is based on the London Metal Exchange quarterly spot average price: gold \$1,879 per ounce; silver \$24 per ounce; and copper \$4.53 per pound.

VANCOUVER, British Columbia, April 11, 2022 -- [K92 Mining Inc.](#) ("K92" or the "Company") (TSX: KNT; OTCQX: KNTNF) announces production results for the first quarter ("Q1") of 2022 at its Kainantu Gold Mine in Papua New Guinea, of 28,188 oz AuEq or 24,152 oz gold, 1,524,827 lbs copper and 28,142 oz silver. Sales during the first quarter were 29,728 oz AuEq or 26,471 oz gold, 1,247,967 lbs copper and 24,899 oz silver.

During the first quarter, Kainantu delivered its second consecutive quarter at Stage 2 Expansion run-rate throughput, processing 99,611 tonnes. Mine performance was also strong, exceeding mill throughput, with 100,124 tonnes of total mill feed mined.

Importantly, in March, the mill delivered a monthly average throughput record of 1,219 tpd, significantly exceeding the Stage 2 Expansion target of 1,100 tpd. Mill throughput exceeded 1,300 tpd for 45% of the days (14 days) during the month of March, continuing to demonstrate much higher throughput rates than the Stage 2 Expansion design.

The strong performance bodes well for the Stage 2A Expansion to expand plant designed throughput another 25%, to 500,000 tpa or 1,370 tpd, at an estimated growth capital cost of US\$2.5 million. The expansion was approved in October 2021 (see *October 7, 2021 press release: K92 Mining Announces Stage 2A Expansion to Increase Throughput +25% to 500,000 Tonnes Per Annum at Kainantu Gold Mine*) and works are currently underway with the new filter press installed and operational; the additional TC-1000 secondary crusher arrived on site in late Q1 and is planned to be installed in Q2, while the new flotation tanks are scheduled to arrive in the second half of 2022 when commissioning of the expanded plant will commence.

Mine productivity was impacted by delays being experienced in the delivery of underground mobile equipment as a result of the ongoing challenges in the global supply chain. A new twin boom jumbo, 45 tonne truck and 17 tonne loader were all due for delivery at the beginning of Q1, however, the jumbo arrived in late Q1, while the truck and loader only arrived in country in early April. The equipment all arrived already commissioned and is expected to provide an immediate boost to mine productivity and development.

During the quarter, long hole stoping continued to perform to the design, with operations focused on Kora's

K1 and K2 veins, and Judd's J1 Vein for a total of 8 levels mined. Mining on Kora was conducted on the 1150, 1170, 1225, 1245, 1265 and 1285 levels, and Judd on the 1235 and 1285 levels. Development on Judd along the 1285 level will establish the next series of long-hole stoping panels that is planned to commence mining in Q2.

The operation delivered head grades of 8.3 g/t gold, 0.76% copper and 11.5 g/t silver (9.7 g/t AuEq) in Q1. Gold grades were below budget as development had not yet opened up higher grade stoping areas that were scheduled for March and will now be mined in Q2. Metallurgical recoveries averaged 90.9% for gold and 91.1% for copper during the quarter.

Twin incline development made significant progress, advancing 15% above budget during Q1. As of March 31, 2022, incline #2 (6m x 6m) advanced to 1,101 metres and #3 (5m x 5m) advanced to 1,063 metres. Over the last three quarters, twin incline development has advanced 10% above budget.

COVID-19 Operational Resiliency

The Kainantu Gold Mine operates under a comprehensive COVID-19 Management Plan and has continuously operated during the pandemic. A considerable focus is on health and safety and risk-mitigation. Under the COVID-19 Management Plan, K92 has: established a Government-recognized testing lab facility utilizing qualified medical personnel on site; established quarantine and isolation facilities for incoming staff; and implemented enhanced hygiene, disinfecting and training systems and procedures. Additional controls were implemented in 2021, requiring external COVID-19 testing prior to travel to quarantine at site in addition to on arrival at site before reporting to quarantine. A focus has been supporting Government efforts at a national, provincial and local level through the 1.5 million PGK (Papua New Guinea Kina) COVID-19 Assistance Fund and a further 1.0 million PGK of additional assistance funding to Eastern Highlands Province.

In addition to its various control measures, K92 continues to make considerable progress increasing resiliency through vaccinations of our expatriate and PNG national workforce, with vaccinations administering on site well underway. Over 75% of our workforce (employees and contractors) have received at least one vaccine dose. The Company is in close communications with the provincial and national health authorities of Papua New Guinea and the Government of Australia, in addition to the Papua New Guinea Chamber of Mines and Petroleum to deliver an effective pandemic response.

Table 1 - Q1 2022 & 2021 Annual Production Data

		Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	Q1 2022
Tonnes Processed	T	73,221	75,667	87,621	99,713	336,221	99,611
Feed Grade Au	g/t	8.5	10.3	9.0	11.2	9.8	8.3
Feed Grade Cu	%	0.31%	0.76%	0.48%	0.51%	0.51%	0.76%
Recovery (%) Au	%	88.9%	88.3%	86.1%	92.8%	89.4%	90.9%
Recovery (%) Cu	%	86.2%	87.2%	87.2%	92.9%	88.8%	91.1%
Metal in Conc Prod Au	Oz	17,774	22,153	21,908	33,220	95,055	24,152
Metal in Conc Prod Cu	T	193	498	364	475	1,531	692
Metal in Conc Prod Ag	Oz	7,925	14,914	19,736	28,218	70,792	28,142
Gold Equivalent Production	Oz	18,914	25,015	24,121	36,145	104,196	28,188

Note - Gold equivalent for Q1 2022 is based on the London Metal Exchange quarterly spot average price: gold \$1,879 per ounce; silver \$24 per ounce; and copper \$4.53 per pound. 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.

John Lewins, K92 Chief Executive Officer and Director, stated, "In the first quarter, we continued our positive operational momentum, delivering near-record mining and milling rates, the second consecutive quarter at Stage 2 Expansion run-rate and significant advancement of the twin incline, exceeding budget by 15%.

The strong performance of the process plant was a major positive development, with monthly record throughput of 1,219 tpd achieved in March, considerably greater than the 1,100 tpd Stage 2 Expansion

run-rate target. In March, 45% of days exceeded 1,300 tpd and it is also important to highlight that this strong performance was achieved before the installation of key Stage 2A Expansion upgrades, such as the additional TC-1000 secondary crusher and flotation cells. The Stage 2A Expansion is targeting 1,370 tpd, with commissioning planned for the second half of 2022. The arrival of a new jumbo in late-Q1 and truck and loader in early April, is expected to provide a further boost to mine productivity and development. As noted in our operational guidance, AuEq production during the second half of the year is expected to be the strongest, and we are very pleased by the strong performance of the plant to date.

Notably, while Q1 was once again impacted by COVID-19, due to a large number of cases in Papua New Guinea from the Omicron Variant resulting in some operational disruptions including elevated absenteeism, I am pleased to report that our mitigation measures, including our quarantine system, were effective in reducing the impact. As Papua New Guinea emerges from the Omicron wave, restrictions at Kainantu are now at the lowest level since before the start of the pandemic. This is expected to have a deflationary impact on costs as pandemic-related overheads such as quarantining are significantly reduced in addition to increased operational efficiencies in general.

Exploration is also a major and increasing focus, with the vast majority of our drill rigs focused on resource growth. Drilling is underway at Kora, Kora South, Judd, and Judd South. We recently completed our drill program at the Blue Lake porphyry and look forward to providing an update. We see the potential to increase our exploration budget during the year.

Lastly, the achievements over the last two years, would not have been possible if it were not for the extraordinary dedication, commitment, and resourcefulness of our workforce. The Governments of Papua New Guinea and Australia have also been a major factor in our success."

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.

On Behalf of the Company,

John Lewins, Chief Executive Officer and Director

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