

K92 Mining Announces Significant De-Risking Milestone -

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Awarding Lump Sum Fixed Price Contract for the Design and Construction of the 1.2 mtpa Stage 3 Process Plant

VANCOUVER, July 24, 2023 - [K92 Mining Inc.](#) ("K92" or the "Company") (TSX: KNT; OTCQX: KNTNF) is pleased to announce that the Board of Directors has authorized the Company's award of the engineering, procurement, construction and commissioning ("EPC") Lump Sum Contract for the 1.2 million-tonnes-per annum ("mtpa") Stage 3 Expansion Process Plant to GR Engineering Services Limited ("GRES") following a tender process.

The EPC Lump Sum Contract award amount is US\$81 million and is fixed price / lump sum, significantly de-risking potential cost increases to K92. In addition to the award of the contract, all process plant long-lead item contracts have already been awarded on a fixed price (excluding freight), to CITIC HIC Australia Pty Ltd for the SAG and ball mills, Jord International Pty Ltd for the filter press, and Metso Outotec Australia Limited for the tank flotation cells, flash flotation cells and high-rate thickeners.

Following the award of the EPC Lump Sum Contract and the placement of orders for the long lead items, the forecast cost of the 1.2 mtpa Stage 3 Process Plant is within 10% of the capital cost 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*), and importantly approximately 94% of the forecast capital cost has been fixed. This significantly mitigates K92's cost inflation risk for the largest growth capital cost item for the Stage 3 Expansion (the 1.2 mtpa Stage 3 Process Plant), representing over half of the forecast growth capital (inclusive of attributable EPCM costs) as outlined in the IDP. Approximately 6% of the remaining unfixed price capital cost is for projects led by K92, including bulk earthworks and long-lead item freight logistics. The mitigation of the Process Plant's inflation risk as noted above has notably strengthened the Company's self-funding position for the Stage 3 Expansion.

With the award of the long-lead items and the EPC contract, commissioning of the 1.2 mtpa Stage 3 Expansion Process Plant is targeting the end of Q1 2025. The mobilization of the construction contractor is forecasted for early 2024, with bulk process plant earthworks to be completed prior. The EPC contract with GRES is expected to be executed by the end of August. The multi-year growth capital estimate for the Stage 3 Expansion project is planned to be provided at the end of the 3rd Quarter.

John Lewins, K92 Chief Executive Officer and Director, stated, *"The award of the EPC contract for the 1.2 mtpa Stage 3 Expansion Process Plant is a major milestone and de-risking event for the Company. Combined with the long-lead items, the Company has awarded approximately 94% of the process plant capital cost, our largest growth capital item for the expansion, forecasted to represent over half of the growth capital, on a fixed price basis, significantly mitigating potential capital cost increases. Importantly, the forecasted cost of the process plant has tracked well with the Integrated Development Plan and the mitigation of the Process Plant's capital inflation risk strengthens our position to self-fund the Stage 3 Expansion."*

We are also very pleased to be working with GRES, a world-class engineering and contracting firm. GRES brings not only significant expertise in the design and construction of process plants but also extensive experience in Papua New Guinea."

Stage 3 Expansion Activities Update

In addition to the 1.2 mtpa Process Plant, multiple activities are progressing considerably for the Stage 3 Expansion including, but not limited to:

- Pastefill Plant Front End Engineering and Design ("FEED") proceeding this quarter, with final contract to be awarded in the Q4 2023;
- Tailings dam lift 1C well underway (60% complete) and targeting completion by end of 2023;
- Tender process underway for various underground and surface infrastructure packages including vertical development, power and transportation; and
- Ongoing expansion of accommodation facilities.

About GR Engineering Services Limited

GRES is a leading Australian engineering consulting and contracting company, that specializes in providing fixed price engineering design and construction services to the global resources and mineral processing industries. GRES has a proven track record of delivering integrated project solutions in over 20 countries across all major commodity types, including extensive experience in Papua New Guinea. As a group, GRES employs more than 500 professional, technical and support staff throughout Australia and internationally, in addition to a direct construction workforce and subcontracted personnel.

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.

About K92

[K92 Mining Inc.](#) is engaged in the production of gold, copper and silver 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, is in a strong financial position. A maiden resource estimate on the Blue Lake porphyry project was completed in August 2022. 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

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: *This news release 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 Annual Information Form 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 the COVID-19 Pandemic; 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".

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.

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