

K92 Mining Announces Q3 Production Results With Multiple Mill Throughput Records and First Ore Mined From the Twin Incline Area 2 Months Earlier Than Expected

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- Quarterly production of 26,225 ounces gold equivalent ("AuEq")⁽¹⁾ or 22,227 oz gold, 1,784,009 lbs copper and 40,233 oz silver, and quarterly sales of 18,339 oz gold, 1,255,291 lbs copper and 30,484 oz silver. Production for the quarter was impacted from the safety incident on June 28 (see *June 28, 2023 and July 6, 2023 press releases*), that resulted in the suspension of underground mining for 9 days which delayed high-grade stoping tonnes originally scheduled in September to Q4, and scheduled maintenance of the process plant for 4.5 days in mid-July. Q4 production is expected to be the strongest for the year driven by a higher grade mining sequence.
- First ore tonnes mined from the twin incline area, 2 months earlier than expected, in the second half of September, when thick Judd mineralization was encountered while developing the first waste pass access drive, in an area sparsely drilled and previously interpreted to be waste (see Fig 6-7). Two ore drives on the 840 Level have advanced ~7 metres to the south and north, with multiple high grade faces from channel samples recorded including: Southern Drive - 4.6 m at 14.89 g/t AuEq and 6.8 m at 11.77 g/t AuEq, and; Northern Drive - 4.3 m at 7.19 g/t AuEq⁽²⁾. Targeted diamond drilling of this area will commence shortly, and mining Kora via the twin incline is planned to commence in December. We anticipate a strong boost to mine flexibility and productivity as this second mining front is developed.
- Multiple processing throughput records set in Q3, including a new monthly record in September averaging 1,542 tonnes per day ("tpd") and a new daily record on September 28 of 1,867 tpd⁽³⁾, representing rates that are 13% and 36% above the Stage 2A Expansion annual average run-rate of 1,370 tpd, respectively. Subsequent to quarter end, several new daily records of 1,902, 1,921 and 2,027 tonnes processed⁽³⁾ were achieved on October 6, 8 and 10, respectively (see Fig 2). Quarterly ore processed was 121,201 tonnes or an average of 1,317 tpd.
- During the quarter, long hole open stoping performed to design. The average mill head grade in Q3 was 7.32 g/t AuEq or 6.20 g/t gold, 0.72% copper and 12.84 g/t silver, with processing of significantly more than budgeted lower grade stockpiles, particularly following the safety incident on June 28 reducing head grade. Recoveries for the quarter were 92.0% for gold and 93.0% for copper.

Note (1): Gold equivalent for Q3 2023 is calculated based on: gold \$1,928 per ounce; silver \$23.57 per ounce; and copper \$3.79 per pound.

Note (2): Gold equivalent (AuEq) exploration results are calculated using longer-term commodity prices with a copper price of US\$3.75 per pound, a silver price of US\$20 per ounce and a gold price of US\$1,600 per ounce.

Note (3): Daily tonnes processed records achieved on days with 23 to 23.6 hours of plant operation. 2023 budget annual average plant availability is 94.2%.

VANCOUVER, British Columbia, Oct. 12, 2023 -- [K92 Mining Inc.](#) ("K92" or the "Company") (TSX: KNT; OTCQX: KNTNF) announces production results for the third quarter ("Q3") of 2023 at its Kainantu Gold Mine in Papua New Guinea, of 26,225 oz AuEq or 22,227 oz gold, 1,784,009 lbs copper and 40,233 oz silver. Sales during the quarter were 18,339 oz gold, 1,255,291 lbs copper and 30,484 oz silver.

Production for the quarter was impacted from the safety incident on June 28 (see *June 28, 2023 press release - K92 Mining Reports Mine Accident Resulting in Two Fatalities* and *July 6, 2023 press release - K92 Mining Resumes Mining Operations at Kainantu Gold Mine*), which resulted in the suspension of underground mining for 9 days, delaying high-grade stoping tonnes that was originally sequenced to be mined in September, to Q4, and scheduled maintenance of the process plant for 4.5 days in mid-July. Fourth

quarter production is expected to be the strongest for the year, driven by a higher grade stoping and ore development mining sequence.

K92 is pleased to announce that in the second half of September, the first ore tonnes were mined from the twin incline, approximately 2 months earlier than expected, after thick Judd mineralization was encountered while developing the first waste pass access drive, in an area sparsely drilled and previously interpreted to be waste. Two ore drives advanced ~7 metres to the south and north, with multiple high-grade faces from channel samples recorded, including: Southern Drive - 4.6 m at 14.89 g/t AuEq (7.16 g/t Au, 161 g/t Ag, 3.56% Cu) and 6.8 m at 11.77 g/t AuEq (6.53 g/t Au, 2.35% Cu, 117 g/t Ag), and; Northern Drive - 4.3 m at 7.19 g/t AuEq (2.77 g/t Au, 2.25% Cu, 64 g/t Ag) (see figures 6-7). A diamond drill rig is planned to commence drilling shortly in this area to assess its potential and to determine which Judd vein the drive corresponds to (i.e. J1, J2 or potentially a splay of the J1 vein). Mining of Kora via the twin incline is expected to commence in December, and as this second mining front is developed, we anticipate a strong boost to mine flexibility and productivity, leveraging the large and highly efficient twin incline infrastructure.

During the quarter, the process plant set multiple daily processing throughput records, including a new monthly record in September of 1,542 tpd and a new daily record on September 28 of 1,867 tonnes processed⁽³⁾, representing rates that are 13% and 36% above the Stage 2A Expansion annual average run-rate of 1,370 tpd, respectively. Subsequent to quarter end, new daily records of 1,902, 1,921 and 2,027 tonnes processed⁽³⁾ were achieved on October 6, 8 and 10, respectively, highlighting the significant throughput potential of the Stage 2A process plant (see figure 2). Quarterly ore processed was 121,201 tonnes, or an average of 1,317 tpd, which is the second highest on record, even with the 4.5 days of shutdown due to scheduled mill maintenance in mid-July.

Following the commissioning of the Stage 2A Plant Expansion in May, the process plant has continued to record a significant increase in metallurgical recoveries for gold and copper. Recoveries for Q3 averaged 92.0% for gold and 93.0% for copper, significantly higher than the 2022 average of 90.4% for gold and 90.5% for copper. In the month of September, a new recovery record of 93.7% for copper was achieved. Optimization efforts are ongoing, including to increase throughput that we believe has the potential to be materially greater than its nameplate design, as shown in the paragraph above.

In the third quarter, the mine delivered yet another material movement record despite operations being impacted in July due to the safety incident, with 124,236 tonnes of ore mined and 305,506 tonnes of total material mined (ore plus waste). During the quarter, 11 levels were mined, and the mill head grade averaged 7.32 g/t AuEq or 6.20 g/t gold, 0.72% copper and 12.84 g/t silver, head grade was impacted by significantly more than budgeted processing of lower grade stockpiles following the safety incident on June 28, that suspended mining operations for 9 days. Mining on Kora was conducted on the 1110, 1130, 1150, 1170, 1185, 1265, 1285, 1305 and 1325 levels, and Judd on the 840, 1225, 1285, 1305 and 1325 levels.

Overall mine development totaled 2,227 metres, an increase of 18% from Q3 2022, and significant advancement of the twin incline in Q3, with incline #2 (6m x 6.5m) advanced to 2,639 metres and #3 (5m x 5.5m) advanced to 2,660 metres as of September 30, 2023. The twin incline is over 90% complete.

See Figure 1: Quarterly Total Ore Processed, Development Metres Advanced and Total Mined Material Chart

See Figure 2: Process Plant Throughput Performance and Daily Records

See Figure 3: Overview of Mine Infrastructure Upgrades

See Figure 4: Comparison of 800 Portal Incline and Twin Incline Infrastructure

See Figure 5: Mining Front Location Longsection

See Figure 6: Long Section with Judd 840 Level Development Location

See Figure 7: Judd 840 Level Southern Drive

Table 1 - Q3 2023 & 2022 Annual Production Data

Q3 2023	
Tonnes Processed	T 421,201
Feed Grade Au	g/t 8.2
Feed Grade Cu	% 0.70%
Recovery (%) Au	% 93.7%

Recovery (%) Cu	% 99.6%
Metal in Conc & Dore Prod Au Oz	21,206
Metal in Conc Prod Cu	T 6,84
Metal in Conc Prod Ag	Oz 30,003
Gold Equivalent Production	Oz 20,206

Note - Gold equivalent for Q3 2023 is calculated based on:

gold \$1,928 per ounce; silver \$23.57 per ounce; and copper \$3.79 per pound.

Gold equivalent for Q2 2023 is calculated based on:

gold \$1,976 per ounce; silver \$24.13 per ounce; and copper \$3.85 per pound.

Gold equivalent for Q1 2023 is calculated based on:

gold \$1,890 per ounce; silver \$22.55 per ounce; and copper \$4.05 per pound.

Gold equivalent for 2022 is calculated based on:

gold \$1,793 per ounce; silver \$22 per ounce; and copper \$3.95 per pound.

Gold equivalent for Q4 2022 is calculated based on:

gold \$1,728 per ounce; silver \$21 per ounce; and copper \$3.63 per pound.

Gold equivalent for Q3 2022 is calculated based on:

gold \$1,730 per ounce; silver \$19 per ounce; and copper \$3.51 per pound.

Operational Guidance

As a result of the unexpectedly challenging first quarter and the impacts of the safety incident on June 28, 2023, the Company is updating its production guidance to 111,000 to 116,000 oz AuEq (originally 120,000 to 140,000 oz). Cash cost and all-in sustaining cost guidance remains unchanged at \$620 to \$680 per ounce gold and all-in sustaining costs at \$1,180 to \$1,300 per ounce gold. Exploration, driven by the very promising results to date from our vein and porphyry drill programs has been increased to \$20 million (originally \$13 million to \$16 million).

Looking ahead, we see multiple positive near-term outcomes, including:

1. Strong production forecasted for Q4, expected to be the strongest of the year, driven by the mining sequence delivering higher grades.
2. Demonstrated additional process plant throughput capacity following the Stage 2A Expansion, with September monthly throughput exceeding the annual run-rate average throughput of 1,370 tpd, by 13%, and multiple daily records set in late-September and early-October of between 1,867 to 2,027 tonnes processed⁽³⁾.

3. Transformation of underground mine productivity underway, driven by significant investment in mine infrastructure (see figures 3-4), including:
 1. Twin incline (>90% complete; completion targeting year-end 2023).
 2. Ore and waste pass system connecting the main mine with the twin incline (targeting completion Q3 2024).
 3. Puma vent incline (targeting completion mid-2024).
 4. Interim vent fan upgrade to increase main mine flowrates by 30% (targeting completion year-end 2023).
 5. Stage 3 internal vent rise upgrade (targeting completion mid-2024).
4. Significant boost to mine flexibility and production potential through tripling the number of mining fronts in 2024 (from one currently at Kora and Judd in the main mine area), with the twin incline mining front, supported by large and highly-productive infrastructure beginning to come online in Q4 2023, followed by mining between the twin incline and main mine area in 2024 (see figure 5). These mining fronts will be supported by significantly upgraded infrastructure as noted above.
5. Significant focus on resource growth and expansion from vein field and porphyry exploration, including an expanded exploration program in 2023 (increased to \$20 million from \$13 million to \$16 million).

John Lewins, K92 Chief Executive Officer and Director, stated, *"Having just completed a site visit at the Kainantu Gold Mine a few days ago, there is a tremendous amount of enthusiasm within the Company for the near, medium and long-term, while certainly taking on board lessons learned from the first nine months of 2023 to make the operation stronger going forward.*

On production, we expect the fourth quarter to be the strongest of the year, benefitting from a higher grade stoping sequence. Going forward, a major positive is the significant demonstrated available capacity of the process plant, which continues to exceed expectations and has provided the Company with considerable optionality. In September, the mill set a new monthly throughput record 13% greater than the 1,370 tpd annual average throughput (500,000 tpa), and recently the mill delivered a flurry of new daily records including 2,027 tonnes processed⁽³⁾ on October 10.

Progressively over the next 12 months, the infrastructure upgrades made to the underground mine are expected to be transformational, providing a significant boost to mine flexibility and productivity, which in conjunction with a tripling of mining fronts in 2024, is projected to materially boost the production capacity of the underground mine. The Stage 3 Expansion surface infrastructure upgrades including the new standalone 1.2 mtpa process plant, in conjunction with the underground infrastructure upgrades, over the next 18 months, are expected to fundamentally transform the business into a high-grade, low-cost Tier 1 producer as outlined in the Integrated Development Plan ("IDP", see September 12, 2022 press release). Importantly, the growth capital as outlined in the IDP is fully funded after announcing the \$100 million senior secured loan (see September 26, 2023 press release).

Given K92's strong liquidity position for the Stage 3 and 4 Expansions and the positive reported exploration results to date, we are pleased to be increasing our exploration expenditures for 2023 to \$20 million from \$13 to \$16 million originally planned. Exploration is significantly progressing at both our vein and porphyry targets, and in addition to progressing our existing programs, we expect to expand the number of high-priority targets drilled concurrently in the near-term."

Face Sampling Methodology, QA/QC and Qualified Person

Face channel samples under geological control, were taken across the full face of both the exposed lode system and any waste rock, with sample intervals ranging from 0.1 to 1m in width depending on the geologist's interpretation. Two samples were taken per interval at waist and knee height and the corresponding widths recorded. Sample lengths are <1.5m, with samples approximately 3.5 kg in size. Samples were separately assayed for gold, copper and silver, and the results averaged out using length weighting and channel orientation before entry into the database. K92's procedure includes the insertion standards, blanks and duplicates for the face sampling. Gold assays are by the fire assay method. Copper and silver assays are by three-acid-digestion method (nitric, perchloric & hydrochloric mix).

K92 maintains an industry-standard analytical quality assurance and quality control (QA/QC) and data verification program to monitor laboratory performance and ensure high quality assays. Results from this program confirm reliability of the assay results. All sampling and analytical work for the mine exploration program is performed by Intertek Testing Services (PNG) LTD, an independent accredited laboratory that is

located on site. External check assays for QA/QC purposes are performed at SGS Australia Pty Ltd in Cairns, Queensland, Australia.

The analytical QA/QC program is currently overseen by Andrew Kohler, PGeo, Mine Geology Manager and Mine Exploration Manager for K92. Andrew Kohler, 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 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.

Figure 1: Quarterly Total Ore Processed, Development Metres Advanced and Total Mined Material Chart
<https://www.globenewswire.com/NewsRoom/AttachmentNg/2f9a5b24-6777-47fe-9e63-ccbea2b5ce05>

Figure 2: Process Plant Throughput Performance and Daily Records
<https://www.globenewswire.com/NewsRoom/AttachmentNg/20966214-c39d-4999-b1ae-b0732f45b182>

Figure 3: Overview of Mine Infrastructure Upgrades
<https://www.globenewswire.com/NewsRoom/AttachmentNg/bd489058-b86b-4dcc-a3bf-59ef23c7bb0d>

Figure 4: Comparison of 800 Portal Incline and Twin Incline Infrastructure
<https://www.globenewswire.com/NewsRoom/AttachmentNg/8451d2df-d84f-4554-b6aa-c9245391cebe>

Figure 5: Mining Front Location Longsection
<https://www.globenewswire.com/NewsRoom/AttachmentNg/281197c7-5582-4217-841f-d85e703927df>

Figure 6: Long Section with Judd 840 Level Development Location. Note: Drilling is planned to commence shortly to determine the mineralization potential around the Judd 840 Level in addition to which Judd vein the drive corresponds to (i.e. J1, J2 or potentially a splay of the J1 vein).
<https://www.globenewswire.com/NewsRoom/AttachmentNg/3bd32e6e-bf07-49d6-a8eb-44a1b9889a33>

Figure 7: Judd 840 Level Southern Drive. Face highlights from this ~7 m drive include 4.6 m at 14.89 g/t AuEq (7.16 g/t Au, 161 g/t Ag, 3.56% Cu) and 6.8 m at 11.77 g/t AuEq (6.53 g/t Au, 2.35% Cu, 117 g/t Ag).
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