



**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2023**

Dated April 1, 2024



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K92 MINING INC.

ANNUAL INFORMATION FORM

INTRODUCTORY NOTES

In this annual information form (“**Annual Information Form**” or “**AIF**”), K92 Mining Inc., together with its subsidiaries, as the context requires, is referred to as “**we**”, “**our**”, “**us**”, the “**Company**” or “**K92**”.

This AIF has been prepared in accordance with Canadian securities laws and describes the Company’s history and its business, including the Company’s mineral projects, operations, the risks the Company faces, the market for its shares, sustainability commitments, and its Audit Committee governance, amongst other matters concerning the Company’s business.

DATE OF INFORMATION

This AIF is dated April 1, 2024. All information contained in this Annual Information Form is as of December 31, 2023, unless otherwise stated, being the date of our most recently completed financial year, and the use of the present tense and of the words “is”, “are”, “current”, “currently”, “presently”, “now” and similar expressions in this Annual Information Form is to be construed as referring to information given as of that date.

FINANCIAL INFORMATION

Readers are also encouraged to review the Company’s annual consolidated financial statements and the management’s discussion and analysis of the Company for the year ended December 31, 2023, which are available on the Company’s website at www.k92mining.com or under the Company’s profile on SEDAR+ at www.SEDARPLUS.ca.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form 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 reserves and mineral resources including uncertainty whether mineral resources will ever 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 mineral 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 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, 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 jurisdictions it operates; the ability of the Company to satisfy the conditions precedent to the Trafigura Loan Agreement (as defined herein), including obtaining regulatory approvals in a timely manner or at all; other assumptions and factors generally associated with the mining industry; and the risks, uncertainties and other factors referred to in this Annual Information Form under the heading “Risk Factors” and elsewhere in this AIF.

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. All of the forward-looking statements contained in this Annual Information Form are qualified by these cautionary 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 information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. You should not place undue reliance on forward-looking statements. Our forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date such statements are made, and we expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise, except as may be required by applicable securities laws.

CAUTIONARY NOTE TO U.S. READERS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

This AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the U.S. Securities and Exchange Commission (the “**SEC**”). The mineral reserve and mineral resource estimates contained in this AIF have been prepared in accordance with the Canadian Securities Administrators’ (the “**CSA**”) National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“**NI 43-101**”). The terms “mineral resources”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” used in this AIF are in reference to the mining terms defined in the Canadian Institute of Mining, Metallurgy and Petroleum Standards (the “**CIM Definition Standards**”), which definitions have been adopted by NI 43-101.

The SEC has amended the disclosure requirements and policies for mining properties (the “**SEC Modernization Rules**”) to more closely align with current industry and global regulatory practices and standards, including NI 43-101. The SEC Modernization Rules became effective February 25, 2019, with compliance required for the first fiscal year beginning on or after January 1, 2021, and have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources,” “indicated mineral resources” and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be substantially similar to the corresponding definitions under the CIM Definition Standards. While the SEC Modernization Rules are “substantially similar” to the CIM Definition Standards, readers are cautioned that there are differences between the SEC Modernization Rules and the CIM Definitions Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as “proven mineral reserves”, “probable mineral reserves”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 would be the same had the Company prepared the reserve and resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC now recognizes “indicated mineral resources” and “inferred mineral resources”, investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any “indicated mineral resources” or “inferred mineral resources” that the Company reports are or will be economically or legally mineable. Further, “inferred mineral resources” have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the “inferred mineral resources” exist. In accordance with Canadian securities laws, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

The mineral reserve and mineral resource data set out in this AIF are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The Company does not include equivalent gold ounces for by-product metals contained in mineral reserves in its calculation of contained ounces and mineral reserves are not reported as a subset of mineral resources. See “Summary of Mineral Reserves and Mineral Resources” in this AIF for additional information.

CAUTIONARY STATEMENT REGARDING NON-IFRS MEASURES

This AIF presents certain measures, including "cash costs", "all-in sustaining costs" and "gold equivalent" that are common financial performance measures in the gold mining industry but do not have any standardized meaning under International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similar measures presented by other gold producers. For a reconciliation of these measures to the most directly comparable financial information presented in the Company's consolidated financial statements prepared in accordance with IFRS, see "Non-IFRS Financial Performance Measures" in the Company's Management discussion and analysis for the year ended December 31, 2023. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in performing year over year comparisons. These measures have been derived from the Company's financial statements and applied on a consistent basis. However, these non-IFRS measures should be considered together with other data prepared in accordance with IFRS, and these measures taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Cash Costs per Ounce

Cash costs of sales include all costs absorbed into concentrate inventory, treatment and refining costs, less non-cash items such as depreciation, and by-product credits. Cash costs do not include amortization, reclamation, capital and exploration costs. Total cash cost per ounce sold is calculated by dividing the aggregate of the applicable costs by gold ounces sold.

All-in Sustaining Cost per Ounce

All-in sustaining costs ("AISC") of sales include all cash costs above plus accretion costs of environmental provisions, corporate costs and sustaining capital expenditures. Total all-in sustaining cost per ounce sold is calculated by dividing the aggregate of the applicable costs by gold ounces sold.

This measure is intended to provide additional information only and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. This measure is not necessarily indicative of cash generated from operations under IFRS or operating costs presented under IFRS.

TECHNICAL INFORMATION

The term "Qualified Person" as used in this Annual Information Form means a Qualified Person as that term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Except where otherwise disclosed, Andrew Kohler, PGeo, K92 Mine Geology and Mine Exploration Manager, and a Qualified Person under NI 43-101, has reviewed and approved the technical content contained in this Annual Information Form.

CURRENCY AND EXCHANGE RATE INFORMATION

Our financial statements are reported in U.S. dollars. Unless otherwise stated, reference in this Annual Information Form to:

- "C\$" is to the lawful currency of Canada; and
- "US\$" or "USD" is to the lawful currency of the United States.

The following table sets forth, for each period indicated, the high and low exchange rates for Canadian dollars expressed in U.S. dollars, the average of such exchange rates during such period, and the exchange rate at the end of such period. These rates are based on the Bank of Canada rate of exchange.

	December 31		
	2021	2022	2023
Rate at the end of year	US\$0.7888	US\$0.7383	US\$0.7561
Average rate during year	US\$0.7978	US\$0.7688	US\$0.7409
Highest rate during year	US\$0.8306	US\$0.8031	US\$0.7617
Lowest rate during year	US\$0.7727	US\$0.7217	US\$0.7207

On April 1, 2024, the daily average rate of exchange for one Canadian dollar in United States dollars as reported by the Bank of Canada was C\$1.00 = US\$0.7367.

GLOSSARY OF TERMS AND MEASUREMENT CONVERSION

Refer to the Glossary of Terms in Schedule “B” of this AIF for definitions and abbreviations of certain scientific or technical terms that may be useful for your understanding of this document.

In this AIF metric units are used with respect to all our mineral properties, unless otherwise indicated. Refer to Schedule “C” for measurement conversion rates from imperial measures to metric units and from metric units to imperial measures.

CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

We were incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on March 22, 2010, under the name Otterburn Resources Corp. On May 20, 2016, we changed our name to “K92 Mining Inc.”.

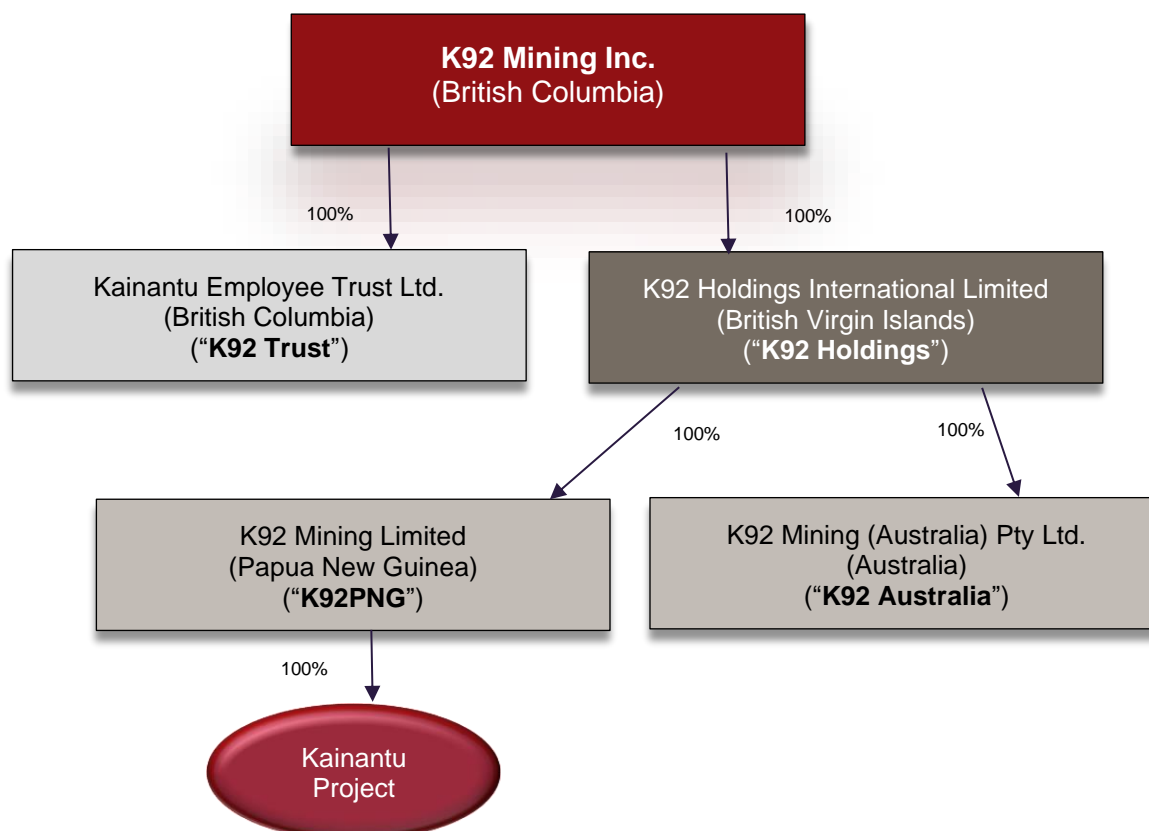
Our head office is located at Suite 488, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Canada and our registered office is located at Suite 488, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Canada.

On May 20, 2016, in connection with the completion of a reverse takeover transaction, the Company: (i) consolidated its issued and outstanding common shares on the basis of one new common share (a “**Common Share**”) for every three previously issued Common Shares; and (ii) amended its Notice of Articles and Articles by adding a new class of preferred shares, being the Class A Preferred Shares (the “**Preferred Shares**”).

On November 22, 2021, the Company amended its Notice of Articles and Articles to, among other matters, remove the Preferred Shares class of shares. (See “*Description of Capital Structure*”).

INTERCORPORATE RELATIONSHIPS

A significant portion of our business is carried on through our subsidiaries. A chart showing the names of our subsidiaries and their respective jurisdiction of incorporation is set out below:



GENERAL DEVELOPMENT OF THE BUSINESS

GENERAL

The Company was incorporated under the BCBCA on March 22, 2010. On January 5, 2011, the Company completed an initial public offering and commenced trading on the TSX Venture Exchange (“**TSXV**”). On December 9, 2020, the Common Shares commenced trading on the Toronto Stock Exchange (“**TSX**”) and were delisted from the TSXV. The Common Shares trade under the symbol “**KNT**”. The Company is also quoted on the OTCQX (OTCQX® Best Market) under the symbol “**KNTNF**”.

The Company is a gold (“**Au**”), copper (“**Cu**”) and silver (“**Ag**”) producer. The Company’s material mineral properties consist of its wholly-owned projects:

- i) the Kainantu gold mine (the “**Kainantu Mine**”) underground mine and mining infrastructure, which includes the Kora, Kora North, Kora South, Judd, Judd South and Irumafimpa deposits, located in Eastern Highlands Province, Papua New Guinea, as further described in “*Material Properties – Kainantu Project*”; and
- ii) the Blue Lake gold-copper porphyry deposit, located approximately 4 kilometres (“**km**”) southwest of the Kora and Judd intrusion-related deposits at the Kainantu Mine, as further described in “*Material Properties – Blue Lake Project*”.

Kainantu Gold Mine Project

The Kainantu Mine, located in the Eastern Highlands province of Papua New Guinea (“**PNG**”), is a high-grade, low-cost underground mine within a land package of approximately 836 square kilometres (“**sq km**”) in a region known for Tier 1 deposits.

In 2015, the Company acquired from Barrick Gold Corporation (“**Barrick**”) certain mineral rights and interests, including mining licence ML150 as well as the Kainantu Gold Mine.

Rehabilitation of the mine, process plant and associated infrastructure commenced in March 2016. The first batch of underground ore from the Irumafimpa deposit was treated in October 2016. The Company started the Kora mine project by completing the underground incline drive from Irumafimpa to Kora and commencing underground drilling. Since August 2017, operations have been focused on the Kora deposit with underground drilling and development following up on the Kora deposit northern extension discovery.

The Company declared commercial production from the Kainantu Gold Mine in February 2018 and has continued expanding its production and mineral resources since then. For a summary of the development of the Kainantu Mine, see “*General Development of the Business – History*”.

The Kainantu Gold Mine is progressing through multiple stages of plant expansion upgrade, escalating to a planned Stage 4 Expansion that will have a throughput rate of at least 1.7 million tonnes per annum (“**mtpa**”) and a run-rate of 470,000 oz AuEq per annum (500,000 oz AuEq in peak year). The Stage 2A Expansion run-rate of 400,000 tonnes per annum (“**tpa**”) was achieved in 2021, and the Stage 2A Expansion to increase throughput by 25% to 500,000 tpa was achieved in May 2023, following commissioning of the rougher flotation expansion. The “**Stage 3 Expansion**” targets commissioning for the first half of 2025 and is expected to increase throughput by 140% to 1.2 mtpa with a run-rate of 291,000 oz AuEq per annum. The “**Stage 4**

Expansion” is scheduled for commissioning in the second half of 2026, bringing throughput to 1.7 mtpa, an increase of 240% from the Stage 2A Expansion processing capacity of 500,000 tpa.

The Stage 3 and 4 Expansions are expected to transform the Kainantu Mine into a Tier 1 mine through significantly increased production and economies of scale. As demonstrated in the IDP, the Stage 4 PEA Case outlines peak annual production of 500,192 ounces gold equivalent (“**AuEq**”) in 2027, life of mine average AISC of \$687/oz (co-product) or \$444/oz net of by-product credits, and self-funding from mine cash flow at \$1,600/oz gold.

To reach the Stage 4 Expansion growth capital cost, sustaining capital cost until operating both process plants, and life of mine sustaining capital cost are expected to be self-funded from mine cash flow at US\$1,600/oz Au.

A twin incline will provide the major mine access infrastructure for increased production capability required for Stage 3 and 4 Expansions and potentially beyond to further expansions. Twin incline development continues to make significant progress with incline #2 (6m x 6.5m) advanced to 2,863 metres and incline #3 (5m x 5.5m) advanced to 2,838 metres as of December 31, 2023, marking over 98% completion of its 2.9 km design.

In 2023, the Company achieved a significant de-risking milestone with the award of an \$81 million lump sum fixed price contract for the design and construction of the 1.2 mtpa Stage 3 Expansion process plant. This contract, along with previously awarded fixed-price contracts for process plant long-lead items, mitigates approximately 94% of the forecast capital cost for the Stage 3 Expansion, substantially reducing inflation risk. The Company's ability to self-fund the expansion was notably strengthened by this development.

In September 2022, the Company announced the results of its Integrated Development Plan (“**IDP**”) for the Kainantu Project. The IDP comprises two scenarios: 1) Kainantu Stage 3 Expansion definitive feasibility study case (“**DFS**” or “**DFS Case**”); and 2) Kainantu Stage 4 Expansion preliminary economic assessment case (“**PEA**” or “**PEA Case**”). Both the DFS and PEA Cases would be largely funded from mine production and mine cash flow. The results of the IDP were set forth in an independent technical report titled, “Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea” dated October 26, 2022 with an effective date of January 1, 2022 (the “**IDP Technical Report**”).

On December 5, 2023, the Company announced results of an updated mineral resource estimate on the Kora and Judd deposits, with an effective date of September 12, 2023, at the Kainantu Gold Mine. The resource estimate was based on surface and underground exploration diamond drilling and underground face sampling. Using a cut-off of 3 g/t AuEq, the resource estimate reported a combined Kora and Judd measured and indicated resource of 2.6 million ounces at 10.00 g/t AuEq, and a combined Kora and Judd inferred resource of 4.5 million ounces at 8.48 g/t AuEq.

The IDP has not been updated to reflect the updated Kora and Judd resource estimate; however, the Company does not expect the design parameters and conclusions to materially change. The Company does expect the potential mine life to be extended beyond both the DFS Case and the PEA Case.

Further details about the IDP's Stage 3 DFS Case and Stage 4 PEA Case can be found in the IDP Technical Report on the Company's website at www.K92mining.com and on the SEDAR+ website at www.sedarplus.ca under the Company's profile.

For further details, see “*Material Properties - Kainantu Project*”.

Blue Lake Copper-Gold Porphyry Project

The Blue Lake porphyry project is located approximately 4 km southwest of the Company's producing high-grade Kora and Judd intrusion-related gold-copper deposits at the Kainantu Mine. In August 2022, the Company announced a maiden inferred resource estimate of 10.8 million ounces of gold equivalent or 4.7 billion pounds of copper equivalent at Blue Lake.

The Blue Lake deposit is situated within EL470. Drilling results to date indicate the Blue Lake porphyry deposit has the potential to be a large, mineralized Cu-Au porphyry deposit. It is an in-pit resource with high-grade core and is open at depth.

Blue Lake was discovered by K92 after a mineralized lithocap was identified in 2017. K92 has completed two diamond drill programs for a total of 26 holes and 16,474.8 metres at the project. Future exploration plans at Blue Lake include drilling and exploring for additional mineralized porphyries that extends to and includes the A1 copper-gold porphyry target, our highest priority porphyry target, based on results of an advanced Mobile MT geophysics program.

The maiden resource estimate is included in a technical report, titled, "Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea" dated September 20, 2022, with an effective date of August 1, 2022, prepared by Simon Tear BSc (Hons), EurGeol, PGeo IGI, EurGeol, and Anthony Woodward BSc (Hons), M.Sc., MAIG.

See "*Material Properties – Blue Lake Project*".

Other Assets

The Company's other significant assets include a processing plant, equipment and infrastructure located on ML150 ((the "**Processing Facility**"), and together with the Kainantu Mine and Mining Lease 150 ("**ML150**"), Mining Easements 80 and 81 ("**ME80**" and "**ME81**") and Licence for Mining Purposes 78 ("**LMP78**") (the "**Kainantu Project**").

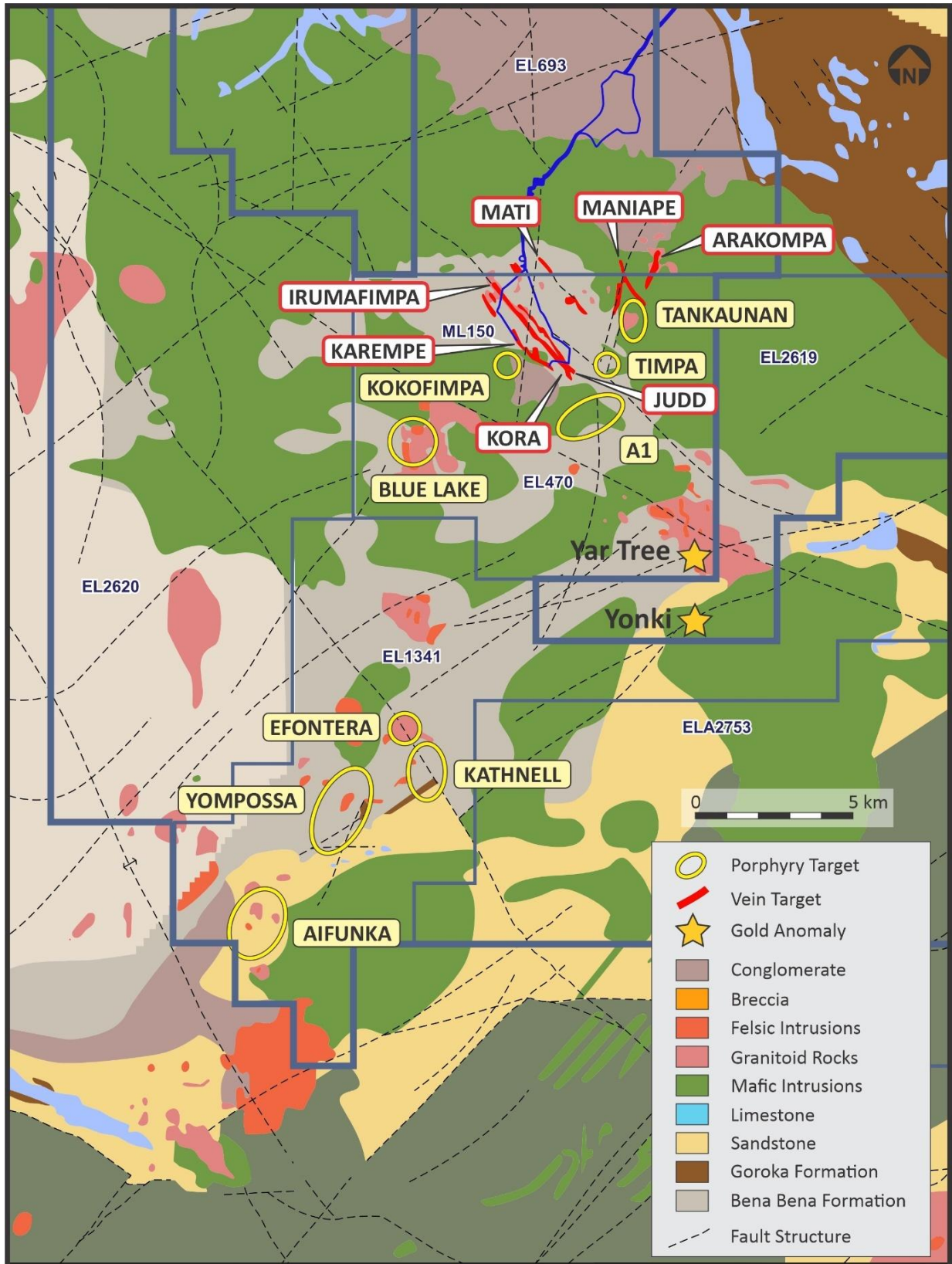
Exploration

The Kainantu district is recognized as an important mineral district owing to the presence of multiple economic vein deposits, as well as additional veins and porphyry prospects, at various stages of exploration. The Company is engaged in exploration and development of mineral deposits in the Kainantu district in the immediate vicinity of the Kainantu Mine. The Company holds Exploration Licences 470, 693, 1341, 2619, 2620 and 2753 ("**EL470**", "**EL693**", "**EL1341**", "**EL2619**", "**EL2620**" and "**EL2753**").

The Company has increased its 2024 exploration expenditure budget to US\$17-20 million. This was driven by our conviction in the geological potential of the Kainantu Project. Drilling to support potential further expansions is underway. Surface exploration will focus on Arakompa (EL693), Kora South (EL470), Judd South (EL470) and the A1 copper-gold porphyry (EL470). Underground drilling will focus on resource growth at Kora, Kora South, Kora Deeps, Judd, Judd South, Judd Deeps and Northern Deeps vein system targets.

The strong development advance from our southern drill drive and twin incline is also opening up new prospective drilling horizons.

Kainantu Project Geology and Known Vein and Porphyry Deposits and Prospects



SUMMARY OF MINERAL RESERVES AND MINERAL RESOURCES

A summary of the Company's mineral reserve and mineral resource estimates as at December 31, 2023 are presented in the following tables.

Kainantu Mineral Reserve Statement – Effective January 2022

	Tonnes	Gold		Silver		Copper		AuEq	
	Mt	g/t	Moz	g/t	Moz	%	kt	g/t	Moz
Kora									
Proven	2.26	7.58	0.55	14.96	1.09	0.82	18.52	9.17	0.67
Probable	3.55	5.88	0.67	19.46	2.22	0.95	33.90	7.76	0.89
Total Proven and Probable	5.81	6.54	1.22	17.71	3.31	0.90	52.41	8.31	1.55
Judd									
Proven	0.21	9.99	0.07	16.88	0.11	0.57	1.17	11.18	0.07
Probable	0.14	6.50	0.03	10.65	0.05	0.59	0.81	7.65	0.03
Total P&P	0.34	8.60	0.09	14.40	0.16	0.58	1.98	9.77	0.11
Kora and Judd Consolidated									
Proven	2.46	7.78	0.62	15.12	1.20	0.80	19.69	9.34	0.74
Probable	3.69	5.90	0.70	19.13	2.27	0.94	34.70	7.75	0.92
Total Proven and Probable	6.15	6.65	1.32	17.53	3.47	0.88	54.39	8.39	1.66

- The long-term metal prices used for calculating the financial analysis is US\$1,600/oz gold, US\$4.00/lb copper, US\$20/oz silver.
- Gold equivalents are calculated as $AuEq = Au \text{ g/t} + Cu \% * 1.7143 + Ag \text{ g/t} * 0.0125$. Metal payabilities and recoveries are not incorporated into this formula.
- A minimum mining width of 3.0 m has been applied for stoping, inclusive of a 1.0 m dilution skin.
- In addition to the 1.0 m dilution skin, dilution of 5% has been added for Avoca mined stopes and 2.5% for long hole stoping with paste fill. This results in a total average dilution of 20%.
- Mining recoveries of 90% have been applied to Avoca mined stopes, and 95% for long hole stoping with paste fill.
- A cut-off grade of 3.0 g/t AuEq was used to define stoping blocks. Stope shapes with uneconomic development were excluded. The cut-off grade takes into account site operating costs, General and administrative costs, sustaining capital costs and relevant processing and revenue inputs.
- Measured mineral resources were used to report proven mineral reserves.
- Indicated mineral resources were used to report probable mineral reserves.
- Tonnage and grade estimates include dilution and recovery allowance.
- The mineral reserves reported are not added to mineral resources.
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.
- Refer to the IDP Technical Report for further details.

**Kainantu Mineral Resource Estimates at 3.0 AuEq g/t Cut-off
Effective September 2023**

	Tonnes	Gold		Silver		Copper		AuEq	
	Mt	g/t	Moz	g/t	Moz	%	kt	g/t	Moz
Kora									
Measured	3.7	8.74	1.0	20.5	2.5	1.21	45.0	10.96	1.3
Indicated	3.1	6.99	0.7	21.9	2.2	1.31	41.3	9.40	1.0
Total Measured and Indicated	6.9	7.94	1.8	21.1	4.7	1.25	86.2	10.24	2.3
Inferred	14.3	5.60	2.6	28.7	13.2	1.62	231.2	8.60	3.9
Judd									
Measured	0.4	9.05	0.12	19.0	0.25	0.80	3.2	10.58	0.14
Indicated	0.8	6.37	0.17	15.6	0.42	0.73	6.2	7.76	0.21
Total Measured and Indicated	1.2	7.24	0.29	16.7	0.67	0.75	9.4	8.68	0.35
Inferred	2.3	6.27	0.45	15.8	1.15	0.76	17.2	7.72	0.56
Kora and Judd Consolidated									
Measured	4.1	8.77	1.2	20.4	2.7	1.17	48.2	10.92	1.5
Indicated	4.0	6.86	0.9	20.6	2.6	1.19	47.4	9.05	1.2
Total Measured and Indicated	8.1	7.83	2.0	20.5	5.3	1.18	95.6	10.00	2.6
Inferred	16.5	5.69	3.0	27.0	14.3	1.50	248.3	8.48	4.5

Kora and Judd Mineral Resources Disclosure:

- *The Independent and Qualified Person responsible for the Mineral Resource estimate is Simon Tear, P.Geo. of H & S Consultants Pty. Ltd., Sydney, Australia, and the effective date of the estimate is September 12, 2023.*
- *Mineral resources are not mineral reserves and do not have demonstrated economic viability.*
- *Geological interpretation has generated a series of narrow, sub-vertical vein structures based on delineated wireframes on 10m, 20m and 25m spaced cross sections. The design of the lode wireframes is based on a combination of logged geology, Au, Cu & Ag assay grades and locally on a nominal minimum mining width of 5.2 m, all coupled with geological sense.*
- *Resources were compiled at 3 g/t gold equivalent (AuEq) cut-off grades for Kora and Judd.*
- *Density (t/m³) was modelled using Ordinary Kriging on 2,778 sample measurements. Areas within the mineral wireframes where no density grades were interpolated had average default values inserted at appropriate levels.*
- *Reported tonnage and grade figures are rounded from raw estimates to reflect the order of accuracy of the estimate.*
- *Minor variations may occur during the addition of rounded numbers.*
- *Estimations used metric units (metres, tonnes and g/t).*
- *Gold equivalents are calculated as $AuEq = Au\ g/t + Cu\% * 1.6481 + Ag\ g/t * 0.0114$. Gold price US\$1,700/oz; Silver US\$22.5/oz; Copper US\$4.00/lb. Metal payabilities and recoveries are incorporated into the AuEq formula. Recoveries of 95% for copper and 80% for silver were used.*

The IDP has not been updated to reflect the above updated Kora and Judd resource estimates (effective date September 12, 2023); however, the Company does not expect the design parameters and conclusions to materially change. The Company does expect the potential mine life to be extended for both the DFS Case and the PEA Case.

**Blue Lake Mineral Resource Estimate at 0.4 g/t AuEq Cut-off Grade
Effective August 2022**

	Tonnes	Gold		Silver		Copper		Gold Equivalent		Copper Equivalent	
	Mt	g/t	Moz	g/t	Moz	%	Blbs	g/t	Moz	%	Blbs
Blue Lake											
Inferred	549	0.21	3.7	2.42	43	0.23	2.9	0.61	10.8	0.38	4.7

Blue Lake Mineral Resource Disclosure:

- Estimates are based on technical report titled, "Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry, Kainantu Project, Papua New Guinea" dated September 20, 2022 with an effective date of August 1, 2022.
- The independent Qualified Person responsible for the mineral resource estimate is Simon Tear, P.Geo. of H&S Consultants Pty. Ltd., Sydney, Australia, and the effective date of the Mineral Resource is August 1, 2022.
- Mineral resources are not mineral reserves and do not have demonstrated economic viability.
- Resources were compiled at 0.1, 0.2, 0.3, 0.4, 0.5, 0.6 g/t AuEq cut-off grades.
- Density was based on 2,473 measured density data recordings (weighed core trays and measured core) which were composited and subsequently modelled unconstrained using Ordinary Kriging. Reported tonnage and grade figures are rounded from raw estimates to reflect the order of accuracy of the estimate.
- Numbers in the table have been rounded. Minor variations may occur during the addition of rounded numbers.
- Estimations used metric units (metres, tonnes and g/t).
- Gold equivalents are calculated as $AuEq = Au\ g/t + Cu\ \% * 1.607 + Ag\ g/t * 0.0125$. Copper equivalents are calculated as $CuEq = Cu\ \% + Au\ g/t * 0.006222 + Ag\ g/t * 0.00007778$. Gold price US\$1,600/oz; Silver US\$20/oz; Copper US\$3.75/lb.

HISTORY

Over recently completed financial years, the significant events described below contributed to the development of our business.

In 2015, the Company acquired from Barrick certain mineral rights and interests, including mining licence ML150 as well as the past-producing Kainantu Mine that had previously mined the Irumafimpa deposit. The mine had been on care and maintenance from 2008. K92 completed the refurbishment and rehabilitation of the mine, process plant and related infrastructure in 2016.

The first batch of underground ore from Irumafimpa was treated in October 2016. In early 2017, the mine sold and shipped the first concentrates containing gold and copper for smelting and refining. In 2016, The Company entered into an off-take agreement with Inter alloys Trading Ltd. covering the first three years of concentrate production from the mine.

Mining pre-production operations were restarted in the Irumafimpa mining area in 2017. In 2017 initial exploration to the south of Irumafimpa had identified mineralization in the area between Irumafimpa and Kora; in the area initially referred to as Kora North. The Kora North high-grade deposit was discovered with drillhole KMDD0009. A bulk sample from the Kora North area was mined and processed through the existing plant for metallurgical evaluation, with +90% recovery achieved for both gold and copper. In early 2018 mining activities ceased at Irumafimpa and the focus of mining changed to development of the new Kora North deposit.

On September 8, 2016, the Company's shares began trading on the OTCQB® Venture Market in the United States under the symbol "KNTNF".

The Company announced the declaration of commercial production effective February 2018 with production focused on the northern Kora area. The Company also commenced an initial underground exploration drilling program in early 2018.

In January 2019, the Company published a mineral resource estimate update and PEA on the Kainantu Project (report titled, "Independent Technical Report, Mineral Resources Estimate Update and Preliminary Economic Assessment of Kora North and Kora Gold Deposits, Kainantu Project, Papua New Guinea", dated September 30, 2018). Based on the PEA, the Company announced the Stage 2 Expansion to double the capacity at the Kainantu Mine to 400,000 tonnes per annum, increasing annual production to an average of 120,000 ounces of AuEq.

As part of the Stage 2 Expansion, the Company began process plant expansion construction completion, commenced commissioning of a gravity circuit expected to increase recoveries, upgraded the ventilation system and underground electrical reticulation, resulting in a more than 100% increase in flow rates, commenced preparation for development of the twin incline, and expanded the fleet of mining vehicles and equipment.

During the first quarter of 2019, a diamond drilling exploration program commenced at the Blue Lake Project that was discovered in early 2017.

On July 1, 2019, the Company entered into an offtake agreement with Trafigura (the "**2019 Offtake Agreement**"). The agreement has a term of 9-years ending February 11, 2028, or until 165,000 dry metric tonnes ("**DMT**") of concentrate have been delivered to Trafigura.

On July 1, 2019, the Company entered into a \$15 million loan agreement with Trafigura (the "**2019 Loan Agreement**"), with a two-year payment term.

In 2019, the Kainantu Mine's underground mine infrastructure was considerably upgraded and expanded, with several key projects completed, including installation of two 132 kw fans, completion of the main incline debottlenecking program, completion of the new underground magazine, implementation of a bulk emulsion charging system, and establishment of seven mine sublevels.

In 2020, the Company completed the Stage 2 Expansion and commissioning of the plant to maximize recovery resulting in a realized increase to throughputs from approximately 550 tpd to approximately 1,100 tpd. The concrete batching plant was also constructed and commissioned for both site construction projects and underground shotcrete capability.

In 2020, the Company reported preliminary bulk sample results from the Judd #1 Vein of the Judd Vein System, marking the first significant exploration activity undertaken on Judd by K92. The Judd Vein System at the Kainantu Mine is located near-mine infrastructure, subparallel to and approximately 150-200 metres east of the producing Kora deposit and within the mining lease. The Company initiated an underground drill program on the sparsely drill tested Judd Vein System.

On December 9, 2020, the Company graduated from the TSXV and was listed on the Toronto Stock Exchange ("**TSX**").

THREE-YEAR HISTORY

SIGNIFICANT DEVELOPMENTS (2021 – 2023)

2021 DEVELOPMENTS

On **January 13, 2021**, the Company announced record production in the fourth quarter at Kainantu Mine, of 29,820 oz AuEq, or 28,809 oz of gold, 493,584 pounds of copper and 10,395 oz of silver. Annual production also achieved a record of 98,872 oz AuEq or 95,109 oz gold, 1,853,078 lbs copper and 36,067 oz silver, representing year-over-year AuEq production growth of 20%.

On **January 25, 2021**, the Company announced that it had extended underground development towards the south by an additional 65 metres to a total of 288 metres along the Judd 1235 Level J1 Vein, within the +2.5km strike Judd Vein System at Kainantu. High-grade material continued to be recorded as development advanced to the South. The development extension recorded an estimated 3,800 tonnes at 18.70 g/t AuEq or 17.13 g/t Au, 0.82% Cu and 37 g/t Ag of additional undiluted J1 Vein extracted and based on underground channel sampling. Vein thickness averaged 3.8 metres and ranged from 1 metre to drive width at over 6 metres.

On **February 3, 2021**, the Company made the final payment pursuant to the Trafigura 2019 Loan Agreement and had no further obligations under the Trafigura 2019 Loan Agreement.

On **February 18, 2021**, the Company announced high-grade results of 35 drill holes from the ongoing diamond drilling of the Kora deposit at the Kainantu Project, including 7.20 metres at 64.88 g/t AuEq. The results continued to demonstrate the high-grade and continuity of Kora with intersections largely focused on increasing drill density up-dip, down-dip and to the south to upgrade mineral resources for the Stage 3 Expansion feasibility study.

On **March 18, 2021**, the Company announced a number of positive cases of the COVID-19 identified through containment measures, contact tracing, quarantine procedures and routine testing. In addition, the government of Australia announced the temporary introduction of restrictions on travel between Papua New Guinea and Australia. The restriction included the suspension of movement of the resource sector's expatriate fly-in fly-out work force between Papua New Guinea and Australia for a two-week period.

On **May 10, 2021**, the Company announced that the Government of Australia lifted the suspension of travel for the resource sector's expatriate fly-in fly-out workforce between Papua New Guinea and Australia. This was in line with the introduction of enhanced COVID-19 protocols by the resource sector to mitigate the risk of COVID-19 from fly-in fly-out workers returning to Australia. Australian K92 personnel commenced international travel to Papua New Guinea.

On **August 23, 2021**, the Company announced maiden drill results from the first 83 metres of development along the Judd 1265 Level J1 Vein, the second sublevel developed on Judd Vein #1 within the +2.5km strike, sparsely explored Judd Vein System at the Kainantu Mine. The development drive towards the north and south encountered high-grade mineralization with an estimated average grade of 16.48 g/t AuEq or 13.56 g/t Au, 1.77% Cu, and 32 g/t Ag of undiluted J1 Vein extracted at an average vein thickness of 3.5 metres that ranged from 1.4 metres to near drive width at over 5 metres based on underground channel sampling. The development recorded a significant frequency of high grade with 57% of faces recording J1 Vein average grades greater

than 10 g/t AuEq from channel sampling. Judd is located near mine infrastructure, sub-parallel and approximately 150 to 200 metres west of the Kora deposit.

On **September 20, 2021**, the Company was added to the S&P/TSX Composite Index. The S&P/TSX Composite Index is the headline index for Canada and is the principal benchmark measure for the Canadian equity markets, represented by the largest companies on the Toronto Stock Exchange.

On **October 7, 2021**, the Company announced that, following the strong performance of the expanded Stage 2 process plant, it was implementing a Stage 2A Expansion, expanding the annual processing throughput to 500,000 tpa at the Kainantu Mine. This represented a 25% increase from the Stage 2 processing capacity of 400,000 tonnes per annum, with full commissioning of the Stage 2A Expansion to commence in H2 2022. The process plant strongly demonstrated that it was capable of a throughput rate well exceeding 400,000 tpa (1,100 tpd), delivering a mill product size that is notably finer than required while also achieving multiple daily throughput records, including a single day record of 1,408 tonnes processed.

On **October 27, 2021**, the Company announced that the Judd vein system at the Kainantu Project became a new mining front and major exploration focus based on promising drilling, underground development and metallurgical results. An additional 211 metres of development was completed, extending to both the north and south along the Judd 1265 Level J1 Vein, within the +2.5km strike, sparsely explored Judd vein system. This was the second sublevel developed on Judd Vein #1. The combined extension totalled 211 metres at an estimated average grade of 21.69 g/t AuEq or 20.36 g/t Au, 0.76% Cu and 24 g/t Ag at an average vein thickness of 3.9 metres from channel sampling.

The development extension to the north recorded a strike length of 97 metres with an average grade of 18.29 g/t AuEq or 16.85 g/t Au, 0.85% Cu and 24 g/t Ag of undiluted J1 Vein extracted at an average vein thickness of 3.8 metres that ranged from 2.5 metres to near drive width (over 5.5 metres) based on underground channel sampling.

The development extension to the south recorded a strike length of 114 metres with an average grade of 24.44 g/t AuEq or 23.20 g/t Au, 0.69% Cu and 25 g/t Ag of undiluted J1 Vein extracted at an average vein thickness of 4.0 metres that ranged from 1.7 metres to near drive width (over 5.5 metres) based on underground channel sampling. Importantly, the development recorded a significant frequency of high grade with 26% of faces recording J1 Vein average grades greater than 10 g/t AuEq from channel sampling.

On **December 8, 2021**, the Company announced strong results from the ongoing underground diamond drilling of the Kora deposit at the Kainantu Project. The results continued to demonstrate the high-grade and continuity of Kora, with intersections largely focused on increasing drill density up-dip, down-dip and to the south, to upgrade resources for the Kora resource update to be integrated into the Stage 3 Expansion Definitive Feasibility Study. Results also include step out drilling to the south and north outside of the existing resource envelope. All 50 drill holes intersected mineralization, with 10 intersections exceeding 20 g/t AuEq, 25 intersections exceeding 10 g/t AuEq, including drill hole KMDD0415 recording multiple intersections including 7.51 m at 192.50 g/t Au, 8 g/t Ag and 0.22% Cu (192.92 g/t AuEq, 4.11 m true width) from the K1 Vein and drill hole KMDD0312 recording multiple intersections including 7.60 m at 41.02 g/t Au, 24 g/t Ag and 0.41% Cu (41.91 g/t AuEq, 4.96 m true width) from the K1 Vein. The results expand known mineralization and delineate new high-grade areas.

2022 DEVELOPMENTS

On **January 24, 2022**, the Company provided its operational outlook for 2022, announcing the Company expected a significant, year-over-year, increase in gold equivalent production of up to 34% to 115,000 to 140,000 oz, while also delivering low-cost production with an estimated cash cost of \$560-\$640 per oz gold and AISC of \$890-\$970 per oz gold. Additionally, the Company announced plans to increase exploration activities.

On **February 16, 2022**, the Company announced high-grade and record thicknesses from maiden surface step-out drilling results at the Kora South and Judd South deposits. The results also included discovery of a previously unknown vein, and the discovery of significant mineralized dilatant zones at both Kora South and Judd South. Airborne geophysics was also completed, defining extensive new targets.

On **February 23, 2022**, the Company announced results from the maiden mineral resource estimate of the Judd deposit at the Kainantu Project, with measured and indicated resources of 0.13 million oz at 11.00 g/t AuEq and inferred resources of 0.18 million oz at 5.66 g/t AuEq. The resource is net of mining depletion of 64 kt at 12.2 g/t AuEq or 25 koz AuEq. The maiden resource estimate at Judd followed the discovery of high-grade underground mineralization in the fourth quarter of 2020. On the same day, the Company announced results from the updated mineral resource estimate completed on the Kora deposit with measured and indicated resources of 2.1 million oz at 9.20 g/t AuEq and inferred resources of 2.5 million oz at 9.48 g/t AuEq. The increase in the resource estimate was achieved after deducting mining depletion of 348 kt at 16.33 g/t AuEq or 182 koz AuEq from the previous resource estimate. The technical report containing the resource estimates for the Kora and Judd Gold Deposits and titled, "Independent Technical Report Mineral Resource Estimate Update Kora and Judd Gold Deposits, Kainantu Project, Papua New Guinea" dated March 31, 2022, with an effective date of January 20, 2022, was filed on April 4, 2022. See "*Material Properties – Kainantu Project*".

On **July 6, 2022**, the Company closed a bought deal public offering pursuant to which the Company issued 5,405,500 Common Shares at a price of CAN\$9.25 per Common Share (the "**Offering**") for aggregate gross proceeds of CAN\$50,000,875. The Offering was led by Clarus Securities Inc. and Cormark Securities Inc., (together the "**Co-lead Underwriters**") as co-lead underwriters and co-bookrunners, and a syndicate of underwriters that included National Bank Financial Inc., Stifel Nicolaus Canada Inc., BMO Capital Markets, Scotia Capital Inc., Desjardins Securities Inc., Eight Capital, PI Financial Corp., Raymond James Ltd., Haywood Securities Inc. and TD Securities Inc., (together with the Co-Lead Underwriters, the "**Underwriters**"). The Underwriters were paid a cash fee of 5.0% of the aggregate gross proceeds of the Offering. The Company also granted to the Underwriters an over-allotment option, exercisable in whole or in part in the sole discretion of the Underwriters at any time until August 5, 2022, to purchase up to an additional 810,825 Shares, at a price of CAN\$9.25 per Share, to cover over-allotments. The over-allotment option was not exercised.

On **August 9, 2022**, the Company announced a maiden mineral resource estimate at the Blue Lake porphyry copper-gold project, located approximately 4 km southwest of the high-grade gold-copper Kora and Judd intrusion-related deposits at the Kainantu Mine. The inferred mineral resource estimate declared 10.8 million AuEq at 0.61 g/t AuEq or 4.7 billion lbs copper equivalent ("**CuEq**") at 0.38% CuEq, based on 549 million tonnes at 0.21 g/t Au, 0.23% Cu and 2.42 g/t Ag at a 0.4 g/t AuEq cut-off grade. Nearly all of the 26 drillholes intersected mineralization in 16,475 metres of drilling for an average discovery rate of approximately 650 oz AuEq per metre drilled.

The resource declaration was the fifth largest known mineralized porphyry in Papua New Guinea in terms of pre-mined contained gold equivalent ounces, after the notable Golpu, Panguna, Ok Tedi and Frieda River porphyry deposits. A technical report containing details of the maiden mineral resource estimate, titled, “Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea” dated September 20, 2022, with an effective date of August 1, 2022, was filed on September 23, 2022. See “*Material Properties – Blue Lake Project*”.

On **September 12, 2022**, the Company announced the results of its **IDP** for the Kainantu Project. The IDP comprises two scenarios: 1) Kainantu Stage 3 Expansion DFS Case); and 2) Kainantu Stage 4 Expansion PEA Case. The results of the IDP were set forth in the IDP Technical Report. See “*Kainantu Technical Report Summary*” on page 36.

The **DFS Case** evaluates the Stage 3 Expansion to 1.2 mtpa, representing a 140% throughput increase from the Stage 2A Expansion. Stage 3 involves a new standalone 1.2 mtpa process plant and supporting infrastructure constructed with mining focused on the Kora Central Zone within the Kora Deposit and Judd Deposit, utilizing a cut-off grade of 3.0 g/t AuEq.

Details include:

- After-tax NPV5% of US\$586 million at US\$1,600 per ounce gold, with no internal rate of return (“**IRR**”) as the project generates cashflow during construction. After-tax NPV5% of US\$855 million at US\$2,000 per ounce gold.
- Average annual run-rate production of 290,771 ounces AuEq, run-rate achieved in 2025 and a peak annual production of 308,793 ounces AuEq in 2026.
- Life of Mine average cash costs of US\$366 per gold ounce and AISC of US\$545 per gold ounce over a 7-year mine life.
- Growth capital cost of US\$177 million, sustaining capital cost prior to commissioning of US\$125 million and life of mine sustaining capital cost of US\$218 million.

The alternate **PEA Case** evaluates two-stages of expansions to a run-rate throughput of 1.7 mtpa, representing a 240% throughput increase from the Stage 2A Expansion. The ultimate run-rate throughput of the second expansion is referred to as Kainantu Stage 4 Expansion, operating two standalone process plants, larger surface infrastructure and mining throughputs achieved through mining Kora Upper, Lower, and Central Zones within the Kora Deposit, and the Judd Deposit, utilizing a cut-off grade of 4.5 g/t AuEq. Details include:

- After-tax NPV5% of US\$1.3 billion at US\$1,600 per ounce gold with no IRR as the project generates cashflow during construction. After-tax NPV5% of US\$1.8 billion at US\$2,000 per ounce gold.
- Average annual run-rate production of 405,661 ounces AuEq per annum, run-rate achieved in 2027 and a peak annual production of 500,192 ounces AuEq in 2027.
- Life of Mine average cash costs of US\$275 per gold ounce and AISC of US\$444 per gold ounce over an 11-year mine life.
- Growth capital cost of US\$187 million, sustaining capital cost until operating both process plants of US\$235 million and life of mine sustaining capital cost of US\$429 million.

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. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral reserves are defined by the DFS and are not predicated on the PEA in any way.

PEA Notes:

1. *AuEq – calculated on the following metal prices: Au – US\$1,600/oz, Ag – US\$20.00/oz, Cu – US\$4.00/lb. Note that gold equivalence factors for the production estimates are different to those used for reporting the mineral resource estimate.*
2. *AISC – All-In sustaining costs include cash costs plus estimated corporate general and administrative (“G&A”) costs, sustaining costs and accretion.*

On **September 15, 2022**, the Company announced that it was included in the TSX’s 2022 TSX30, a flagship program recognizing the 30 top-performing stocks over a three-year period based on dividend-adjusted share price appreciation. KNT ranked 11th on the 2022 list based on a share price appreciation of 337% over the three-year period. Founded in 2019, the TSX30 is an annual program that recognizes companies that have sustained excellence over the long term by driving growth in their industries and for their investors.

On **December 6, 2022**, the Company announced that the Government of Papua New Guinea granted an extension of Mining Lease 150 (ML150) for the Kainantu Mine for a period of 10 years to June 13, 2034, well in advance of the original expiry date of June 13, 2024, highlighting the significant support of various levels of PNG Government and stakeholders of the Kainantu Mine.

On **December 6, 2022**, the Company announced approval by the Board of Directors (the “**Board**”) of the Company progressing with Kainantu Mine’s Stage 3 and Stage 4 Expansions. The Stage 3 Expansion plans to increase annual throughput to 1.2 mtpa and the Stage 4 Expansion to 1.7 mtpa, representing a 140% and 240% increase from the Stage 2A Expansion, respectively. The expansions are expected to transform Kainantu into a Tier 1 mine, as demonstrated in the IDP’s Stage 4 PEA Case, outlining peak annual production of 500,192 AuEq in 2027, life of mine average AISC of \$687/oz (co-product) or \$444/oz net of by-product credits, and self-funded from mine cash flow at \$1,600/oz Au. The growth capital cost, sustaining capital cost until operating both process plants, and life of mine sustaining capital cost are expected to be funded from mine cash flow as well as proceeds from the Trifigura Loan.

2023 DEVELOPMENTS

On **January 1, 2023**, David Medilek was promoted to the position of President and Warren Uyen was appointed to the position of Chief Operating Officer. Mr. Medilek, a mining professional with over 15 years of mining capital markets, corporate strategy and technical operating experience, served as the Company’s Vice President Business Development and Investor Relations for over three years. Mr. Uyen, a Mining Engineer with over 30 years of experience in the mining industry in Australia and Asia, served as K92’s Senior Vice President Operations since October 2018.

On **February 1, 2023**, Christopher Muller was promoted to the position Executive Vice President Exploration. Mr. Muller is a geologist with over 20 years of experience in open pit and underground mine, near mine, brownfields and greenfields exploration, in Papua New Guinea, Mongolia, China, Ghana, Indonesia and Thailand. He served as the Company’s Vice President Exploration since October 2017 and has been with K92 since 2016.

On **March 27, 2023**, the Company announced the death of Chairman, R. Stuart “Tookie” Angus. Mr. Angus had been Chairman of the Company since its inception and its acquisition of the Kainantu Project in 2014. The Board appointed Anne E. Giardini as Lead Director.

On **April 18, 2023**, the Company announced the appointment of Anne E. Giardini as the Company’s Chair of the Board. Ms. Giardini, KC, who has served as an independent director of K92 since 2020, brings 35 years of experience as a director, senior executive, lawyer, journalist and author. She has extensive expertise in the areas of strategy, governance, public reporting, financings, mergers and acquisitions, aboriginal affairs, safety, environment, government relations, litigation, and employment and labour matters.

On **June 21, 2023**, the Company announced that it set its inaugural energy and greenhouse gas emissions (“**GHG**”) reduction target as part of its overall climate commitments. The Company set a target to reduce Scope 1 and Scope 2 emissions by 25% on a business-as-usual basis by 2030 (25% reduction against forecast Scope 1 and 2 GHG emissions by 2030 assuming no mitigation measures are implemented to reduce carbon emissions). Additional details were included in the Company’s 2022 Sustainability Report.

On **June 28, 2023**, the Company announced that two individuals were fatally injured following a vehicle incident in the underground mine; no other injuries were reported. Mining operations were temporarily halted while an investigation was completed. Other activities were not impacted.

On **July 24, 2023**, the Company announced the award of the engineering, procurement, construction and commissioning (“**EPC**”) 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 Contract for a lump sum of US\$81 million and at a fixed price, significantly de-risks potential cost increases to the Company. In addition, all process plant long-lead item contracts were 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.

On **September 26, 2023**, the Company announced that it entered into a loan agreement (the “**Loan Agreement**”) with Trafigura, a market leader in the global commodities industry, pursuant to which Trafigura will provide to K92 a US\$100 million senior secured loan (the “**Loan**”). In addition, K92 PNG and Trafigura amended and restated the 2019 Offtake Agreement for the purchase by Trafigura of 100% of K92 PNG’s copper/gold concentrates produced at the Kainantu Mine (the “**Amended Offtake Agreement**”). Trafigura has been the Company’s offtake partner since the start of operations at the Kainantu Mine. 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 Loan security and (ii) regulatory approvals including, with respect to the Amended Offtake Agreement, the approval of the Bank of PNG (“**BPNG**”). 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.

Key Terms of 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.
- Loan to be secured by, among other things, a charge over the assets of K92 PNG and a pledge of the shares of both K92 PNG and K92 Holdings (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.
- 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.

Should the BPGN not approve the Amended Offtake Agreement, the 2019 Offtake Agreement shall continue to be in force.

Key Terms of Amended Offtake Agreement:

- The term of the Amended Offtake Agreement will extend and continue for seven 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 at London Metals Exchange spot prices.
- Attractive payment arrangements that provide for upfront payment on delivery of concentrates to port of dispatch and provision of certain shipping documents.
- Improved metals payabilities for deliveries of concentrates, that include amending penalties, treatment and refining charges, and transport charges, all of which are better than the assumptions outlined in the Kainantu IDP’s definitive feasibility study and preliminary economic assessment cases (see September 12, 2022 news release).

On **December 5, 2023**, the Company announced results of an updated mineral resource estimate on the Kora and Judd deposits, at the Kainantu Mine. The mineral resource estimate was based on surface and underground exploration diamond drilling and underground face sampling. The focus of exploration at Kora and Judd since the previous mineral resource estimates of October 31, 2021 for Kora and December 31, 2021 for Judd were predominantly on resource growth. See “*Material Properties – Kainantu Project*”.

Kora and Judd Deposit Mineral Resource Estimate Highlights:

- Kora measured and indicated resource of 2.3 million ounces at 10.24 g/t AuEq, representing an 8% increase from the previous resource estimate of 2.1 million ounces AuEq in 2021.
- Kora inferred resource increased substantially to 3.9 million ounces at 8.60 g/t AuEq, representing a 58% increase from the previous resource estimate of 2.5 million ounces in October 2021.

- Judd measured and indicated resource of 0.35 million ounces at 8.68 g/t AuEq, representing an increase of 167% from the previous resource estimate of 0.13 million ounces in 2021.
- Judd inferred resource of 0.56 million ounces at 7.72 g/t AuEq, representing a 211% increase from the previous resource estimate of 0.18 million ounces in 2021.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

RECENT DEVELOPMENTS (subsequent to year ended December 31, 2023)

On **January 9, 2024**, the Company announced the promotions of David Medilek to the position of President and Chief Operating Officer (“**COO**”) and of Chris Kinver to the position of Vice President Projects & Engineering. Mr. Medilek served as the Company’s President since January 2023, and as Vice President Business Development and Investor Relations from June 2019. Mr. Kinver is a Mining Engineer with over 20 years of experience in the mining industry. Mr. Kinver joined K92 in 2019, and most recently held the position as the Company’s Project Director, Kora Expansion. The Company also announced the departure of Warren Uyen as COO. Mr. Uyen served as Senior Vice President, Operations from 2019 to 2023, and as COO from January 2023.

On **February 21, 2024**, the Company announced results of the first two drill holes completed from the maiden drill program at its Arakompa project located near infrastructure (4.5 km) of the Kainantu Mine. Significant mineralization was recorded, with four high-grade lodes intersected, including:

- 7.20 m at 24.76 g/t AuEq,
- 5.70 m at 9.94 g/t AuEq,
- 5.30 m at 6.06 g/t AuEq, and
- 3.60 m at 3.38 g/t AuEq.

The high-grade lode mineralization is similar to the producing high-grade Kora and Judd vein systems and represents an opportunity to potentially grow production at Kainantu beyond the Stage 4 Expansion. The results demonstrate high potential and with a large target size of a strike of 1.7 km, a mineralized corridor of approximately 150 to 225 metres wide, and a demonstrated vertical extent of over 500 metres. These factors led to the Company’s decision to expand near-term exploration activities at Arakompa.

On **March 19, 2024**, the Company announced that underground operations at the Kainantu Mine were temporarily suspended after a non-industrial incident resulted in a deceased employee on the Company’s mining lease. As of the date of this AIF, underground operations have not yet resumed.

Looking Forward

As K92 works on transforming into a Tier 1 mid-tier producer with the delivery of the Stage 3 Expansion, in 2024, our focus is on increasing production from last year, while progressing with various infrastructure projects on surface and underground for the Stage 3 and 4 Expansions. Of the total projected growth capital for the Stage 3 and Stage 4 Expansions of \$210 million, 48% was either spent or committed as at December 31, 2023. The second largest package, the paste fill plant and other remaining long-lead time items will be awarded in 2024.

The twin incline that is effectively complete will provide the major mine access infrastructure for increased production capability required for Stage 3 and 4 Expansions and potentially beyond to further expansions.

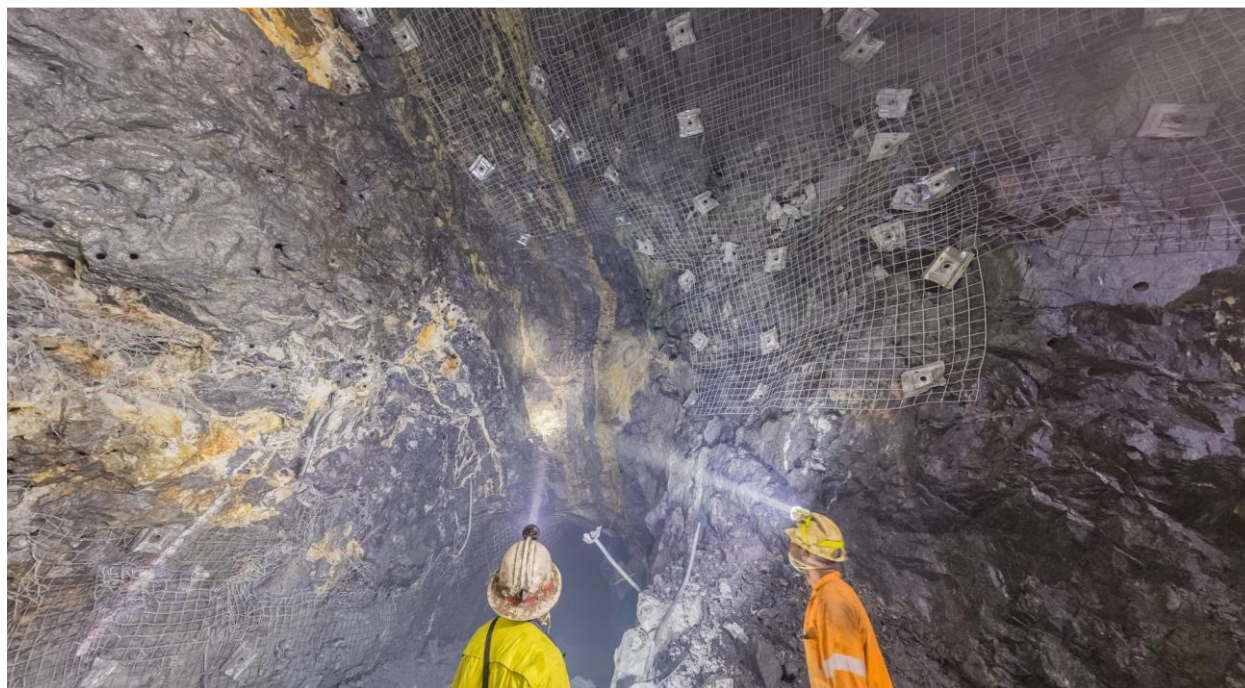
The Puma ventilation incline is being twinned, and upon completion of the twinned inline, will repurpose the existing incline into an intake, with the new incline serving as the primary exhaust for the mine. The Puma ventilation incline is scheduled for completion in late 2024.

Exploration Plans

In 2023, the Kainantu Mine effectively operated with one mining front, and by the end of 2024, the Company plans to have three fronts producing, with a fourth planned for 2025. Infrastructure, such as the twin incline, ore and waste passes, and ventilation upgrades are expected to significantly improve efficiencies and material movement capacity. This is also expected to realize significant economies of scale.

The planned 2024 exploration program is budgeted at \$17-\$20 million. Surface exploration will focus on Arakompa, Kora South, Judd South and the A1 porphyry. Underground drilling will focus on Kora, Kora South, Kora Deeps, Judd, Judd South, Judd Deeps and Northern Deeps targets.

K1 Vein, Kora Deposit



DESCRIPTION OF THE BUSINESS

GENERAL

The Company is a Canada-based gold, copper and silver mining producer and operates the Kainantu Mine in Eastern Highlands Province, Papua New Guinea, 180 km from the city of Lae. The Company conducts gold mining operations and exploration and drilling campaigns to define and develop mineral resources and mineral reserves on the Company's properties with an intention of developing, constructing and operating mines on such properties. The Company is currently engaged in the production of gold, copper and silver at the Kainantu Mine.

The Company is also focused on the exploration and development of mineral deposits in the immediate vicinity of the Kainantu Mine, including the Blue Lake copper-gold porphyry, Judd, Kora, Judd South, Kora South, Arakompa and the A1 porphyry target.

Since restarting operations in October 2016, K92 has delivered seven consecutive years of production growth, achieving approximately 118,000 oz AuEq in 2023. In May 2017, a near-mine infrastructure discovery of the Kora North deposit was made. This discovery ultimately combined the Kora, Eutompi and Kora North deposits to form one large deposit, collectively called Kora. The discovery was also high grade, and since declaring commercial production in early 2018, the Kainantu Mine has operated at a head grade of approximately 11 g/t AuEq.

The Company's corporate objective is to become a mid-tier producer by discovering, developing and operating the best mines, delivering sustainable value to all our stakeholders in a socially and environmentally responsible manner.

K92's Common Shares are listed on the TSX under the trading symbol "KNT" and are quoted on the OTCQX under the symbol "KNTNF".

For a more detailed description of the Company's business, refer to the Company's 2023 management's discussion and analysis ("MD&A") for the year ended December 31, 2023 and dated April 1, 2024, available on the Company's website or under the Company's profile at www.sedarplus.ca.

PRINCIPAL PRODUCTS

The Company's principal products are gold concentrate and doré, copper, and silver, all of which generally require refining or smelting to become marketable metal. Gold production forms the majority of the Company's revenues. There is a global market into which the Company can sell its gold and other minerals and, the Company is a party to the 2019 Trafigura Offtake agreement pursuant to which Trafigura purchases the gold/copper concentrate that the Company produces. The primary demand for gold is jewellery fabrication, followed by investment and the technology industry and dentistry sectors. Demand for and the price of gold is volatile and affected by numerous factors beyond the Company's control. See "Risk Factors". The price of gold is generally quoted in US dollars.

The following table sets out the Company's revenue by principal product for each of the last two financial years. Further details can be found in the Company's audited consolidated financial statements for the year ended December 31, 2023.

Revenue by Principal Product

	2023 (\$000s)	%	2022 (\$000s)	%
Gold	172,234	86%	168,476	89%
Copper	25,739	13%	18,299	10%
Silver	2,283	1%	1,412	1%
Total	200,255	100%	188,186	100%

SPECIAL SKILLS AND KNOWLEDGE

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, engineering, geology, metallurgy, logistical planning, implementation of exploration programs, mine construction and development, mine operation, environmental compliance, construction, procurement, information technology, community/public and government relations as well as legal compliance, finance and accounting.

The Company has an active recruitment program, has highly qualified management personnel on staff, and believes that persons having the necessary skills are generally available. The Company maintains competitive remuneration and compensation packages and has found that it can locate and retain competent employees and consultants in such fields as well as maintain a high retention rate of highly skilled employees and the Company anticipates that it will not have significant difficulty in recruiting other personnel as needed. The Company has training programs in place for workers who are recruited.

COMPETITIVE CONDITIONS

The gold exploration and mining business is a competitive business. The Company competes with numerous other companies and individuals in the search for and the acquisition of quality gold properties, mineral claims, permits, concessions and other mineral interests, as well as in recruiting and retaining qualified employees. The Company's ability to acquire gold properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for development or mineral exploration.

CYCLES

The mineral exploration and development business, and particularly precious metals production, is subject to mineral price cycles. The marketability of minerals is also affected by worldwide economic cycles.

ECONOMIC DEPENDENCE – TRAFIGURA AGREEMENTS

Trafigura Loan Agreement

On September 26, 2023, the Company entered into the Loan Agreement with Trafigura, securing a US \$100 million Loan. The Loan, with a term of four years from the date of the first advance, carries an upfront fee, a commitment fee, and an interest rate, alongside a one-year interest-only repayment grace period. The Loan is secured by a charge over the Company's and its subsidiaries' assets and a pledge of shares in the Company's subsidiaries. The initial drawdown of \$25.0 million is contingent on certain conditions (the "**Conditions**"), including regulatory

approvals. In case of an event of default under the Loan, Trafigura has the right to accelerate repayment of the Loan and convert all or any portion of the initial drawdown into Common Shares of the Company. This Conversion Right will expire upon satisfaction of having the Security registered. As of the date of this AIF, the Conditions had not been satisfied, therefore, no drawdowns of the Loan were made.

Trafigura Offtake Agreement

In 2019, the Company and Trafigura entered into the 2019 Offtake Agreement for the purchase by Trafigura of 100% of K92's copper/gold concentrate produced at the Kainantu Mine. The term of the nine-year Offtake Agreement ends in February 2028, or until a minimum of 165,000 dry metric tonnes ("**DMT**") of concentrate has been delivered, whichever is later. If the minimum DMT has been delivered prior to the end of the term, then K92 is only required to sell 50% of its annual production for the remaining term of the agreement. Payment arrangements provide for upfront payment to K92 on delivery of concentrates to the port of dispatch and provision of certain shipping documents. As at December 31, 2023, the Company has delivered a total of 75,581 DMT of concentrate under the Offtake Agreement.

On September 26, 2023, the Company entered into the Amended Offtake Agreement with Trafigura. The Amended Offtake Agreement will commence on January 1, 2026 and continue for an additional seven years, or until a minimum of 600,000 DMT of concentrate has been delivered. Under the Amended Offtake Agreement, Trafigura will purchase gold/copper concentrates from the Kainantu Gold Mine at London Metals Exchange spot prices, with enhanced metal payabilities, including penalties, treatment and refining charges, and transport costs, offering terms more favourable than those in the IDP. The implementation of the Amended Offtake Agreement is contingent on certain conditions, including approval from the BPNG in line with the Central Banking (Foreign Exchange and Gold) Regulation, and the satisfaction of the Conditions outlined in the Loan Agreement. As of the date of this AIF, the Conditions had not been satisfied.

EMPLOYEES

Our business is administered principally from our head office in Vancouver, British Columbia, Canada. We also have offices in Australia and Papua New Guinea. As at the date of this AIF, we, including our subsidiaries, employ approximately 1,100 permanent employees, approximately 570 contractors, and approximately 150 casual workers. Over 90% of our employees are PNG nationals, of which 36% are from our local landowner communities.

Production at the Company's mining operations is dependent upon the efforts of the Company's employees and the Company's relations with the Company's employees.

FOREIGN OPERATIONS

The Company's principal operations and assets are located in Papua New Guinea. The Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include but are not limited to government regulations (or changes to such regulations) with respect to restrictions on production, export controls, income and other taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, local ownership requirements and land claims of local people, regional and national instability and mine safety. The effect of these factors cannot be accurately predicted. See "*Risk Factors*".

ENVIRONMENTAL PROTECTION

The Company's operations are subject to extensive laws and regulations governing the protection of the environment, natural resources and human health. These laws address, among other things, emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations, including requirements for closure. The Company is required to obtain governmental permits under federal, state, or provincial air, water quality, and mine reclamation rules and permits. Violations of environmental, health and safety laws are subject to civil sanctions and, in some cases, criminal sanctions, including the suspension or revocation of permits. The failure to comply with environmental laws and regulations or liabilities related to hazardous substance contamination could result in project development delays, material financial impacts or other material impacts to the Company's projects and activities, fines, penalties, lawsuits by the government or private parties, or material capital expenditures.

Reclamation and Closure Costs

As at December 31, 2023, the Company's total current reclamation liability associated with the Kainantu Mine totalled \$8.9 million. This amount is based on the estimate of the costs associated with the reclamation and closure procedures related to disturbances as at December 31, 2023 to meet constructive obligations and compliance with the PNG Government legislation. The majority of the reclamation expenditures are currently projected to begin in 2032. Details and quantification of the Company's reclamation and closure cost obligations are set out in Note 8 of the Company's audited consolidated financial statements for the year-ended December 31, 2023.

Independent Environmental Audits

Environmental laws in Papua New Guinea require that the Company periodically perform audits and environmental impact studies at the Company's mines. These studies could reveal environmental impacts that would require the Company to make significant capital outlays or cause material changes or delays in the Company's intended activities.

In 2023, we commissioned an independent, external audit of our environmental and social performance by experts from Tetra Tech, a leading global sustainability consultancy. The audit focused on assessing our environmental and social management systems, practices, and performance against international standards, namely the Equator Principles and the Global Industry Standard on Tailings Management. The assessment highlighted our areas of strength while providing recommendations for continual improvement in our performance over time. In 2024, the Company will commission an additional independent assessment of our environmental and social performance against the International Finance Corporation ("IFC") Performance Standards, a key framework the Company plans to embed into its sustainability practices.

Environmental Permit

In 2023, the Company achieved a significant permitting milestone for its expansion projects by receiving a revised environmental permit for our Stage 3 Expansion upon approval by the PNG Conservation and Environment Protection Authority ("CEPA") of an environmental impact statement ("EIS").

Environmental Management

At K92, we are committed to conducting our operations in an environmentally responsible manner in line with our strategic vision. To support this commitment, we have established an Environmental Management System (“**EMS**”) at our operations. Key elements of the EMS include:

- defined resources, roles, and responsibilities for environmental management;
- a risk assessment process to identify potential environmental hazards;
- environmental risk mitigation objectives and targets;
- training and awareness initiatives;
- standard operating procedures, including for emergency preparedness and response;
- audit and compliance programs; and
- a clear process for mitigation of non-conformance and corrective actions.

As part of our EMS, the Company has implemented a site-wide, government-approved environmental management plan (“**EMP**”) covering key environmental risks and potential impacts, including sub-plans for water management, land management, mine closure, biodiversity, air quality, hazardous materials and waste, and environmental compliance. The EMP is intended to ensure environmental risks are adequately addressed while committing to environmental protection for all of the Company’s activities.

SOCIAL AND ENVIRONMENTAL POLICIES

K92 is committed to responsible mining, including environmental stewardship. K92 also strives to ensure that it is following the highest legal and ethical standards, and the Company's reputation for acting responsibly plays a critical role in our success as a business.

These commitments are reflected in our Code of Conduct and Business Ethics (“**Code**”) which outlines our fundamental principles of legal, moral and ethical conduct. The Code applies to the Company’s directors, officers, employees, consultants and contractors (“**Personnel**”) who are regularly required to review the Code to confirm they understand their responsibilities and that they conform to its requirements. The Code addresses K92’s expectations concerning its values and reputation, acting with honesty, respect, integrity, using information responsibly, fair dealing, compliance with laws and regulations and speaking up about deviations from the Code.

Our mine-site Health, Safety and Environmental Policy outlines our commitment to protect and promote the safety, and occupational health of our workforce (employees and contractors) and local communities through the implementation of a management system and structure. Our policy is supported by standards manuals for operational safety, health and wellbeing that outline how we implement our policy.

Under our Whistleblower Policy, we maintain a confidential whistleblower mechanism to enable employees and other stakeholders to submit concerns related to violations of the Code, or fraudulent or unacceptable financial or non-financial behaviour, conduct or practices carried out by Personnel. The policy provides a formal yet simple procedure to facilitate the receipt, retention, review and resolution of complaints, denunciations, and warnings given by Personnel.

Our Anti-Bribery and Anti-Corruption Policy provides a framework to ensure that the Company, together with its directors, officers, employees, consultants, and contractors, conducts its business honestly and ethically, reflecting the highest standards of integrity and in compliance with the *Corruption of Foreign Public Officials Act* (Canada) all relevant laws and regulations. The

policy sets out our expectations for compliance with anti-bribery and anti-corruption laws in the jurisdictions in which we do business.

K92 has adopted a Human Rights Policy that recognizes local and internationally recognized human rights standards, including those set out in the International Bill of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work which is in line with the United Nations Guiding Principles on Business and Human Rights. The policy outlines the Company's commitments to these principles in support of human rights, sets out the expectations of Personnel regarding the principles, and summarizes how the commitments will be implemented and administered by K92.

More information on the Company's commitment to protecting the environment from the impact of its activities and supporting its personal and communities in which it operates is available in the Company's most recent Sustainability Report available at www.K92mining.com. Copies of the Code, as well as the Company's Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy, Human Rights Policy and the Code of Conduct and Business Ethics are available on the Company's website.

COMMUNITY ENGAGEMENT AND INVESTMENT

K92 understands that local communities are important stakeholders in our business activities. We seek to understand and react appropriately to their interests. We believe that our mining project can provide significant economic benefits and social development opportunities for local communities that can endure well beyond the life of a project. K92 offers training programs and is committed to hiring locally. K92 also supports development initiatives that meet the needs and priorities of the local community with the objective of leaving a legacy of improved infrastructure, skills development and more sustainable communities.

Canada's "Fighting Against Forced Labour and Child Labour in Supply Chains Act"

By May 31, 2024, the Company will publish its first annual report required under the newly enacted *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). The Act obliges certain entities to report on the measures they have taken to prevent and reduce the risk that forced labour or child labour are used by them or in their supply chains.

In line with the International Labour Organization (ILO) Convention 29 on Forced Labour and ILO Convention 138 on Minimum Age, the Company prohibits the use of child, forced or bonded labour. No person under the age of eighteen years is permitted to be employed by any personnel associated with K92.

PNG Infrastructure Tax Scheme

The Company is now participating in the Infrastructure Tax Credit Scheme (ITCS) of the PNG Government, through which up to 2% of the Company's assessable income can be allocated by the Company for spending on approved PNG community projects, including local infrastructure, health programs, and educational initiatives, and deducted from future corporate tax payable. The first project for implementation was formally approved by the PNG Department of National Planning in December 2023 for local road upgrades. Construction works will commence in 2024.

Community Programs

The Company has been actively engaged in community programs aimed at improving the quality of life for local communities. The programs to support community development include diversity initiatives, freshwater systems, road maintenance, medical clinic funding, school refurbishment, adult literacy programs, agricultural livelihood and training programs, and support for small enterprises.

In December 2023, the Company was recognized by the PNG Chamber of Resources and Energy (CORE) with an award for Outstanding Community Humanitarian Initiative. The award recognizes the Company's contributions and achievements related to its Women in Mining program, which focuses on female-targeted community investment programs in local communities, including training and awareness initiatives, preventative health programs, and support for small enterprises.

The Company has an Adult Literacy Program in partnership with local communities. The program offers three levels of English and Tok Pisin, the local language in PNG, for those who cannot read or write. Approximately 340 participants are currently enrolled in the Adult Literacy Program, most of whom are women.

The Sustainable Agriculture Livelihoods Program has been a success with the local community as it enables local farmers to scale production and further access local vendors. In 2023, K92 hired an agricultural scientist to maintain momentum and provide guidance in this program. The program had approximately 180 participants in 2023, 80% of whom are women.

The Company's Sustainable Livelihoods Survey documents and models the various forms of capital and assets that communities have in place, those that are underutilized, and those that still need to be identified. We employ local youth to administer the survey questionnaire and record the data, which also serves as a census.

The Company has installed solar power at two local clinics, contributed to a youth spelling competition at a local community, advanced the agricultural program to eight locations including a demonstration farm and progressed with upgrading of a community road that will continue to be extended to local villages.

Local Business Opportunities

The Company has created multiple business opportunities for communities to benefit from the operation of the mine. These include several major joint venture contracts between the communities and PNG companies for the provision of services as well as smaller contracts with local communities. The major contracts include catering and camp management, security, road transportation and ancillary mobile. During the twelve months ended December 31, 2023, these contracts generated \$24.5 million in revenue, supporting the local community.

Scholarships

K92 places a strong focus on the prosperity and development of local communities and is proud to support the talent and growth of future leaders of Papua New Guinea by offering several scholarships and educational opportunities for local students. As K92 carries out its significant growth and planned expansions, the Company plans to continue to leverage its strong partnerships with all local stakeholders and contribute in a significant way to progress the long-term prosperity of Papua New Guinea.

The K92 Mining Tertiary Scholarship Program was established in 2019, with medals named in honour of senior Papua New Guinean leaders within K92, and annually awards students in their 3rd year of study in the fields of mining, geology and metallurgy. The program includes the Women in Mining Scholarship that is awarded to women who are currently in their pre-final year of study in a field related to the mining industry and who are planning to pursue a career in the mining industry. The recipients of awards in the Mining Tertiary Scholarship Program and the Women in Mining Scholarship will also complete their final year industrial traineeship with K92 to further augment their professional development.

K92 has partnered with Pagani Kainantu Limited to award two scholarships for Women in Mining to students who are currently in their pre-final year of study in a field related to logistics, commercial or business management. The Company is also a sponsor of the PNG University of Technology in Lae, PNG and the University of Papua New Guinea in Port Moresby.

The Company entered into a partnership with Don Bosco Technological Institute (“**DBTI**”) of PNG. Through which K92 and DBTI will collaborate in the areas of information exchange, technical assessments, and other areas of engineering studies and research work. Notably, this will provide the opportunity for DBTI students to participate in the K92 Mining Tertiary Scholarship Program and the K92 Mining Industrial Trainee Program

The K92 Mining Industrial Trainee Program was established to enable third or final year students to complete the practical curriculum required for the completion of their degrees and to further their professional development. The K92 Mining Graduate Program is a two-year program allowing recently graduated students to complete their first two years of work under a formal program.

Memorandum of Agreement (“MOA”)

The Company continues to work towards signing a revised MOA, which has been delayed outside of the control of the Company or local landowners including due to the COVID-19 pandemic. The MOA provides a framework for the relationship between the Company, local communities, and the PNG Government, and sets out commitments from the various parties. In July 2020, the Company had a formal MOA meeting involving local landowners and Government officials. In principle, the parties agreed on a revised MOA, which also requires approval from the National Executive Council of the PNG Government. The original MOA framework will remain in place as mining operations and associated expansions continue, until a new MOA is formally approved. This process is common among current resource projects in the country.

SUSTAINABILITY AND SOCIAL IMPACTS

The Company has in place a ***Sustainability Committee*** of the Board to assist the Board in overseeing the Company’s environmental and corporate social responsibility policies and programs, and performance in the areas of environmental and corporate social responsibility. The Sustainability Committee supports the Company’s commitment to conduct operations with environmentally sound, socially responsible and sustainable business practices. In addition, the Board’s ***Health and Safety Committee*** provides oversight of the Company’s health and safety practices and policies.

We recognize that climate change can pose risks to our business and are taking steps to understand and manage these risks. At the same time, we believe our company has many opportunities under a low carbon transition. As a result, in 2021 we started our alignment to the

Task Force on Climate-related Financial Disclosures (“**TCFD**”) and developed a road map to further enhance our climate risk and opportunity management.

We operate under the principle of socially responsible mining. At K92, we view our efforts in terms of our social, economic and operational commitments as priorities. Our success is dependent on how well we listen and respond to the needs of the communities in which we operate, and to PNG more broadly; increasingly as we work and live within these communities, we have a strong understanding of the types of programs that are needed and how to make them happen.

Alignment With SDGs

The UN Sustainable Development Goals (“**SDGs**”) are a call for all countries to work together to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. Aligning our priorities and efforts with a globally recognized framework is instrumental in helping us to establish commitments and operate in a manner that benefits all stakeholders, including our communities, governments and investors.

We believe that our greatest contribution towards the SDGs is achieved through K92 community projects and activities that not only improve quality of life in those communities but also lead to residents acquiring valuable skills for life beyond the mine.

K92’s community projects focus on the following SDGs:

- SDG 2 - Zero hunger.
- SDG 3 - Good health and well-being.
- SDG 4 - Quality education.
- SDG 5 - Gender equality.
- SDG 6 - Clean water and sanitation.
- SDG 8 - Decent work and economic growth.
- SED 9 - Industry, innovation and infrastructure.

Sustainability Reporting

The Company’s non-financial, sustainability disclosures (including climate-related disclosures) are disclosed annually. In July 2023, the Company released its fourth annual Sustainability Report (the “**2022 Sustainability Report**”), which was prepared in alignment with the Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard. Climate-related disclosures were guided by the TCFD framework. Refer to the Company’s website at www.K92mining.com for a copy of the latest sustainability report. The Company is also monitoring regulatory developments related to the newly-released IFRS S1 and S2 standards issued by the International Sustainability Standards Board (ISSB) related to general sustainability and climate disclosures.

Stakeholder Communications

K92 engages in early, frequent and transparent dialogue with stakeholders as a means to build trust and provide a space for collaboration and long-term commitment. The Company strives to maintain strong local relationships by meeting regularly with the host communities to discuss activities, report on environmental performance and discuss concerns. Our dedicated community department seeks local feedback, particularly where improvements are needed, and collaborative solutions can be implemented.

Climate Change and Greenhouse Gas Emissions Targets

The Company is advancing its climate strategy in support of its energy and greenhouse gas (“GHG”) emissions reduction target that was set in June 2023. After completing detailed energy and GHG forecasts for its Stage 3 and Stage 4 Expansions, and identifying opportunities for energy reductions, the Company set a target to reduce Scope 1 and Scope 2 emissions by 25% on a business-as-usual basis by 2030 (a 25% reduction against forecast Scope 1 and 2 GHG emissions by 2030 assuming no mitigation measures are implemented to reduce carbon emissions). Additional information on the GHG target and the overall approach to sustainability is available in the Company’s 2022 Sustainability Report. A core component of the climate strategy is to enhance the Company’s access to local hydroelectricity, which is being advanced through partnerships with the local electricity provider, PNG Power Ltd. A significant amount of power for the Kainantu Mine operation is sourced from hydroelectricity, a cleaner, renewable power source. A dedicated 22kV powerline was installed at the minesite to increase the reliability of clean hydroelectric power from the grid and reduce the use of backup diesel gensets. Additional power upgrades to increase our renewable energy profile are being investigated.

HEALTH AND SAFETY

At K92, the well-being, protection, safety and security of our employees are of utmost importance to us. Robust policies, procedures and controls are in place. The Company is focussed on emphasizing a safety culture throughout all levels of our organization, from our Board of Directors and senior management to all our employees and contractors.

The Company has implemented a health and safety management system and procedures that are based on the AS/NZS 4801 Standard. As part of the system, K92 maintains an operations Health, Safety, and Environment Policy through which the Company is committed to continually improving its safety management systems and hazard risk identification practices with the aim of achieving zero harm. K92’s safety practices are guided by a “Hierarchy of Controls”, which help prevent and mitigate hazards across the operations. Key elements of this framework include:

- Elimination of the hazard completely.
- Substitution of the hazard for something less hazardous.
- Engineering control – creation of a physical barrier to the hazard.
- Administrative control – implementation of procedures, policies, rules and training.
- Use of personal protective equipment (PPE) as a last line of defence to create a barrier to the hazard.

The Company has also established a formal health and safety risk assessment process, which is based on the following multi-level approach:

- 3W analysis (“Who, What, Where”).
- Job safety environmental analysis.
- Formal risk assessment through “Probabilistic Risk Assessment”.

Our joint operations Occupational, Health, and Safety (OHS) Committee consists of safety representatives from all departments. This committee is responsible for addressing current safety concerns, brainstorming ideas for improvement and identifying training requirements. The OHS Committee also leads safety awareness initiatives, sharing health and safety advice that is relevant to mitigate risk not only in the workplace but also in employees’ homes and communities. The OHS committee meets at least monthly.

The Health and Safety Committee of the Board meets at least four times per year to review reports from the OHS Committee and from the Chief Operating Officer, who attends each meeting of the Health and Safety Committee.

Throughout 2023, we continued to implement our three-year Health, Safety, Environment and Security (HSES) strategic plan. The overall purpose of the plan is to maintain a safe, secure and productive working environment for employees and contractors, to be achieved through:

- Effective risk management.
- Tailored training programs to meet management expectations.
- HSES procedures that are simple, understood and embedded across the operations.
- Legal compliance tracking and management.
- Understanding and control of occupational exposures.
- Lifestyle campaigns to promote healthy living.
- Adequate medical facilities and capability for access to quality health care.
- Effective emergency response capability, including ongoing training.

Key additional improvements that the Company focused on during 2023 include commissioning an independent, external audit of our safety management systems and practices to better understand key areas for improvement in our safety approach and performance. The Company is committed to conduct these audits on an annual basis.

Enhanced risk management practices are also being implemented, including the development of improved critical risk-control protocols as well as new tools and training for more robust risk assessments.

Additionally, K92 has developed a variety of new training programs to augment existing training programs. A behavioural safety program with a focus on quick safety observations is being implemented in conjunction with external consultants. A competency-based training program for supervisors is also being rolled out across the operations.

After more than five years with no fatalities, the Company had an incident underground at the Kainantu Mine that resulted in two fatalities 2023; no other personnel were injured. The Company held several days of safety refresher training for its workforce following the incident. An investigation to determine the cause of the incident was undertaken and the findings of the investigate were shared across the organization. Lessons learned from the incident are applied throughout the Company to improve controls and reduce the potential for future incidents.

INFORMATION SYSTEMS AND CYBERSECURITY

The Company relies, in part, on the accessibility, capability, dependability, and protection of its information technology (“IT”) infrastructure. This includes its capacity to expand and modernize the infrastructure to conduct daily operations, as required. The Company utilizes a combination of internal IT assets and third-party vendors for continual IT assistance, management, and system maintenance, including in Canada, Australia, and Papua New Guinea.

The Company regularly performs scheduled maintenance, updates, and replacements of networks, equipment, IT systems, and software. This includes proactive measures and redundancies to minimize the impact of any potential failures. Furthermore, the Company employs a range of tools to protect its IT systems and information, including, but not limited to, endpoint protection systems, firewalls, password protocols that include multi-factor authentication for remote access, endpoint protection systems, and email threat-prevention solutions.

The Company provides ongoing cybersecurity and IT training to its employees. At the corporate level, training is provided through a Canadian, external IT service provider and regular phishing tests are conducted. Training is provided to operations employees through online compliance training software, which is procured from a third-party company based in Australia.

As part of its mandate, the Audit Committee of the Board is responsible for board-level oversight of our cybersecurity and IT practices and management. The Audit Committee, which is composed of three independent directors, is chaired by Saurabh Handa, who is considered to have advanced IT expertise. Our CFO is primarily responsible for IT management at the executive management level and reports to the Audit Committee quarterly on IT and cybersecurity matters.

To date, the Company has not experienced any known material losses related to cyber attacks or other material information/data security breaches. See “Risk Factors” for more information related to IT and cybersecurity risks that may impact the Company.

MATERIAL PROPERTIES

The Company currently has two material properties for the purposes of NI 43-101, the Kainantu Project and the Blue Lake Porphyry Project, both located in Papua New Guinea.



KAINANTU PROJECT

The Kainantu Mine, located in the Eastern Highlands province of Papua New Guinea, is a high-grade, low-cost underground mine located in a region known for Tier 1 deposits. The Company declared commercial production from Kainantu in February 2018 and has continued expanding its production and mineral resources since then. Mining activities are conducted under Mining Lease 150 that has been approved until June 13, 2034,

Following the successful ramp-up of the Stage 2 Expansion to 400,000 tpa, commissioning of the Stage 2A Expansion to increase throughput by 25% to 500,000 tpa (1,370 tpd) progressively was completed in May 2023. The Company is also advancing towards Stage 3 and Stage 4 Expansions to a production run-rate of over 291,000 oz of gold equivalent per year and 470,000 oz of gold equivalent per year, respectively. A new twin incline development is underway, to

provide the major mine access infrastructure for increased production capability required for the Stage 3 and Stage 4 Expansions and potentially beyond to further expansions. Drilling to support potential further expansions is underway with eleven to thirteen drill rigs on site in 2023.

The most recent technical report for the Kainantu Project is the IDP Technical Report, dated October 26, 2022, with an effective date of January 1, 2022, and titled, “Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea Definitive Feasibility Study” can be found on the Company’s website at www.k92mining.com and the under the Company’s profile at www.sedarplus.ca.

On December 5, 2023, the Company announced results of a mineral resource estimate for the Kora and Judd deposits that updated the Kora and Judd mineral resource estimates contained in the IDP. The resource estimate, with an effective date of September 12, 2023, was based on surface and underground exploration diamond drilling and underground face sampling. Using a cut-off of 3 g/t AuEq, the resource estimate reported a combined Kora and Judd measured and indicated resource of 2.6 million ounces at 10.00 g/t AuEq, and a combined Kora and Judd inferred resource of 4.5 million ounces at 8.48 g/t AuEq. For further information, refer to the Company’s news release dated December 5, 2023.

The IDP has not been updated to reflect the updated Kora and Judd resource estimates; however, the Company does not expect the design parameters and conclusions in the IDP to materially change as a result of the updated mineral resource estimates. The Company does expect the potential mine life to be extended for the IDP’s DFS Case and PEA Case. See “*General Development of the Business – Summary of Mineral Reserves and Mineral Resources*”.

The following disclosure relating to the Kainantu Project is the summary excerpt from the IDP Technical Report. The entire IDP Technical Report is incorporated by reference into this AIF, and readers are encouraged to review the complete text of the technical report. A full list of references cited in the below summary is contained in the IDP Technical Report.

2022 KAINANTU TECHNICAL REPORT SUMMARY

The following summary, that begins on page 36 and ends on page 89, is not exhaustive. The IDP Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The IDP Technical Report contains the expression of the professional opinions of the Qualified Persons (as defined under NI 43-101) who prepared the IDP Technical Report based upon information available at the time of preparation of the report. The following disclosure, which is derived from the IDP Technical Report, is subject to the assumptions and qualifications contained in the IDP Technical Report. The following summary has been reviewed by Andrew Kohler BAppSc (Geol), PGCert (Geostatistics), MAIG, the Company’s Mine Geology and Mine Exploration Manager and a Qualified Persons (as defined under NI 43-101).

1.1 INTRODUCTION

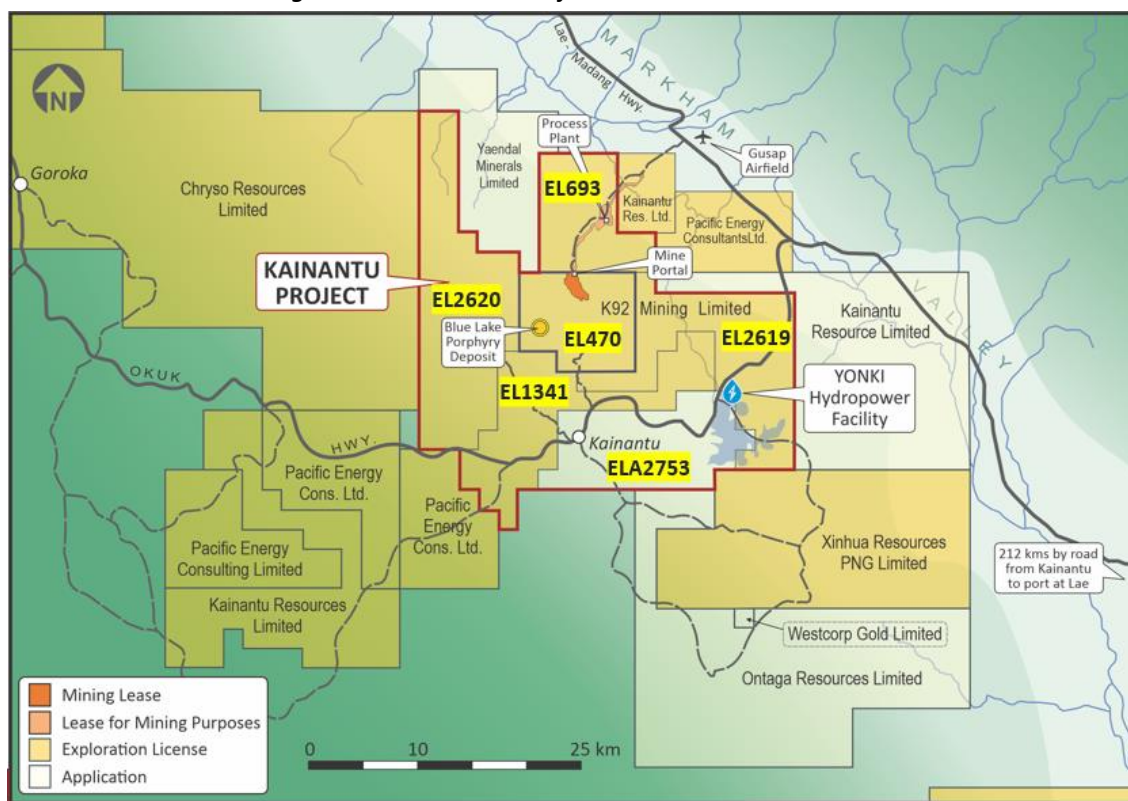
This report is an Independent Technical Report dated 1 January 2022 of the Integrated Development Plan (IDP) for K92Mining Inc.’s Kainantu Gold Mine Project (the ‘Kainantu Project’) in Papua New Guinea. The IDP includes the Kainantu Stage 3 Expansion Definitive Feasibility Study (DFS) Case and the alternative Kainantu Stage 4 Expansion Preliminary Economic Analysis (PEA) Case.

The IDP was independently prepared by Lycopodium Minerals Pty Ltd ('Lycopodium') of Brisbane, Australia; Entech Pty Ltd of Perth, Australia and Entech Mining Ltd of Toronto, Canada (collectively referred to as 'Entech'); ATC Williams Pty Ltd ('ATC Williams') of Brisbane, Australia; MineFill Services Pty Ltd. ('MineFill') of Newcastle, Australia; Metallurgical Management Services Pty Ltd ('MMS') of Perth, Australia, and; H&S Consultants Pty Ltd of Sydney, Australia.

The Kainantu property covers a total area of 836.8 km² and is located in the Eastern Highlands Province of Papua New Guinea, approximately 180 km west-northwest of Lae.

The Property lies within an area of mostly rugged topography, with transecting rivers forming lower lying areas. Elevations range from 400m to 1900m above sea level. Vegetation is mostly primary rainforest with areas of shifting cultivation in valley floors.

Figure 1.1.1 Kainantu Project Location and Tenements



1.2 GEOLOGICAL SETTING AND MINERALIZATION – 2022 TECHNICAL REPORT

The Kainantu region is in the north-eastern flank of the northwest trending Papuan Mobile Belt which is a major foreland thrust belt. The regional structural package of the Kainantu district is bounded in the northeast by the northwest trending Ramu-Markham Fault, a major suture zone that marks the northern margin of the Australian Craton, and in the southeast by the Aure Deformation Zone. The belt is characterized by several north-northeast trending fault zones that commonly host major ore deposits.

Dominant host rock of the Kora Consolidated-Irumafimpa vein systems is the highly sheared and deformed Bena Bena Formation, composed of low grade metamorphosed phyllites and amphibolites, intruded by the Elandora porphyry at the northwest end of the vein system.

Mineralization on the property includes gold, silver, and copper in epithermal Au-telluride veins (Irumafimpa) and Au-Cu-Ag sulphide veins of Intrusion Related Gold Copper ('IRGC') affinity (Kora and Judd) and also less explored porphyry Cu-Au systems (Blue Lake), and alluvial gold. The Kora Consolidated vein systems (including Kora, Eutompi and Kora North) has been demonstrated from K92ML's drilling and surface mapping results to be a continuous mineralized structure, over 1km in strike to date. This mineralized structure occurs in the centre of a large mineralization system approximately 5 km x 5 km in in which drilling has identified several individual zones of IRGC and porphyry style mineralization.

The current Mineral Resources for Kora Consolidated and Irumafimpa occupy a broad northwest trending mineralized zone more than 2.5 km long and approximately 60 to 80 m wide with down dip continuity of over 1,000 m. The Kora Vein mineralized zone comprises a series of individual veins and stringer vein systems named from west to east, as K2, Kora Link and K1. The Judd vein system, which is located 90 to 150 m east of Kora Consolidated, comprises multiple veins starting with J1 as well as J2 to J4, although these latter veins are yet to be defined by drilling. The total width across the Judd vein system from J1 to J4 is between 60 to 80m. All the vein systems are composed of quartz sulphide veins that vary in width throughout the vein systems from <1 m pinch and swell structures at Irumafimpa to veins up to 10 m at Kora Consolidated. Strike continuity of the individual veins is variable.

At Kora Consolidated and to the north along strike at Irumafimpa two stages of mineralization have been recognized. There is an early sulphide-rich copper-dominant stage overprinted by a later quartz-rich mineralization stage with high grade gold associated with tellurides. At Kora Consolidated both the sulphide-rich copper-dominant and quartz-rich Au-dominant mineralization occur along the same NW trending sub-vertical structure, tellurides are sometimes present but are insignificant and copper mineralization is in economic concentrations and generates revenue for the mine. The Kora Consolidated deposit currently comprises two parallel, steeply west dipping, N-S striking quartz-sulphide vein systems, K1 and K2. An additional structure, the Kora Link, has also been defined and provides a possible link between the two main vein systems. Drilling has confirmed that the overall system has a vertical extent greater than 1,000 m.

Figure 1.2.1 below shows the main vein systems and porphyry targets identified to date at the Kainantu project.

Figure 1.2.1 Kainantu Property Geology and Known Vein and Porphyry Deposits and Prospects

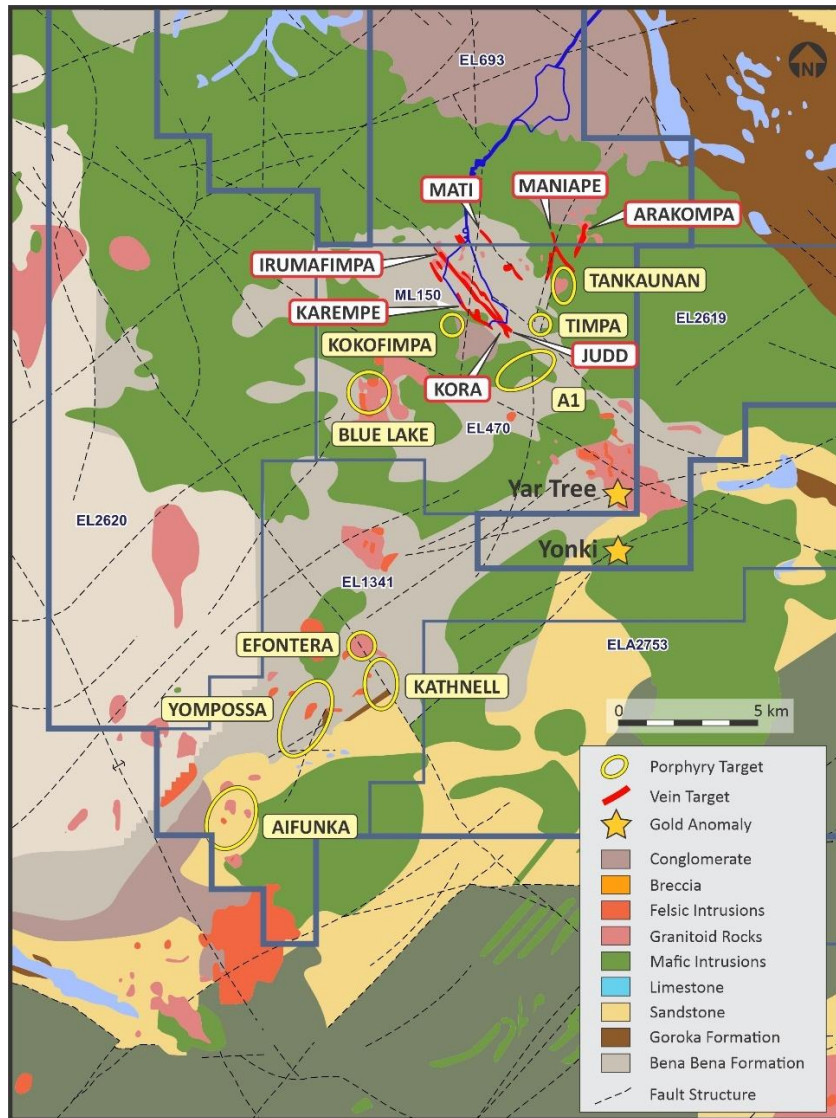
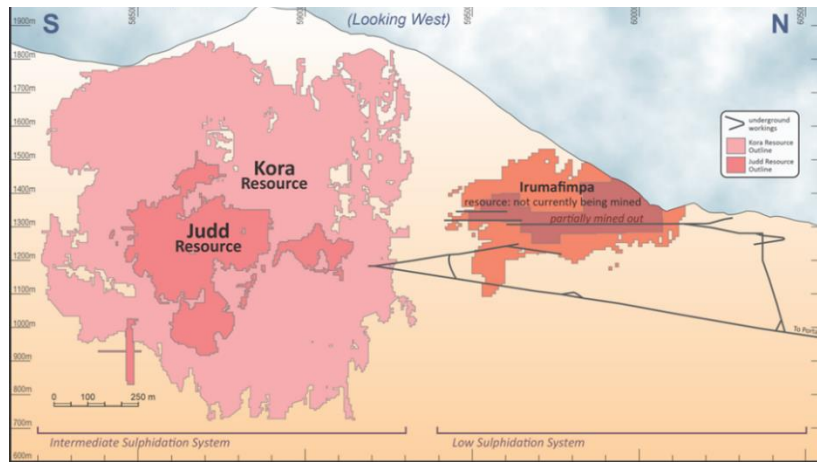


Figure 1.2.2 Kora Judd and Irumafimpa Longitudinal Section - Source: K92ML (2021)

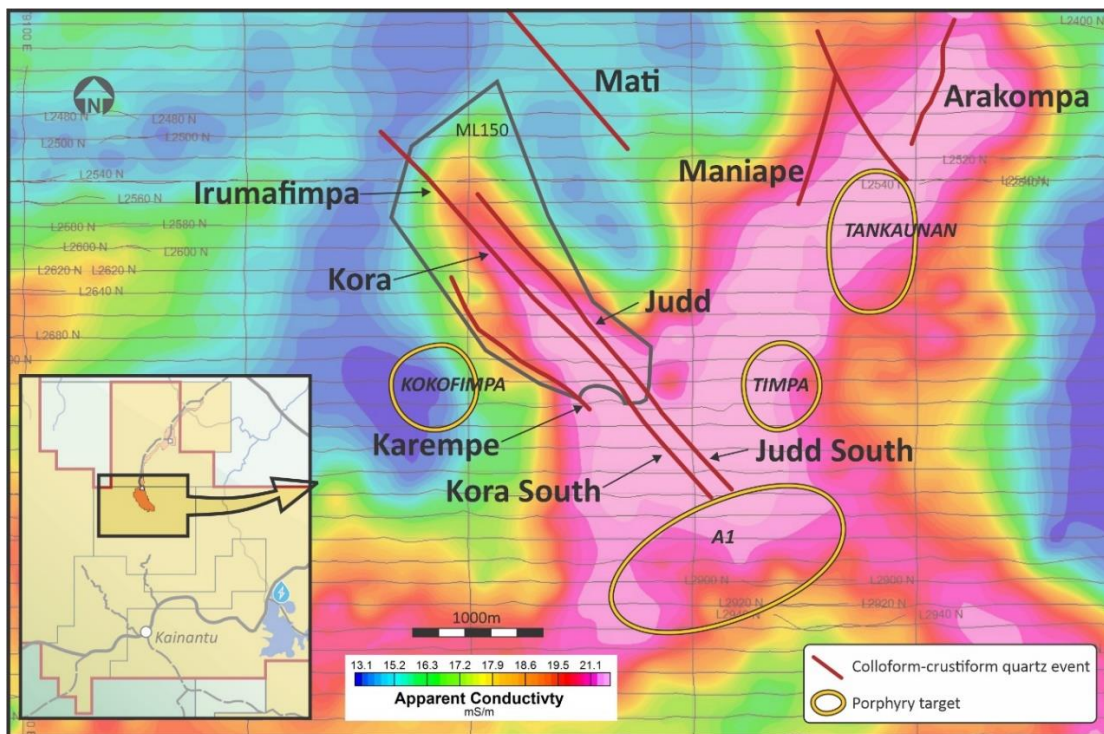


1.3 EXPLORATION

The Kainantu Project is recognized as an important mineral district, owing to the presence of multiple economic vein deposits, as well as additional veins and porphyry prospects, at various stages of exploration. K92 Mining Ltd (K92ML) has a very substantial land package of exploration tenement totalling 836 km².

An airborne geophysical (Magnetotellurics or MobileMT) survey was completed in 2021 over the entire area of K92ML’s tenements. Numerous conductive targets were identified, and, where previously drill tested, conform closely with known deposits and prospects, both vein and porphyry occurrences.

Figure 1.3.1 Judd, Kora and Irumafimpa Vein Systems with Mobile MT Contours - Source: K92ML (2021)



1.4 MINERALS PROCESSING AND METALLURGICAL TESTING

1.4.1 Process Plant

A series of tests were conducted on samples from K92 current plant operations, mining and development activities, and exploration drilling. The sequence of testwork was as follows:

- Sample receiving, preparation and preliminary compositing:
 - stream samples (final concentrate, cleaner tailings, and final tailings) from plant operations whilst processing individual ores
 - belt cuts of mined ore, K1, K2 and Judd
 - diamond drill core samples from exploration drilling.
- Mineralogical evaluation of stream samples from plant operations:
 - QEMSCAN automated scanning electron microscopy and image analysis to determines the nature and mode of occurrence of gold, sulphides, and gangue minerals
 - laser ablation ICP-MS analysis of individual sulphide grains for gold
 - bulk mineralogy, including size by size analysis, screen fire assays, and sequential leach determination of gold occurrence.

Comminution testwork on the belt cut samples including:

- The JKTech SMC laboratory comminution test, plus standard bond tests: crushing work index, rod mill work index, ball mill work index, and abrasion index.
 - Bead milling, thickening, pressure filtration and rheology testwork on a sample of concentrate from the K92 plant.
 - Preparation for flotation testwork: recombining fragments from the comminution tests to three individual ore type samples and a master composite sample.
 - Gravity recoverable gold tests, on the three individual ore type samples, using the industry standard three-stage procedure.
 - Batch flotation tests on the three individual ore type and the master composite samples:
 - rougher rate tests at grind size of P_{80} 0.075 mm using the same reagent suite as the operating plant to investigate required dosage rates
 - rougher rate tests at grind size of P_{80} 's from 0.053 to 0.150 mm to investigate primary grind requirements
 - a rougher cleaner, re-cleaner test incorporating bulk sulphide roughing followed by selective cleaning
 - rougher rate tests at a selected grind size P_{80} using four alternative reagent suites
 - rougher, cleaner re-cleaner tests using the selected reagents and with three levels of concentrate regrind.

- Locked cycle rougher, cleaner recleaner tests on the master composite to simulate two flowsheets, one incorporating concentrate regrind and the other without regrind.
- Variability testwork on eight composites of diamond drill core that were selected to represent mineralized zones within the Mineral Resource. Each variability sample was subject to the following testwork:
 - JKTech SMC laboratory comminution test
 - standard bond ball mill work index test
 - a single rougher rate flotation test using standard conditions.

In parallel with the laboratory testwork, there was continued process development work at the operating 400 ktpa K92 concentrator. Predictions for copper are based on the locked cycle testwork results in the context of plant operating data.

1.4.2 Paste Plant

For the paste system design a range of processes, rheology and geomechanical tests were completed on Kainantu tailings. This testwork campaign included the following:

- Characterization testing, including:
 - tailings mineralogy, particle size distribution, and specific gravity
 - process water chemical analysis
 - binder prism testing.
- Thickener testing, including:
 - dynamic testing (in a 99 mm bench scale rig) for high-rate thickener design
 - a limited amount of larger scale (190 mm test rig) for representation of a high compression thickener.
- Filtration testing, which included cloth disc filtration testing by two OEM's (Outotec and Bokela) with both yielding similar results.
- Rheology testing included bench scale vane rheometer testing of both cemented and uncemented paste material. Testing also included an assessment of changes in rheology with time, when including cement and/or slag.
- Cemented strength testing included only unconfined compressive strength testing. Mixes included in this work considered the influence of binder type, binder quantity and hydration time.

Results from this testwork were used for the purpose of selecting the optimal paste system arrangement as well as supporting the design of all relevant component.

1.5 MINERAL RESOURCE ESTIMATES

The updated Mineral Resources (MRE) for Kora Consolidated and Judd reported in March 2022 was based on diamond drill hole samples from both surface and underground drilling along with face sampling of underground development drives. Total drilling at the time of the MRE was 504 diamond drill holes for 93,480.6m and face samples totalled 991 for 4,630.4m. The MRE was used in the DFS and PEA.

The updated Global Mineral Resource estimate (using a 1.75 g/t gold cut-off grade) for the Kora Consolidated deposit effective 11 November 2021 is presented in Table 1.5.1.

Table 1.5.1 2022 Kora Consolidated Resource Estimate

Kora									
Category	Mt	Au g/t	Au Moz	Ag g/t	Ag Moz	Cu %	Cu Kt	Au_Eq g/t	Au_Eq Moz
Measured	2.8	9.07	0.8	15.7	1.4	0.85	24.1	10.51	1.0
Indicated	4.4	6.68	0.9	20.2	2.8	0.97	42.4	8.35	1.2
Total M & I	7.2	7.62	1.8	18.4	4.3	0.92	66.4	9.20	2.1
Inferred	8.1	7.12	1.8	27.3	7.1	1.38	111.1	9.48	2.5

The Global Mineral Resource estimate (using a 1.75 g/t gold cut-off grade) for the Judd deposit effective 20 January 2022 is presented in Table 1.5.2.

Table 1.5.2 2022 Judd Resource Estimate

Judd									
Category	Mt	Au g/t	Au Moz	Ag g/t	Ag Moz	Cu %	Cu Kt	AuEq g/t	AuEq Moz
Measured	0.22	11.26	0.08	19.9	0.14	0.72	1.59	12.56	0.09
Indicated	0.15	7.46	0.04	13.9	0.07	0.77	1.20	8.76	0.04
Total M & I	0.38	9.70	0.12	17.5	0.21	0.74	2.79	11.00	0.13
Inferred	1.01	4.24	0.14	11.0	0.36	0.87	8.82	5.66	0.18

Table 1.5.3 2022 Combined Kora Consolidated and Judd Resource

Kora and Judd									
Category	Mt	Au g/t	Au Moz	Ag g/t	Ag Moz	Cu %	Cu Kt	AuEq g/t	AuEq Moz
Measured	3.1	9.23	0.9	16.0	1.6	0.84	25.7	10.66	1.0
Indicated	4.5	6.70	1.0	20.0	2.9	0.97	43.6	8.36	1.2
Total M & I	7.6	7.72	1.9	18.3	4.5	0.91	69.2	9.29	2.3
Inferred	9.1	6.80	2.0	25.5	7.4	1.32	119.9	9.05	2.6

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- Resources were compiled at 1.75, 2.5, 3, 4, 5, 6, 7, 8, 9 and 10 g/t gold cut-off grades for Kora and 1.75, 2.5, 3, 4, 5 for Judd.
- Density (t/m³) is on a per zone basis, K1, K2: 2.84 t/m³; Kora Link: 2.74 t/m³; Judd: 2.71 t/m³; waste: 2.67 t/m³.
- Minimum mining width for wireframes: Kora: 5.2 m; Judd: 5.2 m.
- Reported tonnage and grade figures are rounded from raw estimates to reflect the order of accuracy of the estimate.

- Minor variations may occur during the addition of rounded numbers.
- Estimations used metric units (metres, tonnes, and g/t).
- Gold equivalents are calculated as $AuEq = Au \text{ g/t} + Cu\% * 1.607 * 92.8\% + Ag \text{ g/t} * 0.0125 * 89\%$. Gold price USD1,600/oz; Silver USD20/oz; Copper USD3.75/lb. Metal payabilities and recoveries are incorporated into the AuEq formula. Recoveries of 92.8% for copper and 89% for silver.

The key to the confidence of the resource estimates is the apparent good reconciliation of the block model with the mill production in an area of very high gold grades. This would strongly support the methodologies used for the resource modelling, in particular the geological interpretation, the composite interval, the apparent lack of need for top cutting, the search parameters, and the relatively small block size.

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1.6 MINERAL RESERVE ESTIMATES

The total Mineral Reserve for the Kainantu Project is shown in Table 1.6.1. The Mineral Reserve estimate is based on the Judd Mineral Resource estimate and the Kora Mineral Resource estimate net of post-resource mining depletion from 1 November 2021 to 31 December 2021 of 36,765 tonnes at 12.94 g/t Au, 0.59 % Cu and 9.29 g/t Ag.

Table 1.6.1 Kainantu Mineral Reserve Statement (Effective Date 1 January 2022)

	Tonnes	Gold		Silver		Copper		AuEq	
	Mt	g/t	Moz	g/t	Moz	%	kt	g/t	Moz
Kora									
Proven	2.26	7.58	0.55	14.96	1.09	0.82	18.52	9.17	0.67
Probable	3.55	5.88	0.67	19.46	2.22	0.95	33.90	7.76	0.89
Total P&P	5.81	6.54	1.22	17.71	3.31	0.90	52.41	8.31	1.55
Judd									
Proven	0.21	9.99	0.07	16.88	0.11	0.57	1.17	11.18	0.07
Probable	0.14	6.50	0.03	10.65	0.05	0.59	0.81	7.65	0.03
Total P&P	0.34	8.60	0.09	14.40	0.16	0.58	1.98	9.77	0.11
Kora and Judd									
Proven	2.46	7.78	0.62	15.12	1.20	0.80	19.69	9.34	0.74
Probable	3.69	5.90	0.70	19.13	2.27	0.94	34.70	7.75	0.92
Total P&P	6.15	6.65	1.32	17.53	3.47	0.88	54.39	8.39	1.66

- This estimate is based on underground mine design work undertaken by Entech Pty Ltd. The estimate includes modifications to account for un-mineable material, dilution, and inferred metal within the mining shapes (any contained inferred material was set to waste grade).
- The long-term metal prices used for calculating the financial analysis is US\$1,600/oz gold, US\$4.00/lb Copper, US\$20/oz Silver.
- Gold equivalents are calculated as $AuEq = Au \text{ g/t} + Cu \% * 1.7143 + Ag \text{ g/t} * 0.0125$. Metal payabilities and recoveries are not incorporated into this formula.
- A minimum mining width of 3.0 m has been applied for stoping, inclusive of a 1.0 m dilution skin at contained Mineral Resource grade.
- In addition to the 1.0 m dilution skin, dilution of 5% has been added for Avoca mined stopes and 2.5% for long hole stoping with paste fill at waste grade. This results in a total average dilution of 20%.
- Mining recoveries of 90% have been applied to Avoca mined stopes, and 95% for long hole stoping with paste fill.
- A cut-off grade of 3.0 g/t AuEq was used to define stoping blocks. Stope shapes above cut-off that were found to be uneconomic were excluded. The cut-off grade considers site operating costs, G&A costs, sustaining capital costs and relevant processing and revenue inputs.
- The Mineral Reserves estimates have been prepared using industry accepted methodologies and the classification of Proven and Probable Reserves conform to CIM (2014) definitions.
- Measured Mineral Resources were used to report Proven Mineral Reserves.
- Indicated Mineral Resources were used to report Probable Mineral Reserves.
- Tonnage and grade estimates include dilution and recovery allowance.
- The Mineral Reserves reported are not added to Mineral Resources.
- The mine plan assumes mining of Mineral Reserve material only and was shown to be economically viable with a reasonable degree of margin to buffer against unfavourable input movements. It should, however, be noted that sufficient negative movements in the assumed gold prices and/or exchange rates, metallurgical recoveries and/or costs could potentially render portions or the whole of the Mineral Reserves mine plan uneconomic.

1.7 MINING METHODS

1.7.1 Introduction

Entech were engaged by K92 Mining Inc. (K92) to complete a Feasibility Study (FS) on underground mining of the Kainantu Gold Mine. The Kainantu Gold Mine is a high-grade gold, copper, silver mine with gold and copper being the primary revenue generating elements. Ore grades and metal are generally reported as a gold equivalent (AuEq).

The underground mine has been operated by K92 since October 2016 and has a current processing throughput of 400,000 tpa. The FS targets an expansion to a peak processing rate of 1,200,000 tpa with a 7-year mine life. The FS assumes a start date of the life of mine schedule of 1 January 2022.

Currently Avoca and modified Avoca stoping methods, which utilize longhole stoping (LHS) with unconsolidated waste backfill, are used on site. Underground stoping and development excavations are undertaken using mechanized mining methods, with similar mechanized methods also proposed for the FS.

1.7.2 Geotechnical

A total of 3,662 m of drill core was geotechnically logged from core photographs in detail for the Kora underground mining assessment during Q1 and Q3 2021. The drillholes were selected from existing exploration holes. From this total, 1,946 m, was logged as part of an initial campaign, with a second campaign of 1,716 m completed in October 2021.

In addition to the 3662 m, 472.3 m of core was validated and logged associated with the Judd orebody.

Due to covid restrictions during 2021 and resourcing availability in-country, structural orientation measurement data was unable to be collected by Entech for this study. However, defect orientation measurements had been taken from scanline mapping from underground development by K92 staff and provided to Entech.

Rock property testing specific to the orebodies was unable to be sampled and sent for testing again due to covid restrictions, resourcing availability in country, and available drill holes for sampling. Entech tested sensitivity to rock strength in lieu of available data for elements of this study to ensure sufficiency of design for this study. Entech considers that intact rock property test results remain a significant information gap for the project and should be addressed as soon as practical.

The drill core logging data was analysed by Entech and forms the basis of this study. This information has allowed for characterization of the rock mass, assessment of stable stoping span predictions and estimates of dilution factors

Follow up geotechnical drilling, logging, and sampling will be required to improve confidence in assumptions made in this study and to confirm the rock mass characteristics of all mining areas for the life of mine design and infrastructure.

Due to the geographic location of the mine (within a hill above the valley floor), no significant issues are expected to be caused by mining-induced stresses at the current designed mining depths and proposed mining methods. However, a suite of in-situ stress measurement testing utilising either the WASM AE (Acoustic Emission) method or Hollow Inclusion Cell (HI-Cell) method is advised to be commissioned from the Kora mining area to confirm this assumption. On-going visual inspections and analysis of stope and development performance is also recommended during mining to determine if stress-related issues are becoming prevalent within the mine.

A 3D geotechnical model was developed with the logging data, geological models and mine designs utilized for visualization of geotechnical data, and to determine spatial trends within the data sets.

At this stage, boundaries between geotechnical domains have been based primarily on proximity to stoping and mining areas, i.e. hangingwall, footwall and ore. There is currently insufficient data density to further define geotechnical domains.

Analyses were undertaken to define stoping parameters at Kora and Judd. These included stope stability analyses using the Mathews Potvin Stability Graph Method, overbreak / expected dilution, and 3D numerical modelling to validate sequences and stand-off distances of infrastructure.

Indications are that a Modified Avoca (with rock fill) mining method, with 20 m level spacings and bottom-up mining will be suitable in the short term while waiting for the establishment of the pastefill plant, and open stoping with cemented pastefill with both bottom-up and top-down mining sequence will be suitable for the narrow, near vertical orebodies. Stopes may be extracted in a transverse mining sequence throughout the wider sections of the orebody and extracted continuously and in a longitudinal manner in the narrow sections of the orebody.

Overall stability of the Kora stoping panels is largely controlled by the proximity of the K1 hangingwall and K2 footwall to the Fault Gouge Zone (FGZ). Rock mass conditions in terms of Q rating ranged significantly from 'Extremely Poor' up to 'Extremely Good'. These worst and best cases are considered rarer occurrences being spatially limited and linked to lithology contacts and/or fault / shear zones, with the ground deteriorating with increased proximity to the FGZ. On average, both the Kora and Judd orebodies can be classed as 'good ground'. Table 1.7.1 outlines the recommended stope spans and dilution estimates for the Kora and Judd orebody.

1.7.1 Summary of Assessed Stopping Parameters for Kora and Judd

Orebody	Parameters	Hangingwall	Footwall
K1	Allowable Strike Length	16 m	20 m
	Dilution	0 - 0.5 m	0 - 0.5 m
K2	Allowable Strike Length	31 m	19 m
	Dilution	0 - 0.5 m	0 - 0.5 m
Judd	Allowable Strike Length	35 m	35 m
	Dilution	0 - 0.5 m	0 - 0.5 m

The presence of the FGZ and pervasive structure throughout the rock units will dominate stope wall behaviour with the possibility of slabbing, sliding and unravelling failure types occurring along structure planes and the FGZ. To control this, restricting stope spans, avoidance of undercutting of the FGZ or within a critical standoff distance of the FGZ, along with drill and blast practices will be the key to minimising stoping performance issues.

1.7.3 Mining Method Selection

A mining method selection process was completed by generating a long list of potential mining methods, which were shortlisted. The short listing comprised scenario modelling and evaluation of qualitative factors, such as minimization of tailings storage on surface. Scenario modelling was used to estimate inventories, costs, cashflows and net present values for each mining method and enable final method selection. Trade-off studies were completed on mining methods, materials handling options, production rate analysis, and ventilation strategies.

The mining method selection process resulted in Avoca and modified Avoca being selected for mining prior to commissioning of the paste fill plant in Q2 2024, and longhole stoping with pastefill for the remainder of the mine life.

1.7.4 Mine Design and Physicals

On selection of the mining method, Entech completed stope optimizations on the Mineral Resource. The FS only includes Measured and Indicated Mineral Resources.

K92 selected a 3.0 g/t AuEq stope cut-off grade to carry forward for the final mine design and FS LOM scheduling. This selection was supported by the NPV analysis, cut-off grade estimates, and the trade-off study results as well as aligning with K92's objectives for inventory size and grade.

Dilution of 0.5 m on both the footwall and hanging wall of the stope shapes (1.0 m total), was applied during the optimization phase at contained Mineral Resource grade. An additional 0.5 m of dilution at contained waste grade was applied to stope shapes that were within 2 m from the fault gouge zone. These dilution parameters were based on Entech's geotechnical study.

An additional 2.5% dilution at waste grade was applied to paste filled stoping from overmining of paste fill. An additional 5% waste rock dilution at waste grade was applied for Avoca stoping methods from overmining of waste rock fill. Paste fill and Avoca dilution are based on benchmark and site dilution data. The LOM average stope dilution is ~20%.

To account for the ore losses a mining recovery factor of 90% has been applied to Avoca stopes and 95% has been applied to LHOS stopes with paste fill. The 5% lower recovery factor for Avoca stoping accounts for ore loss where ore and waste material mix and become subeconomic to mine.

The mine access and development has been designed to suit the selected mining strategy and focuses on operational efficiency and bulk material movement. Existing underground workings have been incorporated into the design. There is an existing portal into the mine, the 800 Portal, in addition to two haulage inclines currently being excavated. The development design can be found in Figure 1.7.1 below, followed by Figure 1.7.2 detailing the stope extraction methods.

Figure 1.7.1 Isometric View of the Kainantu Underground Development Layout

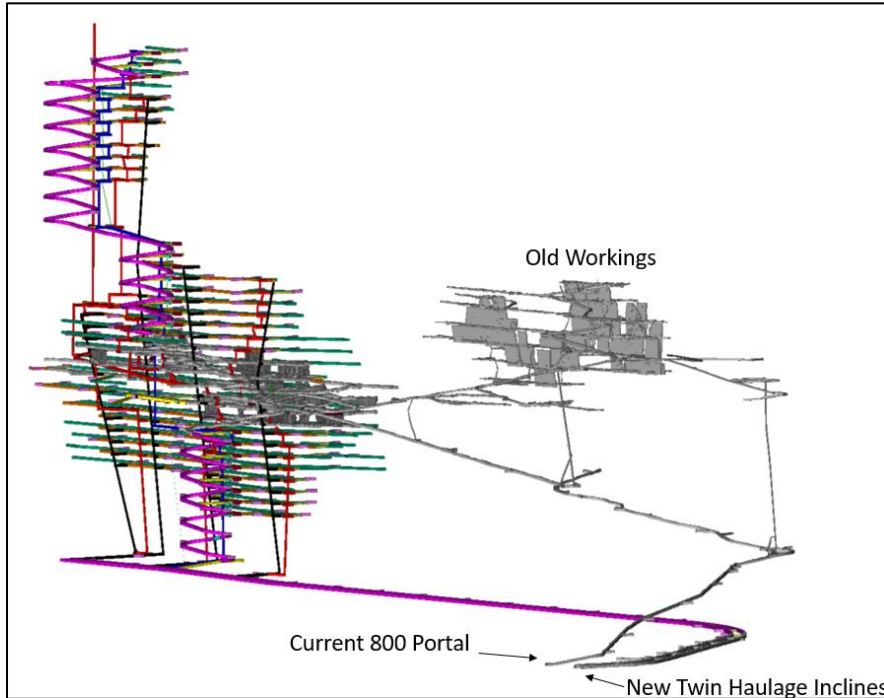
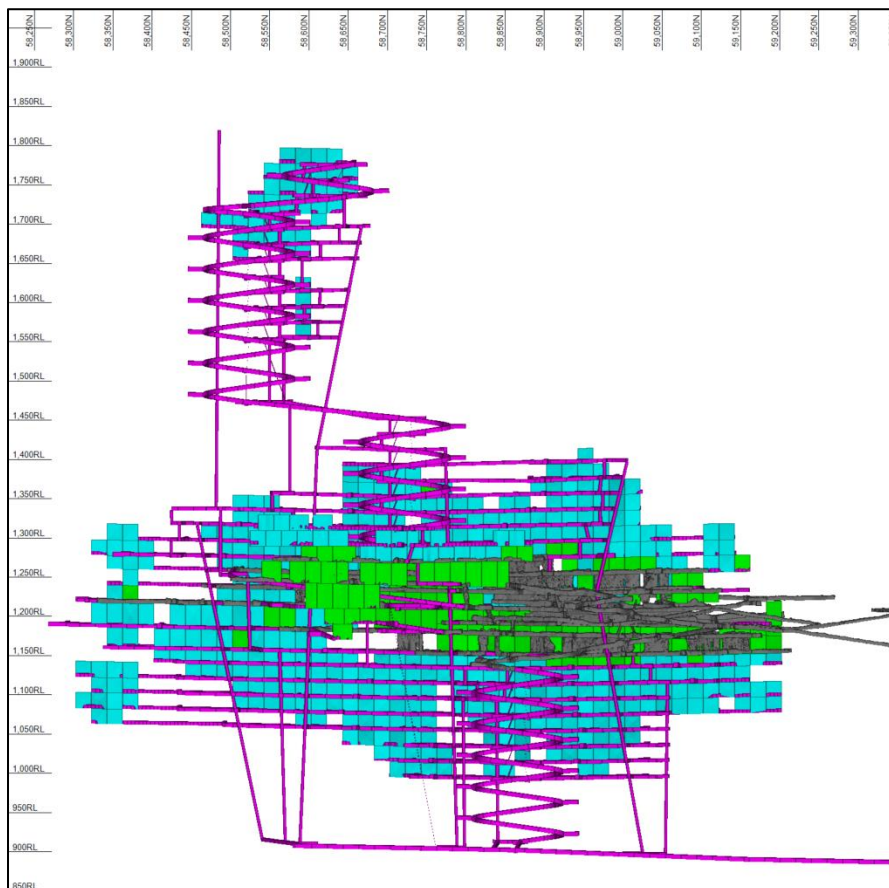
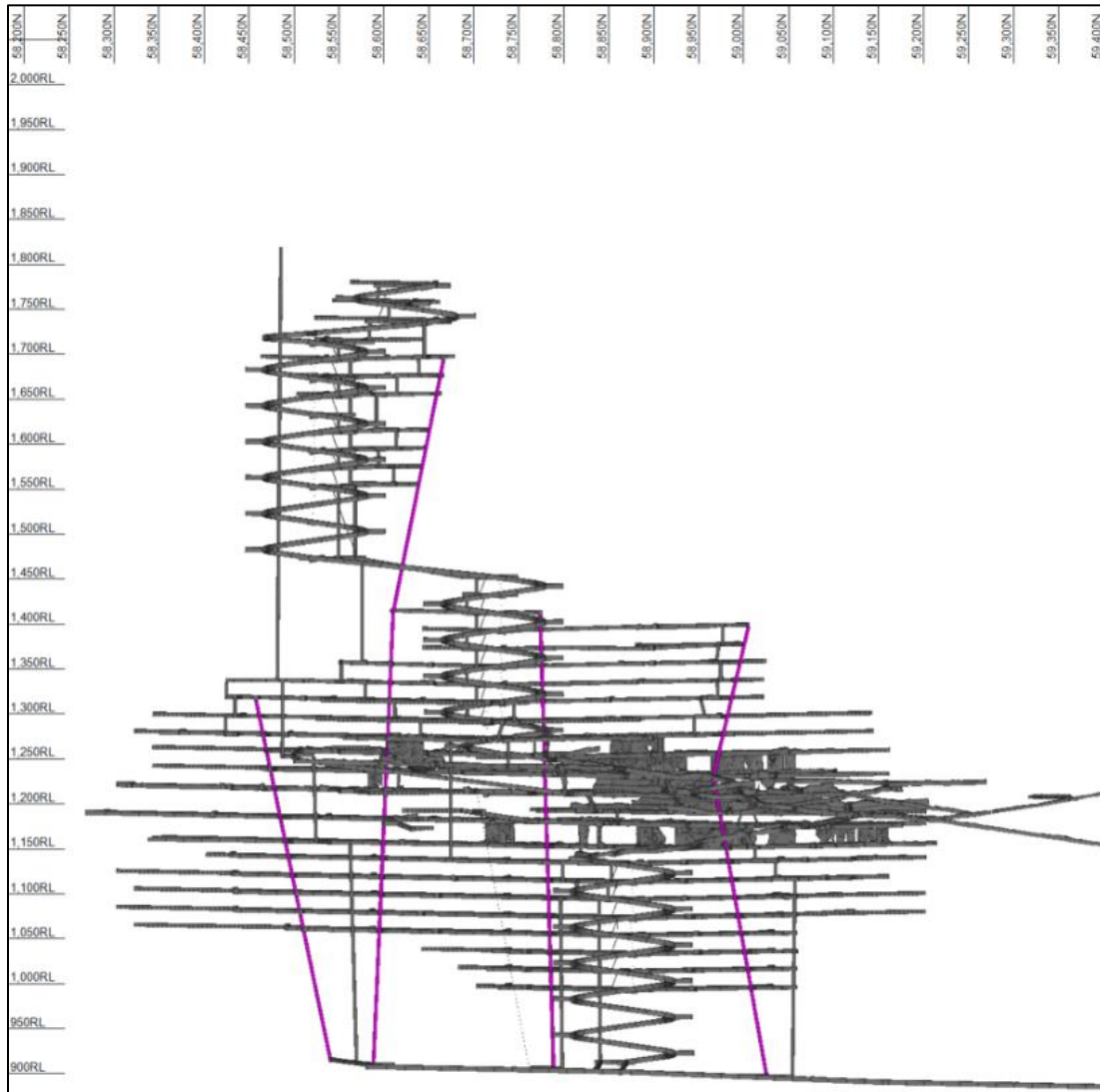


Figure 1.7.2 Looking West – LHS with Fill (Blue), Avoca (Green), As-builts (Grey)



The trade-off study quantitative and qualitative analysis resulted in the selection of the FS utilising an ore pass network to increase production rate and efficiency, while future proofing the design. The ore pass network is shown in Figure 1.7.3 below.

Figure 1.7.3 Looking West - Development Design (Ore Passes in Pink)



An integrated life of mine design was prepared using Deswik.Sched® mine planning software. The software incorporates functionality to export all design and block model interrogation data to the scheduler, including volumes, tonnes, grades, and segment lengths. Graphical sequencing is exported for the critical links between all development and production activities.

The mine is planned to produce at a peak rate of 1,200,000 t per annum (1.2 Mtpa). The mine life is 7 years with a 3-year production ramp up (inclusive of 2022), with sustained production of 1.2 Mtpa for 3 years, and final production year of 0.7 Mtpa. A summary of the key physicals per annum is shown in Table 1.7.2.

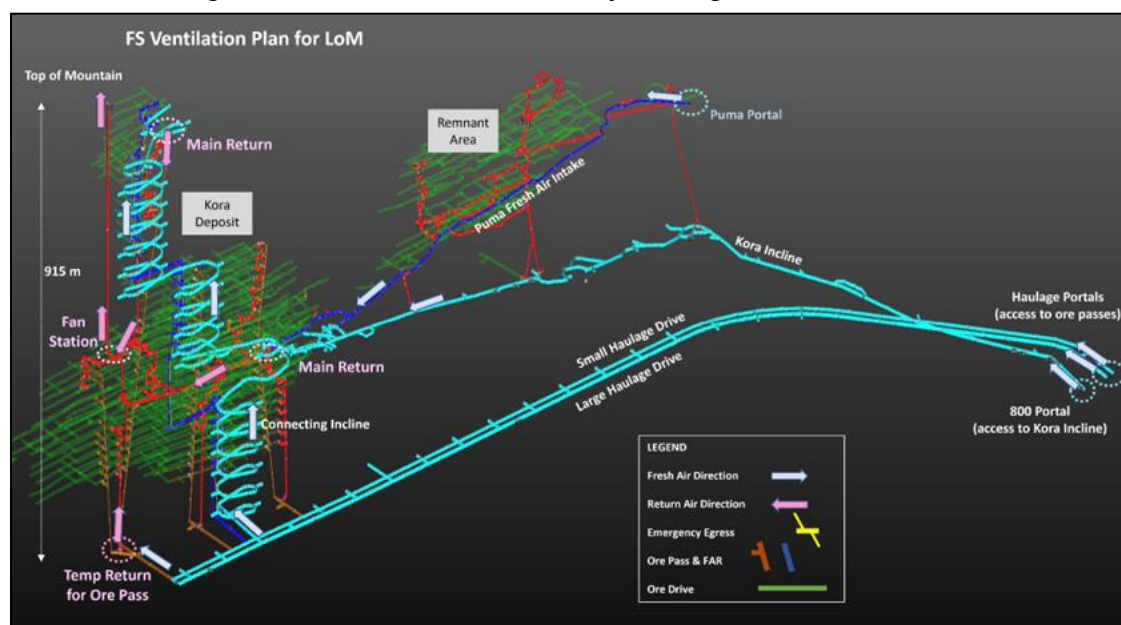
Table 1.7.2 Physicals Per Annum

		Total/Av	2022	2023	2024	2025	2026	2027	2028
Lateral Development									
Total	m	54,427	9,029	12,028	10,556	9,237	9,093	4,134	350
Vertical Development									
Total	m	16,357	846	2,234	3,733	3,094	2,531	2,582	1,339
Ore Profile									
Ore Tonnes	t	6,152,812	435,507	519,757	901,593	1,198,330	1,194,751	1,192,199	710,674
Au Grade	g/t	6.65	9.07	8.55	7.08	6.33	6.77	5.49	5.53
Au Ounces	oz	1,316,007	126,929	142,862	205,318	244,031	259,967	210,457	126,442
Cu Grade	%	0.88	0.56	0.65	0.75	0.92	1.02	0.88	1.13
Cu Tonnes	t	54,391	2,423	3,354	6,785	11,044	12,211	10,525	8,050
Ag Grade	g/t	17.53	11.47	12.94	14.40	17.99	20.03	17.84	23.04
Ag Ounces	oz	3,466,855	160,559	216,167	417,297	692,991	769,545	683,874	526,422

1.7.5 Ventilation

The FS plan to ventilate the Kainantu underground mine sees fresh air entering through four portals in the side of the mountain hosting the Kora deposit, with air exhausting out a single exhaust raise daylighting at the top of the mountain. The Puma portal will be repurposed as an intake, which is currently the main exhaust for the existing workings. Figure 1.7.4 illustrates the plan.

Figure 1.7.4 LOM Ventilation Plan Profile Facing Northwest



Fresh air enters all portals and converges at the mid-point, where production is currently occurring. From here an incline continues to the top and bottom of the deposit. Exhausting air links all production zones to a single underground fan station, located at the base of a 480 m raise to surface.

Table 1.7.3 contains a list of the mobile equipment intended for use at K92 (or equivalent unit) and shows the peak number of vehicles anticipated with the subsequent total flowrate.

Table 1.7.3 Peak Mobile Equipment Flowrate Calculation

Diesel Unit	Assumed Model	Engine Power Rating (kW)	Flowrate Requirement (m ³ /s) *	Count	Total Flowrate (m ³ /s)
Truck	Sandvik TH545	515	26	7	180
loader	Sandvik LH517	310	16	5	78
Charge-up	Getman	120	6	3	18
Development Drill **	Sandvik DD421-60C	110	6	6	0
Production Drill **	Sandvik DL431-7C	119	6	2	0
Cable Bolter**	Sandvik DS421C	119	6	1	0
Grader	12K Grader	134	7	1	0
Water Cart	Volvo A30D	242	12	1	12
Fibrecrete Sprayer	Normet Spraymec SF 050 D	90	5	2	9
Agitator	Normet LF 700 transmixer	170	9	2	17
IT	Volvo L120H	203	10	5	51
LV	Toyota Landcruiser	151	8	9	68
Total Flowrate for Diesel (m³/s)					433
Leakage @ 15%					65
Total Flowrate Including Leakage (m³/s)					498
Activities ***					
Lowest Level Development	Auxiliary Fan	2 x 55 kW	35	1	35
Decline Development	Auxiliary Fan	2 x 110 kW	50	1	50
Total Flowrate for Activities (m³/s)					85

*Flowrate calculated for diesel equipment at 0.05 m³/s per kW of rated engine power.

**Vehicle primarily operating under electric power. Flowrate allocation is given when tramming under diesel power, However, unit is omitted in the total count.

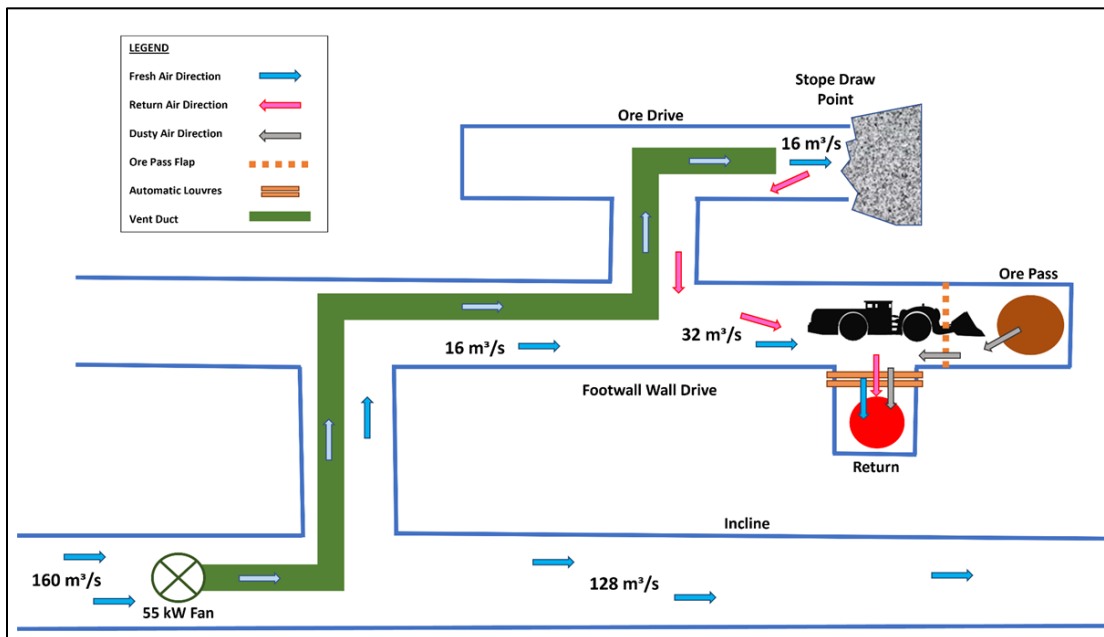
***Minimum flowrate for activities relying on secondary air. The combination of two fans refers to activities in parallel.

Production level design will combine secondary air with primary air depending on mining activity.

Development headings will be forced vented with 55 kW fans from the nearest flowthrough ventilation for the loader. Trucks will be loaded in flowthrough ventilation at the access to levels or on the incline.

Once production occurs on the level, the loader will only require forced ventilation beyond the footwall drive to access the stope draw point. Primary air will be drawn into the footwall drive by the return airway at the end of the drive where ore will be tipped into ore pass. Any dust generated from the ore pass will directly report to the return air rise without polluting the incline. See Figure 1.7.5 for a typical ventilation plan.

Figure 1.7.5 Example of Production Level Vent Plan



1.7.6 Mining Fleet and Personnel

The Kainantu mine is an owner miner model whereby K92 runs all aspects of the mining operation, barring a small proportion of activities which utilize mining contractors. As such K92 employ the site personnel, and directly purchase infrastructure, equipment, and consumables as required.

Based on current site productivities, K92 utilized Entech's mine plan physicals to estimate the fleet and personnel requirements. The labour force is a mixture of expatriate employees and Papua New Guinean nationals. Entech reviewed all K92 equipment and personnel estimates and found them appropriate for the mine plan.

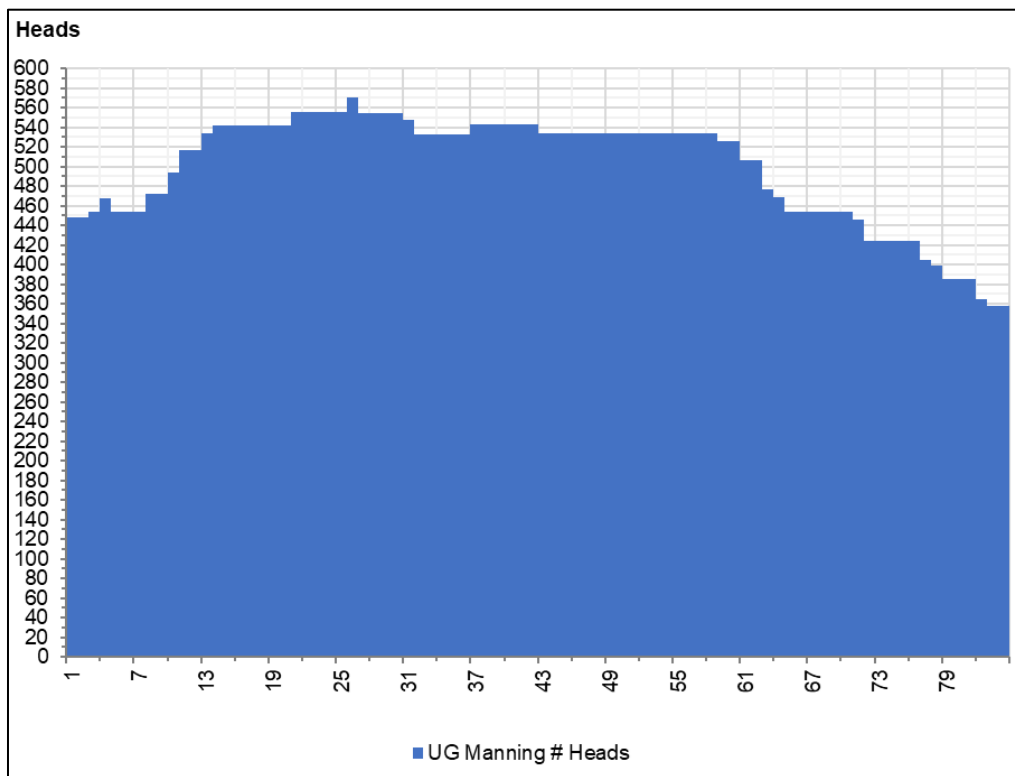
The peak fleet requirements are shown in Table 1.7.4 below.

Table 1.7.4 Peak Equipment Requirements

Equipment	Quantity
Primary	
Development Drills (DD421-60C)	6
Loaders (LH517)	5
Trucks (TH545)	7
Production Drills (DL421-7C/DL431-7C/DS 421C Bolter)	3
Slot Drill - Rhino 100 (or equivalent)	1
Production Charge-up (Getman)	1
Development Charge-up (Getman)	2
Ancillary	
Spraymec (6050WP)	2
Agitator	2
IT 856H Development	3
IT 856H Production	2
12K Grader	1
Scissor Lift (Ultimec)	1
Light Vehicles	9
Raisebore	1

The peak total underground personnel requirements are shown in Figure 1.7.6 below.

Figure 1.7.6 Total Underground Mining Personnel per Month



1.8 RECOVERY METHODS

The process plant design is based on a robust metallurgical flowsheet designed for optimal metal recovery. The flowsheet chosen is based upon unit operations that are well proven in industry.

The key criteria for equipment selection are suitability for duty, reliability, and ease of maintenance. The plant layout provides ease of access to all equipment for operating and maintenance requirements, whilst maintaining a layout that will facilitate construction progress in multiple areas concurrently.

The key project design criteria for the plant are:

- Throughput of 1.2 Mtpa of ore with a grind size of 80% passing (P_{80}) 106 μm .
- Crushing plant utilization of 68.5% (6,000 h/y).
- Grinding and flotation plant utilization of 91.3% (8,000 h/y) supported by crushed ore storage, stand-by equipment in critical areas and emergency power, if required, for controlled shutdown, emergency lighting and continuous operation of critical equipment.
- Sufficient automated plant control to minimize the need for continuous operator interface and allow manual override and control as and when required.

The treatment plant design incorporates the following unit process operations:

- Primary crushing with a jaw crusher.
- A crushed ore overflow surge bin and a dead stockpile to provide a buffer between the crushing and grinding circuit.
- The grinding circuit is a SAB type, which consists of an open circuit SAG mill and a closed-circuit ball mill with hydrocyclones, to produce a cyclone overflow product size of P_{80} 106 μm .
- A gravity gold recovery circuit for removal of coarse gold from the grinding circuit contains one batch centrifugal concentrator followed by two stages of gravity separation using shaking tables. The upgraded gravity concentrate is calcined and smelted in the gold room to produce gold doré bars.
- A flash flotation circuit for removal of coarse gold and copper particles from the grinding circuit contains one flash flotation cell. Flash flotation concentrate will flow by gravity to the concentrate thickener for addition to the final saleable concentrate product.
- The flotation circuit consists of rougher, scavenger, cleaner, cleaner scavenger, and recleaner stages to produce a saleable high-grade gold-copper concentrate.

- The flotation concentrate will be pumped to the concentrate thickener to dewater and increase the slurry density prior to concentrate filtration. The thickened concentrate will be filtered to achieve a discharge cake moisture of 10% before being loaded into 20 ft sea-containers for shipment overseas.
- Flotation tailings thickener will increase the slurry density for water recovery prior to tailings discharge to either the paste plant for backfill in the underground mine workings or the tailings storage facility.

1.9 PROJECT INFRASTRUCTURE

1.9.1 Power

The supply of electric power to the mine is via a grid connection to the PNG Power Ltd (PPL) network, 22kV overhead line (OHL).

A diesel back-up power station forms part of the study. Generators that are located on the existing power system at the underground and camp will operate independently as satellite systems.

1.9.2 Water

Raw water for the process plant will be sourced from the mine dewatering system from the 800 Portal. The water from the 800 Portal will be gravity fed to the plant site via an existing HDPE pipe and reports to the sediment settling ponds. Raw water is then pumped from sediment pond two into the raw water tank and used as required.

1.9.3 Paste Fill Plant Project Infrastructure

To improve underground geotechnical stability, facilitate complete ore extraction and dispose an estimated 46% of the Kainantu tailings underground, cemented paste backfill manufactured from fresh concentrator tailings is the preferred mine backfill method. The recommended system is designed to utilize 100% of the instantaneously available tailings, with a design production capacity of 123 m³/hr. After accounting for an expected volumetric consolidation of around 7%, the proposed system is expected to satisfy the peak Kora backfill demand (of 45,000 m³/mth), with a utilization of 53%. This utilization is at the lower end for quality backfill systems and, even after accounting for the complexity of the Kainantu delivery system, is expected to be comfortably achievable with the recommended paste system.

Stope bulkheads and exclusion zones (in front of bulkheads) have been sized to allow stopes to be filled in a single pass, which will eliminate downtime associated with fill cure periods and accelerate stope turn-around times. This is a proven methodology adopted at other sites with similar height stopes.

As part of the stope extraction sequence paste is to be exposed both vertically and horizontally. Due to the narrow stope widths, relatively low paste strengths (typically less than 500 kPa) are typically required. A paste cure period of 14 days is incorporated into the mining schedule and this, combined with the relatively low strength requirements, means that an average binder content less than 3.5% is required. Optimization studies show the optimal binder product to be predominantly ground granulated blast furnace slag (slag) with GP cement addition. Being a waste product, the predominant use of slag (in the binding agent) presents a favourable solution from an Environmental perspective.

The main paste plant infrastructure is located at three different locations across the Kainantu site, with connection using a single high-pressure tailings transport pipeline. These infrastructure locations include Process Plant, 800L (Portal) and 1205 L (underground), with the relative location of each shown schematically in Figure 1.9.1. Also presented in this figure is the vertical extent of the Kora orebody.

Figure 1.9.1 Paste System Layout

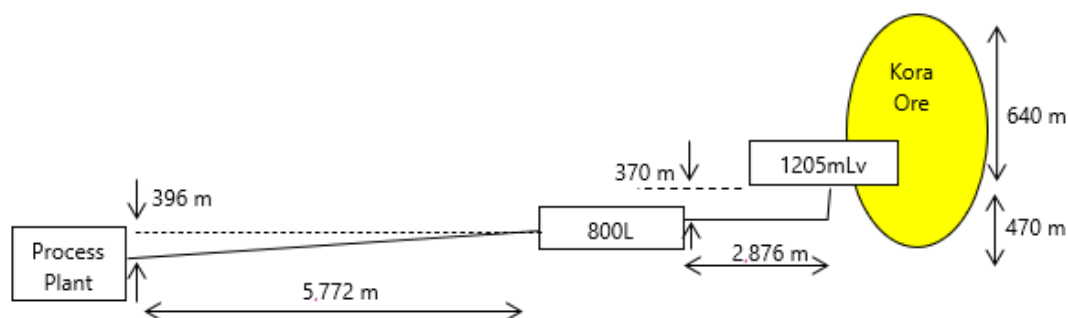


Figure 1.9.1 shows that, from the process plant, tailings/paste must be transported very significant distances both laterally and vertically to the Kora orebody.

Two unique aspects of the paste fill that are important for the system design include:

Rheology testing of Kainantu tailings paste shows that addition of slag creates no noticeable change to the paste rheological behaviour, however addition of even small portions of GP cement creates a significant increase in yield stress. The magnitude of rheology change is such that cement addition changes the paste yield stress from approximately 50 Pa, which is ideal for hydraulic transport, to a value of approximately 300 Pa, which is considered ideal for paste deposited into Kora stopes.

Paste strengths are largely controlled by the quantity of slag addition, with a constant addition (of circa. 1.0% GP) cement required to liberate the slag reaction.

Taking advantage of this behaviour, the recommended design includes:

Tailings dewatering (including thickening and filtration) is to occur at the process plant to generate a relatively low yield stress paste tailings (circa. 50 Pa yield stress). Infrastructure is included to allow a slightly higher yield stress paste to be generated, which is then regulated back to 50 Pa (through water addition) to ensure paste consistency.

Low yield stress paste is transported hydraulically, using a piston diaphragm pump, from the Process plant to the 800 Portal site.

The 800 Portal site includes paste and waste storage (adequate for flushing and surge capacity) and infrastructure for the storage, metering and mixing of slag into the paste. As slag forms most of the binding agent, addition at the 800 Portal prevents the need to haul the slag component of the binder underground.

Low yield stress paste (containing slag) is transported hydraulically, using a piston diaphragm pump, from the 800 Portal to the 1205/1170 underground chamber site.

At the 1205 level paste enters a mixer where the material is combined with nominally 1% (w/w) GP cement. Paste mixing takes place in a 10,000 L ploughshare mixer. While GP cement addition is relatively small, the large mixer is considered appropriate to ensure paste with a consistent rheological behaviour and ensure an even distribution of binder collected at the mixer discharge, where quality control sampling is to be carried out.

Mixed paste at a yield stress of nominally 300 Pa flows down a 35 m borehole to the 1170 level, where it is fed directly into a hydraulic piston pump. This delivery arrangement ensures a high pump net positive suction head, which is critical for minimising pump maintenance and downtime.

From the hydraulic piston pump, paste is transported throughout the Kora mine. The 1205/1170 chamber is positioned to ensure that the hydraulic piston pump can distribute paste to all levels in the Kora orebody, without the need for any further pump stages.

The paste reticulation system is equipped with valving and instrumentation to provide operators with visibility over the system operation and clear blockages as required, as well as a backup high pressure water flush pump.

1.9.4 Tailings Storage Facility

An increase to the processing throughput from 400,000 tpa to 1,200,000 tpa from the Kora deposit will result in an increased amount of tailings generated from 2022 to 2028. The tailings generated over the period will be stored by enlarging the capacity of the existing tailings storage facility (TSF) and implementing a Paste Backfill system to allow the use of tailings for stopes underground. During the initial period, 100% of the tailings generated will be sent to the TSF before the Paste Backfill operation commences. At mid-2024, once the Paste Backfill plant commences operation, approximately 50% of tailings will be sent to the voids of the underground mine, with the remaining portion of tailings sent to the TSF.

The existing TSF is approximately 21 m high cross-valley earth-fill dam with a crest level at RL 509 m, and currently under construction to raise the embankment to a crest level of RL 515 m (Stage 1A & 1B). The initial TSF was designed by Golder Associates Pty Ltd (Golder), and construction was completed by the end of 2005. A detailed design is already developed for an embankment crest level up to RL 520 m (Stage 2); however, raising the TSF to Stage 2 does not fulfil the capacity requirements due to the Kora Expansion. Therefore, to meet the increased production needs, the TSF requires an embankment raise to crest level up to RL 530 m (Stage 3).

The site has a tropical rainforest climate characterized by high annual rainfall with precipitation levels ranging between 1,750 mm and 2,000 mm. Based on the seismic activity of PNG, and probabilistic seismic hazard analysis, the likelihood of a seismic event at the TSF is considered very high.

To assess the consequence category of the TSF, a dam break analysis was carried out to estimate runout distances and the population at risk in the dam failure scenario. The results from the study determined that the consequence category for an environmental spill event is 'Very Low'; meanwhile, the consequence category for the dam break scenario was determined as 'Extreme'. Estimation of the population at risk showed that the Kumian mine camp is the most vulnerable facility with a large number of populations at risk. Hence, the recommendation to install a flood protection levee of at least 7 m high on the camp's eastern, southern, and western to protect the camp and minimize the impacts on the population from a dam break scenario.

The geotechnical investigation was undertaken to understand the foundation conditions beneath the TSF raise footprints identified further uncertainty relating to the ground conditions, concerning the presence of potentially liquefiable soils. Thus, there is a recommendation to conduct additional site investigation to address the uncertainties of the soil foundation, given the very high seismicity risk at the site.

To date, the preliminary assessment for expanding the existing TSF has confirmed the feasibility of raising the embankment to Stage 3 (RL 530 m). Further, preliminary information suggests that the existing TSF can accommodate additional dam construction, providing that the embankment slopes match the foundation strengths if foundation uncertainties are cleared once the site investigation is conducted.

Geochemical and physical testing of tailings found that the material is non-plastic, contains pyrite, and is potentially acid forming. However, testing of waste rock used for the embankment construction found that it has a low sulphur content and is non-acid forming.

An alternative to the existing TSF is the construction of a new TSF, which can provide the option to implement a range of solutions for tailings management; however, a significant amount of time is required to conduct an appropriate site investigation, develop the design, and undertake construction. Furthermore, the increase in the disturbed area will significantly increase the closure works required at the completion of the mining. Therefore, under the DFS Kora Expansion production plan scenario, the option of a new TSF is not considered a feasible alternative.

Expanding the existing TSF coupled with the Paste Backfill system is therefore confirmed as the preferred option due to the simplicity of operation, knowledge of the site conditions, capital cost, and operating cost.

1.9.5 Other Infrastructure

Several non-process plant buildings will be built or extended as part of the project. The location of the new process plant means that the existing fixed plant maintenance workshop and crib room will need to be demolished and rebuilt.

Three bridges over water courses will be upgraded as part of the project scope. These bridges are on the service road from the process plant up to the 800 Portal, located within the mine lease.

The Kumian Camp will be upgraded as part of the study which includes three additional 64 bed accommodation units, an additional 20 two-person ensembles, a new community affairs building, addition of a training and induction centre, an OHS department building, extension to the mess, expanding the water, power and sewage systems and an upgrade to the recreation facility.

1.10 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

1.10.1 Legal Requirements

Papua New Guinea National Government regulatory bodies such as the Mineral Resources Authority (MRA) and Conservation and Environment Protection Authority (CEPA) have granted various approvals, permits and licenses required by K92 to operate the Kainantu Gold Mine. The primary legislation for these approvals are the Mining Act 1992 and the Environment Act 2000 and they are subject to review and likely amendment for the Kora Expansion Project.

K92's existing mining lease, (ML150) contains approximately 90% of the known Kora resource, 100% of the known Judd resource and was issued under the Mining Act 1992. The Kora deposit extends from ML150 to the south, into K92's exploration license, (EL 470). K92 will need to extend ML150 or apply for another mining license to include the extension of Kora to the south prior to mining.

K92 holds Environment Permit EP-L3(34) issued under the Environment Act 2000 for existing activities at the Kainantu Gold Mine. Expansion of the mine for the project will be subject to approval under the Environment Act 2000. The proposed increase in throughput to 1.2 Mtpa and the raising of the TSF embankment are substantial changes to what was originally approved in the 2002 Environment Plan and is likely to be subject to a major amendment of the existing environment permit for which an environment impact statement (EIS) will be required.

K92 is progressing a series of minor amendments to support current operations. K92 will require CEPA to issue the major amendment to the existing environment permit before the ramp-up of milling throughput to 1.2 Mtpa can commence. There is provision in the Environment Act 2000 for an environmental bond to be levied on a proponent before construction can commence.

1.10.2 Environment and Community Setting

The existing operation is in an environment that has been modified through existing mining activities.

Water quality monitoring locations for the Kainantu Gold Mine are situated in three catchment areas – Baupa catchment, Maniape Catchment and at Ramu River where the access road crosses. Water quality monitoring has been undertaken or commissioned by K92 and previous operators. Results have been reported in annual reports from 2004 to 2020 and this monitoring is ongoing.

The existing project area is part of the upper Ramu River catchment. The surroundings have dendritic drainage system of smaller creeks and streams draining from the surrounding mountains and hills in the area into four catchments. Two of these catchments are directly impacted by the project infrastructure. The local topography and geology mean the hydrogeological conditions are complex. Local groundwater systems, localized recharge areas and inter-connectivity with regional aquifer systems determine recharge of groundwater in the Project area. A hydrogeological model is being developed as part of this FS and findings will be used as part of the technical assessments to inform the EIS.

The vegetation surrounding the mine area is mainly of irregular hill forest. The forests in this area have irregular canopy and secondary species are common. The area has low intensity shifting agriculture surrounded by tall secondary forest. Several terrestrial flora and fauna species in the greater region (i.e. within the bordering Ramu floodplains) are IUCN red listed threatened species; some of which are endemic to the surrounding area.

The Bilimoia Baseline Study (K92 Mine Limited, 2018) classified the population of the communities in the mine impacted area as uplanders in the Eastern Highlands Province and lowlanders in Morobe and Madang Provinces. The total population of the uplanders is around 7,580. The affected communities in the project area includes Bilimoia, Unantu / Puanono and Pomasi villages. The villages in the lowland area in the Madang and Morobe Province are Waterais villages and Marawasa / Musuwan villages with a total approximate population of 2,460. The main source of income for the area is through the Kainantu Gold Mine and associated support contracts (K92 Mine Limited, 2019).

K92 has a range of initiatives to support community and social development including the long-term supply of services to the mine, prioritization of local hiring, water and infrastructure development and medical and educational support.

In 2003, Highlands Pacific Limited (previous operator of Kainantu Gold Mine) signed a Lands and Environment Compensation Agreement with identified impact communities. Reviews of the agreement was scheduled to occur every three years however there has been no reviews to date. This is due to delays with the Land Titles Commission (LTC) completing an investigation into landholding within the existing operations leased boundaries. Landownership will remain under dispute until the LTC declaration of 2009 is resolved.

1.10.3 Assessed Environment and Community Impacts

Based on the proposed developments as part of the Kora Expansion Project the key potential environmental impacts are likely to be:

- Acid and metalliferous drainage from mine waste.
- Adverse changes to surface water quality and hydrology.
- Adverse changes to groundwater quality and flow.
- Reduction in downstream ecological values.

The scale, duration and intensity of these impacts and management and mitigation measures to address them will be the focus of investigations during the EIS.

There will be community impacts associated with the Kora Expansion Project. With the proposed expansion, this will substantially increase the mines workforce and employment for the local communities. There will be continued enhancement of the community through provision of livelihood trainings, educational assistance for children, provision of easier access to clean and safe drinking water, assistance in identifying genuine landowners and creation of business opportunities. In using underground mining methods, the surface disruption to landowners is minimized, however, an extended or new mining license to the south of ML150, to cover the extension of the Kora deposit into EL470 will require the necessary permitting, according to PNG Mining Law, prior to mining. Part of the process involves a compensation agreement with the landowner group concerned.

While Landowner identification and social mapping would be required to extend the ML approximately 100 metres it is anticipated that there would be no change to the recognized Landowners. It is noted that the outstanding Land Titles Commission (TLC) determination of landholdings within the existing project will also apply to the extension of the ML. At this point some compensation payments, including distribution of a portion of royalties, are being accrued pending the determination from the TLC. A meeting was held in Goroka and the MRA has agreed to provide funding for the LTC.

Construction activities will produce dust and noise which may impact on nearby receptors. In the context of the operating mine, these emissions are expected to be negligible compared to dust and noise emissions from existing mining and processing activities.

Greenhouse gas (GHG) emissions associated with the Stage 3 mine expansion are expected to reduce significantly based on a GHG/tonne milled. K92 is committed to transitioning the haulage fleet to electric powered. Further initiatives including: the improved materials handling design (reduction in TKM's via orepasses), upgrading of the OHPL, and increased reliance on power supply from PNG Power Limited will contribute to K92's objective of reducing the site's carbon footprint.

1.10.4 Management Plan

The existing operations run under the CEPA-approved 2020-2022 environment management plan (EMP). The purpose of the EMP is to satisfy conditions under the existing Environment Permit EP-L3(34); and to provide a policy framework, K92 management commitments, and monitoring and improvement actions necessary to prevent, mitigate or manage environmentally degrading conditions resulting from the existing operations. Routine environmental monitoring as part of the EMP will continue to provide relevant baseline data to assess existing operational impacts, provided it is conducted with a high degree of quality assurance and quality control. The K92 environment team will be involved in reviewing environmental management plans developed by contractors for the Kora Expansion Project activities to check they are consistent with the EMP 2020-2022 (or updates thereof) and to identify the need for further measures to be included in the contractor EMPs to minimize the environmental impact of the expansion project.

K92's community relations team will prepare a Stakeholder Engagement Plan and Communications Pack for the Kora Expansion Project to inform community engagement.

1.10.5 Closure Plan

The Kainantu Gold Mine has a conceptual mine closure plan and it will need to be updated to include closure and rehabilitation aspects that will arise from the proposed expansion project. The key aspects that require inclusion in the updated mine closure plan that relate to the expansion project are:

- Managing acid and metalliferous drainage issues post closure.
- Maintaining TSF integrity.
- Stability of underground stopes to reduce cave in risk.

1.10.6 Forward Works Plan

The forward works plan for environment and community studies is focussed on supporting the permitting of the expansion project, i.e., the preparation, submission, and assessment of the EIS. This includes a range of short-and long-term technical environmental and community studies to be undertaken by external consultants and supported by K92.

The indicative cost estimate for the forward works plan, i.e., the preparation and submission of the EIS, is AUD\$495,000. This assumes the socio-economic impact assessment is part of the EIS preparation. It is advisable to allow for approximately AUD\$200,000 for CEPA's peer review of the EIS.

The timeframe for preparing the EIS is approximately 9 to 12 months from commencement, with an additional 6 to 9 months expected for the CEPA assessment, approval, and permit amendment process.

1.11 CAPITAL AND OPERATING COSTS

1.11.1 Capital Cost

The capital estimate is summarized in Table 1.11.1 and Table 1.11.2. The initial project capital cost is estimated at US\$177.3 M.

Table 1.11.1 Capital Estimate Summary (USD, 2Q22, +15% / -5%)

Main Area	US\$M
Mine	0.0
Process Plant Power	80.1
Paste Plant	39.9
Power	23.4
Camp	5.5
Bridges	3.7
EPCM	20.4
Owners Costs	4.2
Subtotal	177.3

The duration of the detailed design and construction phase of the project has been estimated to be 23 months. The total LOM capital cost is estimated at US\$401.7M, including sustaining capital costs of US\$223.9M, as shown in Table 1.11.2.

Table 1.11.2 Sustaining Capital Estimate Summary (USD, 1Q21, +15% / -5%)

Main Area	US\$M
Mining	199.6
TSF	18.8
Closure	5.5
Grand Total	223.9

1.11.2 Operating Cost

The mining operating cost estimate has been compiled by Entech. For the new process plant, the operating cost estimate has been compiled from a variety of sources, including K92 advice, metallurgical testwork, Orway Mineral Consultants (OMC) comminution modelling, first principle calculations, vendor quotations and the Lycopodium database. In terms of the infrastructure, the paste backfill system operating cost estimate has been compiled by MineFill Services. The TSF operating cost estimate has been compiled by ATC Williams. The general and administration (G&A) costs have been compiled by K92.

The operating cost estimates are summarized in Table 1.11.3.

Table 1.11.3 Operating Costs Summary (USD, 1Q22, +15% / -10%)

Area	Source	Unit / Value
Mining (average over LOM)	Entech	USD58 / t ore
Processing Plant – New - Fixed	Lycopodium	USD8.8M / year
Processing Plant – New - Variable	Lycopodium	USD7.61 / t ore
Processing Plant – New - Total (average over LOM)		USD15 / t ore
General & Admin - Total (average over LOM)	K92	USD29 / t ore
Paste Plant - Fixed	MineFill	USD1.1M / year
Past Plant - Variable	MineFill	USD22.87 / m ³ paste
Paste Plant - Total (average over LOM)		USD25 / m ³ paste
TSF (average over LOM)	ATC Williams	USD0.90 / t tails
Transport & Insurance (average over LOM)	K92	USD3.07 / t ore
Total (average over LOM)		USD116 / t ore

1.12 ECONOMIC ANALYSIS

An economic analysis has been carried out for the project using a cash flow model. The model is constructed using annual cash flows by considering annual mined and processed tonnages and grades, process recoveries, metal prices, operating costs and refining charges, royalties, and capital expenditures (both initial and sustaining).

1.12.1 Model Inputs and Assumptions

The key model inputs used in the economic analysis are summarized in Table 1.12.1.

Table 1.12.1 Key Model Inputs

Model Inputs	Source	Unit / Value
Base Currency		USD
Base Date		3 rd Quarter 2022
Ore Processed over LOM	Entech	6.15 Mt
Metal Prices		
Gold	K92	USD1,600 / oz (fixed)
Copper	K92	USD4.00 / lb (fixed)
Silver	K92	USD20 / oz (fixed)
Recoveries		
Gold (total)	MMS	93.0%
Gold (gravity to doré)	MMS	15.0%
Copper	MMS	95.2%
Silver	MMS	80.0%
Concentrate copper grade	MMS	15.5%
Processing Plant Capacity (dry tonnes of ore)		
Existing Plant	K92	500,000 tpa
New Plant	Lycopodium	1,200,000 tpa
Royalties (deducted from gross revenue)	K92	2.0%
Levies (deducted from gross revenue)	K92	0.5%
Tax Rate	K92	30%
Depreciation		Not considered
NPV Discount Rate	K92	5%

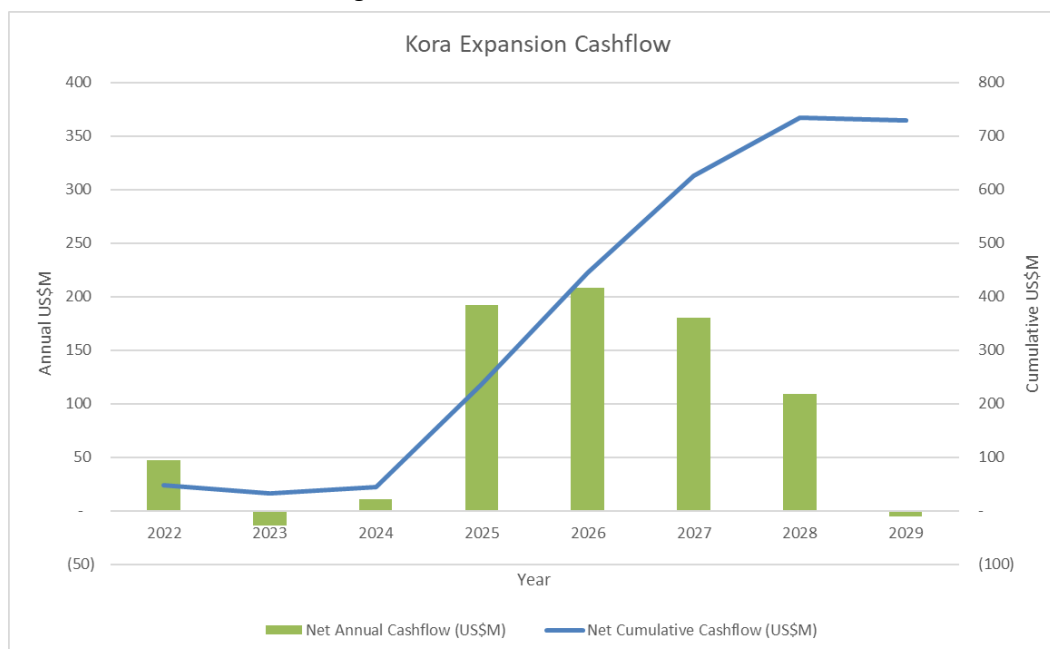
1.12.2 Financial Model Results

The financial model indicates that the project has a post-tax Net Present Value (NPV) of USD586M at a discount rate of 5%.

Figure 1.12.1 shows the post-tax annual and cumulative cash flow for the project over the LOM.

As the model starts with a positive cash flow in 2022 due to revenue from the existing plant operation, the cumulative cash flow position is never negative.

Due to this initial positive cash flow, an Internal Rate of Return (IRR) is not published.

Figure 1.12.1 Cumulative Cash Flow

1.13 KORA 2022 PRELIMINARY ECONOMIC ASSESSMENT CASE

1.13.1 PEA Overview

The alternative PEA Case conceptualizes a multi-expansion plan to an ultimate plant run-rate of 1.7 Mtpa, representing a 240% increase from the Stage 2A run-rate of 500,000 tpa. The PEA Case involves the construction of a standalone 1.2 Mtpa process plant adjacent to the 500,000 tpa Stage 2A process plant. At the end of 2024, the Stage 2A process plant is idled as the 1.2 Mtpa Stage 3 process plant ramps up, with commissioning of the Stage 3 process plant commencing in Q3 2024. Upon achieving the Stage 3 run-rate throughput in 2025, the Stage 2A plant is recommissioned in mid-2026, ramping up to run-rate throughput of 500,000 tpa by year end, for a combined processing run-rate of 1.7 Mtpa at the beginning of 2027.

To support the higher throughput rate, the underground mining fleet is significantly increased to support the expanded mining operations and opening multiple mining fronts concurrently: Kora Upper, Lower and Central Zones within the Kora deposit, and the Judd deposit. Site infrastructure is also expanded, including power, camp facilities and the paste fill plant. Several capital items, such as the paste fill system, are configured during the construction of Stage 3 to be amenable to the larger ultimate Stage 4 run-rate.

The PEA uses the conclusions of the Company's mineral resource estimate for Kora (effective date of October 31, 2021) and Judd (effective date of December 31, 2021) and does not incorporate post resource drilling results. The effective date of the PEA life of mine plan is 1 January 2022; therefore, Kora is net of post-resource mining depletion from 1 November 2021 to 31 December 2021 which totals 36,765 tonnes at 12.94 g/t Au, 0.59% Cu and 9.29 g/t Ag.

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. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 1.13.1 PEA Highlights

US Dollars unless otherwise stated	Life of Mine (Starting January 2022)	Stage 4 Expansion (3Q 2026 onwards)
Production		
Mine life (years)	11 years	
Total mill feed (000s tonnes)	12,156	
Average mill throughput (tonnes per annum)	1,105 ktpa	1.7 Mtpa (run-rate) ⁽¹⁾
Total Metal Production		
AuEq (000s ounces)	3,398	2,134⁽²⁾
Gold (000s ounces)	2,555	1,579 ⁽²⁾
Copper (mlbs)	302	198 ⁽²⁾
Silver (000s ounces)	7,040	4,726 ⁽²⁾
Peak Annual Production Year		2027
AuEq (000s ounces per annum)		500
Average Annual Metal Production		
AuEq (000s ounces per annum)		
Gold (000s ounces per annum)	309	406 (run-rate)⁽¹⁾
Copper (mlbs per annum)	232	297 (run-rate) ⁽¹⁾
Silver (000s ounces per annum)	27	39 (run-rate) ⁽¹⁾
Average Grade	640	928 (run-rate) ⁽¹⁾
AuEq grade (g/t)		
Gold grade (g/t)	9.3 g/t	
Copper grade (%)	7.0 g/t	
Silver grade (g/t)	1.2%	
Average Recovery	23 g/t	
Gold Recovery (%)	93%	
Copper Recovery (%)	95%	
Silver Recovery (%)	80%	
Costs		
Mining cost per tonne (US\$/t)	\$72.05	\$65.43 (run-rate) ⁽¹⁾
Processing cost per tonne (US\$/t)	\$18.02	\$17.65 (run-rate) ⁽¹⁾
G&A cost per tonne (US\$/t)	\$28.19	\$25.89 (run-rate) ⁽¹⁾
Total operating cost per tonne of mill feed (US\$/t)	\$118.26	\$108.97 (run-rate)⁽¹⁾
Sustaining capital per tonne of mill feed (US\$/t)	\$35.33	\$20.79 (run-rate) ⁽¹⁾
Total cost per tonne of mill feed (US\$/t)	\$153.59	\$129.76 (run-rate)⁽¹⁾
Expansion capital expenditure (\$m)	\$187	
Sustaining capital expenditure (\$m)	\$429	
Total capital expenditure with closure costs (\$m)	\$628	
Cash cost per ounce AuEq (\$/oz) ⁽³⁾	\$546	\$527 (run-rate) ⁽¹⁾
All-in sustaining cost per ounce AuEq (\$/oz) ⁽⁴⁾	\$674	\$604 (run-rate) ⁽¹⁾
Cash cost per ounce gold (\$/oz) ⁽³⁾	\$275	\$220 (run-rate) ⁽¹⁾
All-in sustaining cost per ounce gold (\$/oz) ⁽⁴⁾	\$444	\$325 (run-rate) ⁽¹⁾
Base Case Economic Analysis at US\$1,600/oz Gold, US\$4.00/lb Copper and US\$20.00/oz Silver		
After-tax NPV0%	\$1.8 billion	
After-tax NPV5%	\$1.3 billion	
IRR (%) and Payback Period (years)	N/A (Self-Funded)	
Economic Analysis at \$2,000/oz Gold, US\$4.00/lb Copper and US\$20.00/oz Silver		
After-tax NPV0%	\$2.5 billion	
After-tax NPV5% ⁽⁵⁾	\$1.8 billion	
IRR (%) and Payback Period (years)	N/A (Self-Funded)	

1.Run-rate excludes the final partial calendar year of production.

2.Excludes 2H 2026 Stage 4 commissioning and initial ramp-up stage.

3. Cash costs are net of by-product credits and are inclusive of mining costs, processing costs, site G&A and refining charges and royalties.

4. AISC includes cash costs plus estimated corporate G&A, sustaining costs and accretion.

5. Net present value is calculated utilizing mid-year discounting.

1.13.2 KORA 2022 PEA MINING METHODS

Introduction

Entech were engaged by K92 Mining Inc. (K92) to complete a Preliminary Economic Study (PEA) on underground mining of the Kainantu Gold Mine. The PEA targets an expansion to a peak processing rate of 1,700,000 tpa with an 11-year mine life. The PEA assumes a same start date of the life of mine schedule, of 1 January 2022.

Geotechnical

A total of 3,662 m of drill core was geotechnically logged from core photographs in detail for the Kora underground mining assessment during Q1 and Q3 2021. The drillholes were selected from existing exploration holes. From this total, 1,946 m, was logged as part of an initial campaign, with a second campaign of 1,716 m completed in October 2021.

In addition to the 3,662 m, 472.3 m of core was validated and logged associated with the Judd orebody.

Due to covid restrictions during 2021 and resourcing availability in-country, structural orientation measurement data was unable to be collected by Entech for this study. However, defect orientation measurements had been taken from scanline mapping from underground development by K92 staff and provided to Entech.

Rock property testing specific to the orebodies was unable to be sampled and sent for testing again due to covid restrictions, resourcing availability in country, and available drill holes for sampling. Entech tested sensitivity to rock strength in lieu of available data for elements of this study to ensure sufficiency of design for this study. Entech considers that intact rock property test results remain a significant information gap for the project and should be addressed as soon as practical.

The drill core logging data was analysed by Entech and forms the basis of this study. This information has allowed for characterization of the rock mass, assessment of stable stoping span predictions and estimates of dilution factors.

Follow up geotechnical drilling, logging, and sampling will be required to improve confidence in assumptions made in this study and to confirm the rock mass characteristics of all mining areas for the life of mine design and infrastructure.

Due to the geographic location of the mine (within a hill above the valley floor), no significant issues are expected to be caused by mining-induced stresses at the current designed mining depths and proposed mining methods. However, a suite of in-situ stress measurement testing utilising either the WASM AE (Acoustic Emission) method or Hollow Inclusion Cell (HI-Cell) method is advised to be commissioned from the Kora mining area to confirm this assumption. On-going visual inspections and analysis of stope and development performance is also recommended during mining to determine if stress-related issues are becoming prevalent within the mine.

A 3D geotechnical model was developed with the logging data, geological models and mine designs utilized for visualization of geotechnical data, and to determine spatial trends within the data sets.

At this stage, boundaries between geotechnical domains have been based primarily on proximity to stoping and mining areas, i.e. hangingwall, footwall and ore. There is currently insufficient data density to further define geotechnical domains.

Analyses were undertaken to define stoping parameters at Kora and Judd. These included stope stability analyses using the Mathews Potvin Stability Graph Method, overbreak / expected dilution, and 3D numerical modelling to validate sequences and stand-off distances of infrastructure.

Indications are that a Modified Avoca (with rock fill) mining method, with 20 m level spacings and bottom-up mining will be suitable in the short term while waiting for the establishment of the pastefill plant, and open stoping with cemented pastefill with both bottom-up and top-down mining sequence will be suitable for the narrow, near vertical orebodies. Stopes may be extracted in a transverse mining sequence throughout the wider sections of the orebody and extracted continuously in a longitudinal manner in the narrow sections of the orebody.

Overall stability of the Kora stoping panels is largely controlled by the proximity of the K1 hangingwall and K2 footwall to the Fault Gouge Zone (FGZ). Rock mass conditions in terms of Q rating ranged significantly from 'Extremely Poor' up to 'Extremely Good'. These worst and best cases are considered rarer occurrences being spatially limited and linked to lithology contacts and/or fault / shear zones, with the ground deteriorating with increased proximity to the FGZ. On average both the Kora and Judd orebodies can be classed as 'good ground'. Table 1.13.2 outlines the recommended stope spans and dilution estimates for the Kora and Judd orebodies.

Table 1.13.2 Summary of Assessed Stopping Parameters for Kora and Judd

Orebody	Parameters	Hangingwall	Footwall
K1	Allowable Strike Length	16 m	20 m
	Dilution	0 - 0.5 m	0 - 0.5 m
K2	Allowable Strike Length	31 m	19 m
	Dilution	0 - 0.5 m	0 - 0.5 m
Judd	Allowable Strike Length	35 m	35 m
	Dilution	0 - 0.5 m	0 - 0.5 m

The presence of the FGZ and pervasive structure throughout the rock units will dominate stope wall behaviour with the possibility of slabbing, sliding and unravelling failure types occurring along structure planes and the FGZ. To control this, restricting stope spans, avoidance of undercutting of the FGZ or within a critical standoff distance of the FGZ, along with drill and blast practices will be the key to minimising stoping performance issues.

Mining Method Selection

A mining method selection process was completed by generating a long list of potential mining methods, which were shortlisted. Trade-off studies were completed on mining methods, materials handling options, production rate analysis, and ventilation strategies. Scenario modelling was used to estimate inventories, costs, cashflows and net present values for each mining method.

The mining method selection process resulted in Avoca and modified Avoca being selected for mining prior to commissioning of the paste fill plant in Q2 2024, and longhole stoping with pastefill for the remainder of the mine life.

Mine Design and Physicals

On selection of the mining method, Entech completed stope optimizations on the Mineral Resource. The PEA includes Measured, Indicated, and Inferred Mineral Resources.

K92 selected a 4.5 g/t AuEq stope cut-off grade to carry forward for the final mine design and PEA LOM scheduling. This selection was supported by NPV analysis, cut-off grade estimates, trade-off study results, as well as aligning with K92's objectives for inventory size and grade.

Dilution of 0.5 m on both the footwall and hanging wall of the stope shapes (1.0 m total) at contained Mineral Resource grade was applied during the optimization phase. An additional 0.5m of dilution at contained Mineral Resource grade was applied to stope shapes that were within 2 m from the fault gouge zone. These dilution parameters were based on Entech's geotechnical study.

An additional 2.5% dilution at waste grade was applied to pastefilled stoping from overmining of paste fill. An additional 5% waste rock dilution at waste grade was applied for Avoca stoping methods from overmining of waste rock fill. Paste fill and Avoca dilution are based on benchmark and site dilution data. The LOM average stope dilution is 20%.

To account for ore losses a mining recovery factor of 90% has been applied to Avoca stopes and 95% has been applied to LHS stopes with paste fill. The 5% lower recovery factor for Avoca stoping accounts for ore loss where ore and waste material mix and become subeconomic to mine.

The mine access and development has been designed to suit the selected mining strategy and focuses on operational efficiency and bulk material movement. Existing underground workings have been incorporated into the design.

There is an existing portal into the mine, the 800 Portal, in addition to two haulage inclines currently being excavated. The development design can be found in Figure 1.13.1 below, followed by Figure 1.13.2 detailing the stope extraction methods.

Figure 1.13.1 Isometric View of the Kainantu Underground Development Layout

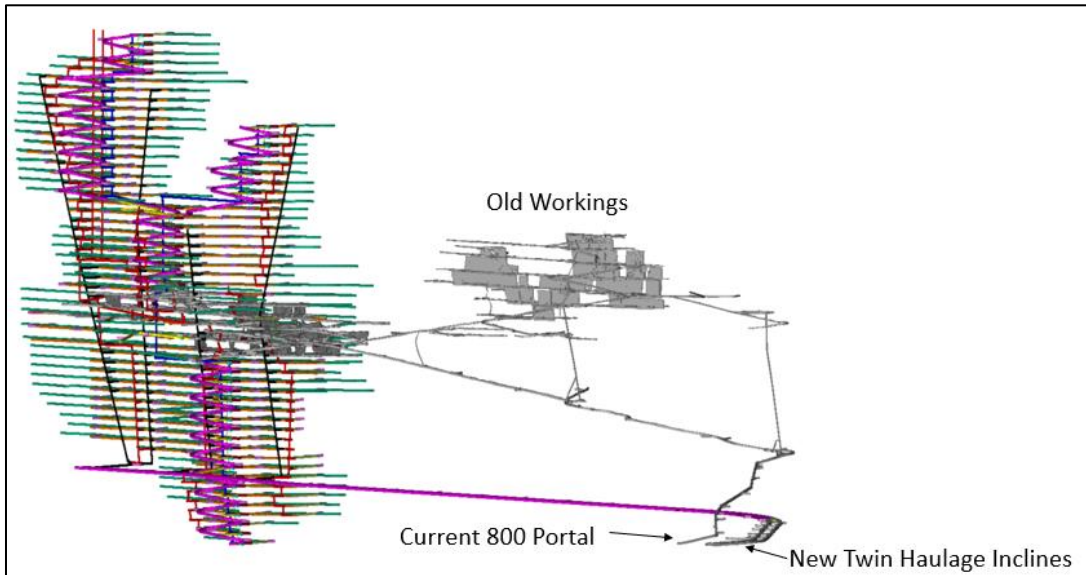
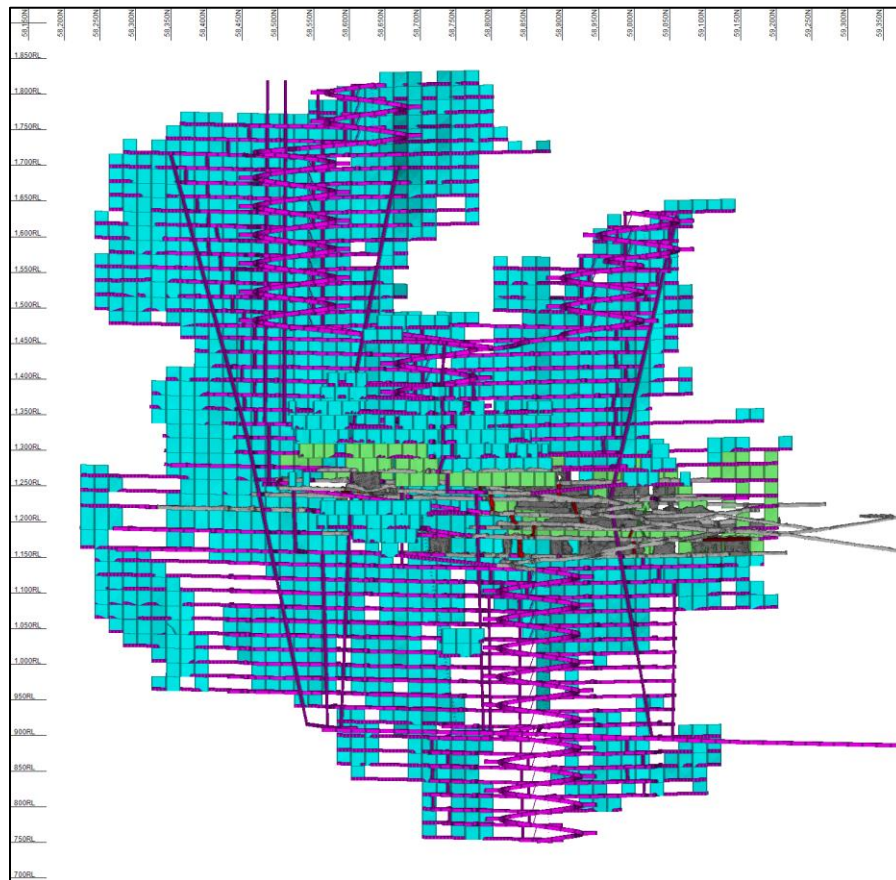
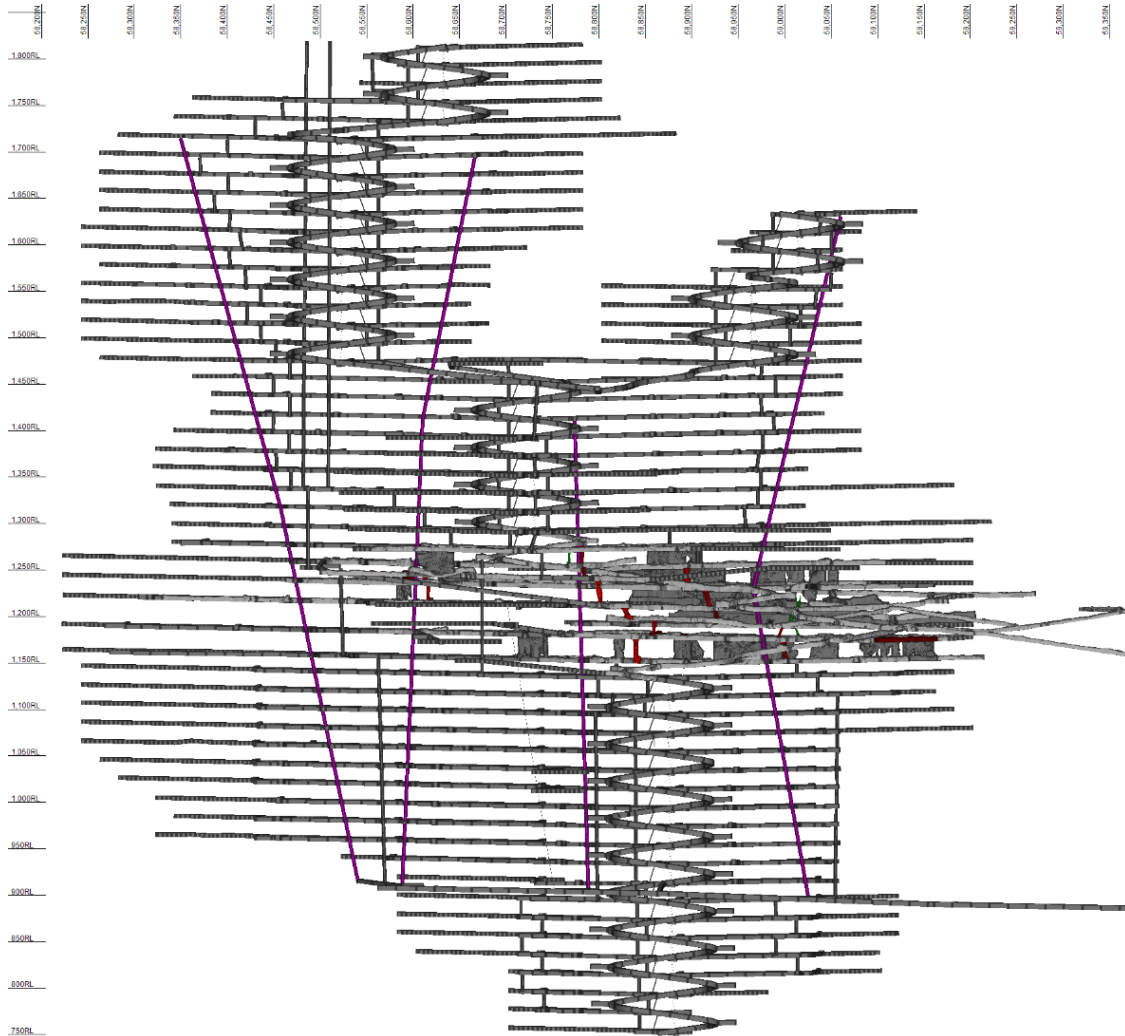


Figure 1.13.2 Looking West – LHS with Fill (Blue), Avoca (Green), As-builts (Grey)



The trade-off study quantitative and qualitative analysis resulted in the selection of the PEA utilising an ore pass network to increase production rate and efficiency, while future proofing the design. The ore pass network is shown in Figure 1.13.3 below.

Figure 1.13.3 Looking West - Development Design (Ore Passes in Pink)



An integrated life of mine design was prepared using Deswik.Sched® mine planning software. The software incorporates functionality to export all design and block model interrogation data to the scheduler, including volumes, tonnes, grades, and segment lengths. Graphical sequencing is exported for the critical links between all development and production activities.

The mine is planned to produce at a peak rate of 1,700,000 t per annum (1.7 Mtpa). The mine life is 11 years with a 6-year production ramp up (inclusive of 2022), with sustained production of 1.7 Mtpa for 3 years, and final year production of 0.2 Mtpa. A summary of the key physicals per annum is shown in Table 1.13.3.

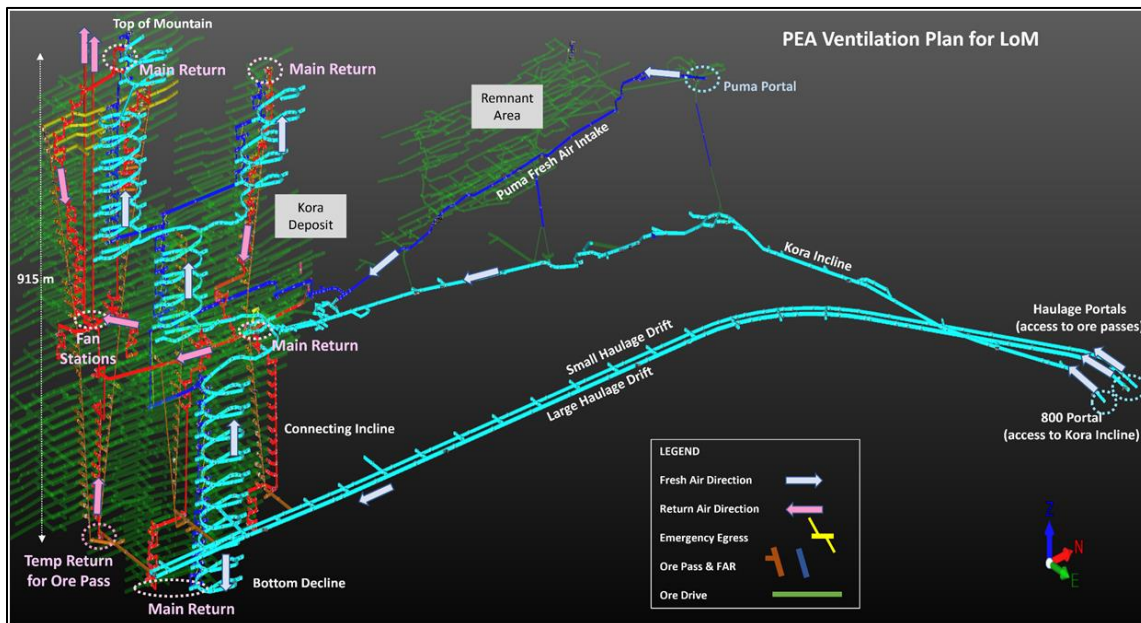
Table 1.13.3 Physicals Per Annum

		Total/Av	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Lateral Development													
Total	m	110,945	9,020	13,192	14,292	14,433	14,435	14,436	14,430	13,420	3,285		
Vertical Development													
Total	m	36,695	1,328	2,050	4,233	2,914	3,615	4,678	5,355	4,175	4,835	2,777	735
Ore Profile													
Ore Tonnes	t	12,155,527	450,568	524,687	835,166	1,225,312	1,518,036	1,701,871	1,707,267	1,668,776	1,455,243	844,924	223,678
Au Grade	g/t	6.98	9.53	7.90	6.64	6.47	7.61	7.66	6.04	6.51	5.51	7.13	14.02
Au Ounces	oz	2,727,923	138,046	133,213	178,254	254,979	371,205	419,396	331,347	349,033	257,869	193,750	100,830
Cu Grade	%	1.20	0.8	0.8	1.2	1.3	1.1	1.0	1.2	1.4	1.5	1.2	0.9
Cu Tonnes	t	145,361	3,438	4,320	9,882	15,786	16,117	17,558	19,869	23,957	22,192	10,129	2,112
Ag Grade	g/t	22.85	14.61	14.97	22.69	23.21	18.80	18.77	23.17	29.60	30.45	22.26	15.13
Ag Ounces	oz	8,930,020	211,598	252,485	609,194	914,184	917,597	1,027,064	1,272,019	1,587,964	1,424,534	604,562	108,820

Ventilation

The PEA plan to ventilate the underground sees fresh air entering the mine through four portals in the side of the mountain hosting the Kora deposit, with air exhausting out two exhaust raises daylighting at the top of the mountain. The Puma portal will be repurposed as an intake, which is currently the main exhaust for the existing workings. Figure 1.13.4 illustrates the plan.

Figure 1.13.4 LOM Ventilation Plan Profile Facing Northwest



Fresh air enters all portals and converges at the mid-point, where production is currently occurring. From here an incline continues to the top and bottom of the deposit. Exhausting air links all production zones to underground fan stations, located at the base of two 480 m raises to surface.

Table 1.13.4 contains a list of the mobile equipment intended for use at K92 (or equivalent unit) and shows the peak number of vehicles anticipated with the subsequent total flowrate.

Table 1.13.14 Peak Mobile Equipment Flowrate Calculation

Diesel Unit	Assumed Model	Engine Power Rating (kW)	Flowrate Requirement (m ³ /s) *	Count	Total Flowrate (m ³ /s)
Truck	Sandvik TH545	515	26	9	232
Loader	Sandvik LH517	310	16	10	155
Charge-up	Getman	120	6	4	24
Development Drill **	Sandvik DD421-60C	110	6	8	0
Production Drill **	Sandvik DL431-7C	119	6	4	0
Cable Bolter**	Sandvik DS421C	119	6	1	0
Grader	12K Grader	134	7	1	7
Water Cart	Volvo A30D	242	12	1	12
Fibrecrete Sprayer	Normet Spraymec SF 050 D	90	5	2	9
Agitator	Normet LF 700 transmixer	170	9	3	26
IT	Liugong	203	10	5	52
LV	Toyota Landcruiser	151	8	16	124
Total Flowrate for Diesel (m³/s)					640
Leakage @ 15%					96
Total Flowrate Including Leakage (m³/s)					736
Activities ***					
Lowest Level Development	Auxiliary Fan	2 x 55 kW	35	1	35
Decline Development	Auxiliary Fan	2 x 110 kW	50	1	50
Total Flowrate for Activities (m³/s)					85

*Flowrate calculated for diesel equipment at 0.05 m³/s per kW of rated engine power.

**Vehicle primarily operating under electric power. Flowrate allocation is given when tramming under diesel power, However, unit is omitted in the total count.

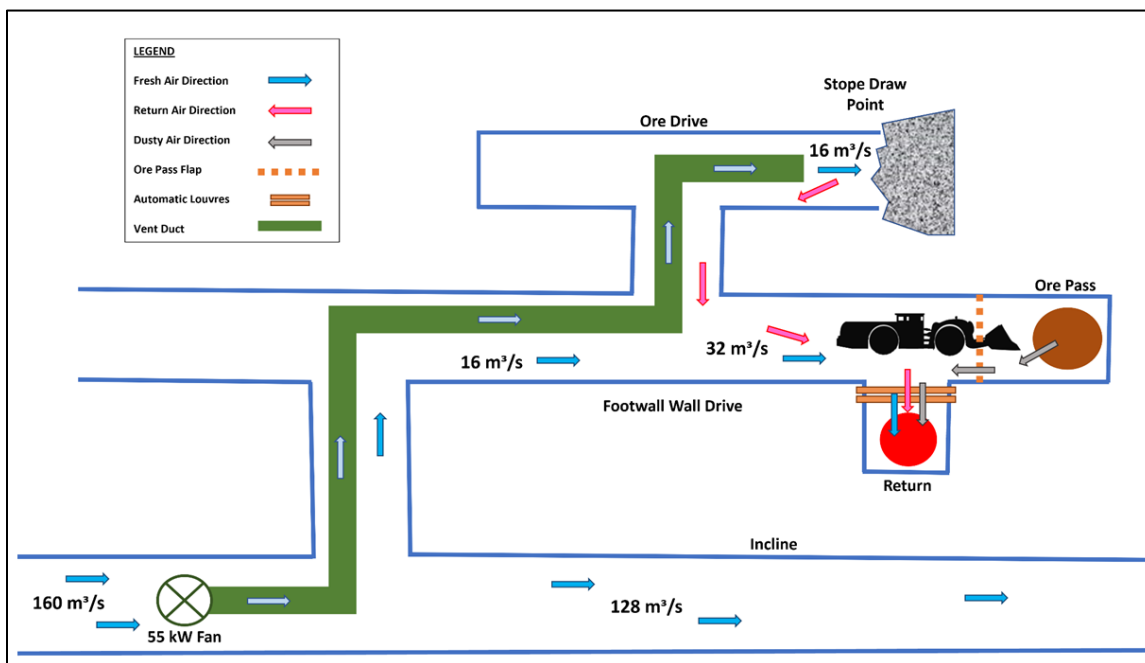
***Minimum flowrate for activities relying on secondary air. The combination of two fans refers to activities in parallel.

Production level design will combine secondary air with primary air depending on mining activity.

Development headings will be forced vented with 55 kW fans from the nearest flowthrough ventilation for the loader. Trucks will be loaded in flowthrough ventilation at the access to levels or on the incline.

Once production occurs on the level, the loader will only require forced ventilation beyond the footwall drive to access the stope draw point. Primary air will be drawn into the footwall drive by the return airway at the end of the drive where ore will be tipped into ore pass. Any dust generated from the ore pass will directly report to the return air raise without polluting the incline. See Figure 1.13.5 for a typical ventilation plan.

Figure 1.13.5 Example of Production Level Vent Plan



Mining Fleet and Personnel

The Kainantu mine is an owner miner model whereby K92 runs all aspects of the mining operation, barring a small proportion of activities which utilize mining contractors. As such K92 employ the site personnel, and directly purchase infrastructure, equipment, and consumables as required.

Based on current site productivities, K92 utilized Entech's mine plan physicals to estimate the fleet and personnel requirements. The labour force is a mixture of expatriate employees and Papua New Guinean nationals. Entech reviewed all K92 equipment and personnel estimates and found them appropriate for the mine plan.

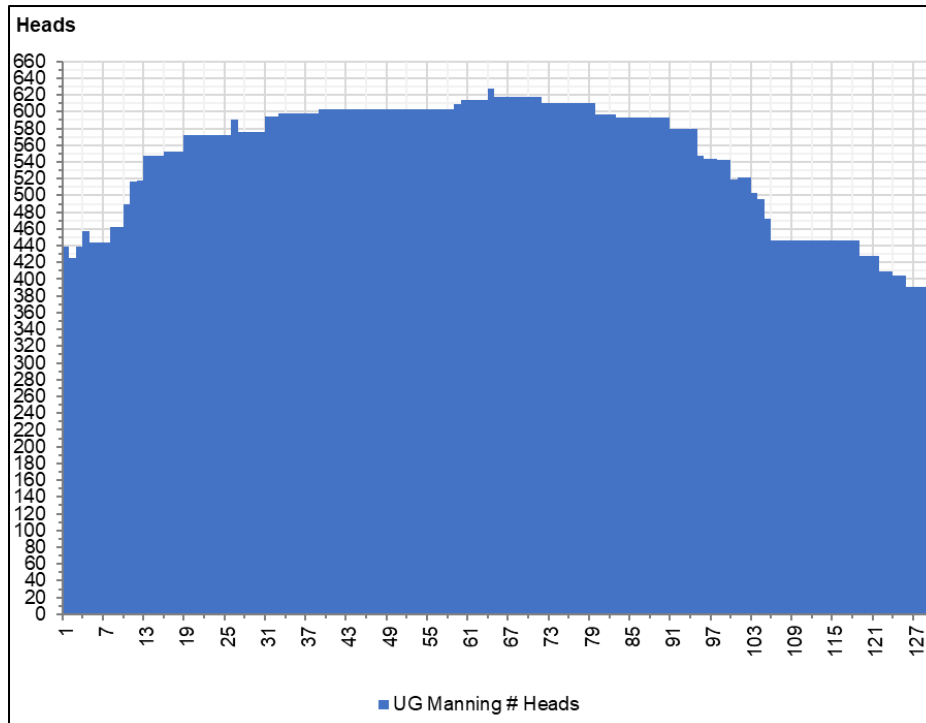
The peak fleet requirements are shown in Table 1.13.5 below.

Table 1.13.5 Peak Equipment Requirements

Equipment	Quantity
Primary	
Development Drills (DD421-60C)	8
Loaders (LH517)	10
Trucks (TH545)	9
Production Drills (DL421-7C/DL431-7C/DS 421C Bolter)	5
Slot Drill - Rhino 100 (or equivalent)	1
Production Charge-up (Getman)	2
Development Charge-up (Getman)	2
Ancillary	
Spraymec (6050WP)	2
Agitator	3
IT 856H Development	3
IT 856H Production	2
12K Grader	1
Scissor Lift (Ultimec)	1
Light Vehicles	16
Raisebore	1

The peak total underground personnel requirements are shown in Figure 1.13.6 below.

Figure 1.13.6 Total Underground Mining Personnel Per Month



Mining Capital and Operating Costs

Mine Costing Basis of Estimate

The mine costing estimations were built up using a fixed and variable cost format. The mining cost estimations assume K92 will be executing all mining activities to meet the PEA LOM schedule, except for vertical development and surface haulage which will be completed by mining contractors. Based on current site productivities, K92 utilized Entech's mine plan physicals to estimate the fleet and personnel requirements. Entech reviewed all K92 equipment and personnel estimates and found them appropriate for the mine plan.

Fleet and personnel costs comprise the fixed cost component of the estimate, with all mining and maintenance consumables captured in the variable component. The variable cost component was built up from current site actual costs, with personnel and equipment costs built up from current site actual salaries and equipment purchase cost quotations. Other infrastructure such as primary ventilation fans, and dewatering pumps utilized manufacturer quotations for pricing estimates. The vertical development schedule was provided to a mining contractor, who provided a pricing estimate for these activities.

Mining Capital Costs

The estimated capital costs are summarized in Table 1.13.6.

Table 1.13.6 Mining Capital Cost Totals

Description	Unit	Value
Infrastructure	USD (M)	14.4
Decline	USD (M)	28.5
Cap Access	USD (M)	11.4
Ventilation	USD (M)	46.4
Escapeway	USD (M)	3.7
Other Lateral Development	USD (M)	66.8
Fleet	USD (M)	77.8
Operators and Maintenance	USD (M)	92.0
Capital Mine Services	USD (M)	24.3
Capital Mine Overheads	USD (M)	18.1
Total Capital	USD (M)	383.5

A breakdown of the capital unit costs is shown in Table 1.13.7.

Table 1.13.7 Mining Capital Unit Costs

Description	Unit	Value
Infrastructure	\$ / t ore	1.18
Decline	\$ / t ore	2.34
Capital Access	\$ / t ore	0.94
Ventilation	\$ / t ore	3.82
Escapeway	\$ / t ore	0.31
Other Lateral Development	\$ / t ore	5.50
Fleet	\$ / t ore	6.40
Operators and Maintenance	\$ / t ore	7.57
Capital Mine Services	\$ / t ore	2.00
Capital Mine Overheads	\$ / t ore	1.49
Total Capital Cost	\$ / t ore	31.55

Mining Operating Costs

The estimated operating costs are summarized in Table 1.13.8.

Table 1.13.8 Mining Operating Cost Totals

Description	Unit	Value
Operating Access	USD (M)	18.7
Ore Drive	USD (M)	88.0
Stope	USD (M)	246.1
Operators and Maintenance	USD (M)	207.7
Operating Mine Services	USD (M)	59.2
Operating Mine Overheads	USD (M)	48.2
Surface Haulage	USD (M)	68.7
Grade Control	USD (M)	35.7
Total Operating	USD (M)	772.4

A breakdown of the operating unit costs is shown in Table 1.13.9.

Table 1.13.9 Mining Operating Unit Costs

Description	Unit	Value
Operating Access	\$/t ore	1.54
Ore Drive	\$/t ore	7.24
Stope	\$/t ore	20.25
Operators and Maintenance	\$/t ore	17.09
Operating Mine Services	\$/t ore	4.87
Operating Mine Overheads	\$/t ore	3.97
Surface Haulage	\$/t ore	5.65
Grade Control	\$/t ore	2.94
Total Operating	\$/t ore	63.54

1.13.3 Kora 2022 PEA Infrastructure

Evaluating different solutions to store the PEAs tailings, including the increased capacity in the existing TSF or in a newly constructed tailings facility. The critical constraints were identified from the several options evaluated; for instance, the time required to implement the solution, understanding the foundation conditions, tailings characterizations, suitable borrow material availability, and site limitations, discussed further below.

First, the time required to implement a new facility for the PEA Kora Expansion shall be considered at least three years from now, considering the site investigation, options assessments, and the development of the engineering, construction, procurement activities and regulatory aspects. Second, the currently poor understanding of the foundation conditions for a new TSF location due to the geological and geotechnical complexities typical of PNG would not necessarily ensure that selected sites would be suitable for installing a new facility. Third, there are additional learnings to be understood of the characteristics of the tailings, and the expected variation for those generated from Kora in the coming years create uncertainties for suitable mechanical dewatering solutions. Further, PNG's highly weathered soils do not generally provide optimal conditions for earthwork, so borrowing material to build a new dam is currently considered uncertain. Finally, the site limitation due to the remote location, limited availability of skilled labour, and logistics difficulties may constrain most of the best available technologies from being implemented.

The evaluation outcome for TSF options suggests two potential solutions. First, a conventional TSF with a 25m height rockfill dam embankment built with borrowed material and thickened tailings discharge subaerial into the TSF. Second, the classification of tailings coarse and fine particles through hydrocyclones, coupled with the construction of a 15m dam using geotubes filled with the fine fraction of classified tailings and stacked on top of each other; the coarse fraction of tailings will be stored as a sand stockpile within the impoundment created by the geotubes dam. The high permeable coarse fraction would quickly drain by gravity and is expected to reach a higher settled density than the current tailings stored in the TSF. While the fine fraction is considered the most complex tailings, the deposition of that fraction within the geotubes would allow their encapsulation and ability to build the dam to create the impoundment to store the coarse fraction.

Both solutions will provide enough volume to store the tailings generated for the PEA Kora Expansion after the capacity of the existing TSF at stage 3 exhaust by 2027. For the purpose of this assessment, K92 have adopted the implementation of conventional TSF with a rockfill dam as the preferred solution.

For the PEA case, the Kumian Camp undergoes further expansion. This includes an additional 2 sixty-four bed blocks and an additional 10 two person ensuite blocks, additional to what is described under section 18.9 in this report.

1.13.4 Kora 2022 PEA Paste System

To satisfy the backfill requirements for the PEA scenario a peak backfill requirement of 70,000 m³/mth is required. Utilising all available tailings the backfill system would have an 'instantaneous' production rate of 174 m³/h, which is expected to satisfy the mining requirements with a utilization of 60%. While this is a slightly higher utilization, compared with the 54% targeted for the DFS, with the proposed system this is considered achievable.

PEA mining scenario and sequence are understood to remain the same as that described for the detailed DFS and as such the stope filling strategy and fill strength requirements are expected to remain unchanged.

Relative to the flowsheet described for the DFS, the only change, to accommodate the increased production rate, is duplication of the vacuum disc filter. In addition, it is also necessary to increase the capacity of various system components, including most pumps and the paste mixer. No changes are required to the storage / mixing tanks, overland pipelines, or the binder addition system.

With the similar system no increase in personnel is expected to be required, relative to the DFS model. This results in a slight reduction in operating cost for the PEA relative to the DFS.

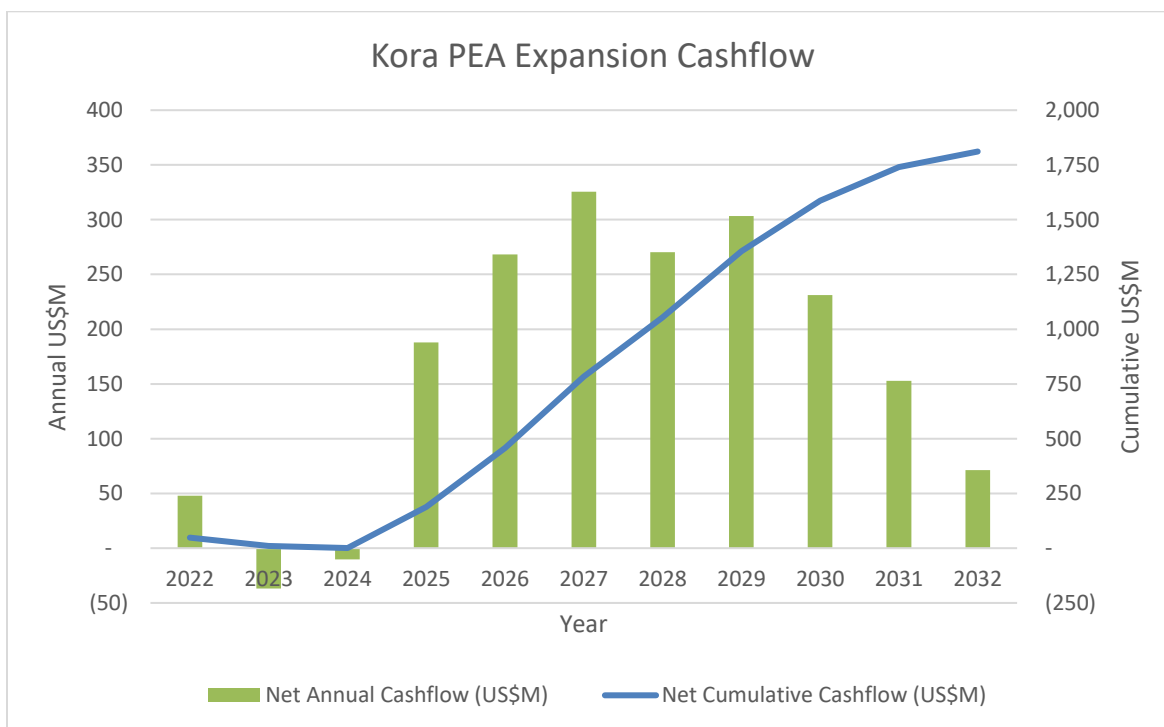
1.13.5 Kora 2022 PEA Economic Analysis

An economic analysis has been carried out for the expanded 1.7 Mtpa project using a cash flow model, similar to that carried out for the 1.2 Mtpa project.

The financial model indicates that the PEA project has a post-tax Net Present Value (NPV) of USD1,325M at a discount rate of 5%.

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. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Figure 1.13.7 shows the post-tax annual and cumulative cash flow for the project over the LOM.

Figure 1.13.7 PEA Cumulative Cash Flow



1.14 INTERPRETATION AND CONCLUSIONS

The DFS evaluates an expansion of mining and processing to a run-rate throughput of 1.2 Mtpa, representing a 140% increase from the Stage 2A run-rate of 500,000 tonnes per annum (tpa). This expansion is referred to as the Stage 3 Expansion and involves on-site treatment of ore by a new standalone 1.2 Mtpa process plant, utilizing single stage crushing, SAG and ball milling, gravity, and flotation recovery.

The DFS and mineral reserve statement is derived from the Company's Mineral Resource estimate for Kora (effective date of October 31, 2021) and Judd (effective date of December 31, 2021), with Kora depleted based on mining actuals until 31 December 2021, and does not incorporate post-resource-estimate drilling results.

Table 1.14.1 DFS Highlights

US Dollars unless otherwise stated	Life of Mine (starting January 2022)	Stage 3 Expansion (Q3 2024 onwards)
Production		
Mine life (years)	7 years	
Total mill feed (000s tonnes)	6,153	
Average mill throughput (tonnes per annum)	879 ktpa	1.2 Mtpa (run-rate) ⁽¹⁾
Total Metal Production		
AuEq (000s ounces)	1,544	1,049⁽²⁾
Gold (000s ounces)	1,224	799 ⁽²⁾
Copper (mlbs)	114	89 ⁽²⁾
Silver (000s ounces)	2,773	2,164 ⁽²⁾
Peak Annual Production		
Year		2026
AuEq (000s ounces per annum)		309
Average Annual Metal Production		
AuEq (000s ounces per annum)	221	291 (run-rate)⁽¹⁾
Gold (000s ounces per annum)	175	224 (run-rate) ⁽¹⁾
Copper (mlbs per annum)	16	24 (run-rate) ⁽¹⁾
Silver (000s ounces per annum)	396	574 (run-rate) ⁽¹⁾
Average Grade		
AuEq grade (g/t)	8.4 g/t	
Gold grade (g/t)	6.7 g/t	
Copper grade (%)	0.9%	
Silver grade (g/t)	18 g/t	
Average Recovery		
Gold Recovery (%)	93%	
Copper Recovery (%)	95%	
Silver Recovery (%)	80%	
Costs		
Mining cost per tonne (US\$/t)	\$66.54	\$61.97 (run-rate) ⁽¹⁾
Processing cost per tonne (US\$/t)	\$17.36	\$15.32 (run-rate) ⁽¹⁾
G&A cost per tonne (US\$/t)	\$32.43	\$28.88 (run-rate) ⁽¹⁾
Total operating cost per tonne of mill feed (US\$/t)	\$116.34	\$106.17 (run-rate)⁽¹⁾
Sustaining capital per tonne of mill feed (US\$/t)	\$35.50	\$19.26 (run-rate) ⁽¹⁾
Total cost per tonne of mill feed (US\$/t)	\$151.83	\$125.43 (run-rate)⁽¹⁾
Expansion capital expenditure (\$m)	\$177	
Sustaining capital expenditure (\$m)	\$218	
Total capital expenditure with closure costs (\$m)	\$402	
Cash cost per ounce AuEq (\$/oz) ⁽³⁾	\$574	\$554 (run-rate) ⁽¹⁾
All-in sustaining cost per ounce AuEq (\$/oz) ⁽⁴⁾	\$716	\$634 (run-rate) ⁽¹⁾
Cash cost per ounce gold (\$/oz) ⁽³⁾	\$366	\$313 (run-rate) ⁽¹⁾
All-in sustaining cost per ounce gold (\$/oz) ⁽⁴⁾	\$545	\$416 (run-rate) ⁽¹⁾
Base Case Economic Analysis at US\$1,600/oz Gold, US\$4.00/lb Copper and US\$20.00/oz Silver		
After-tax NPV0%	\$729 million	
After-tax NPV5%	\$586 million	
IRR (%) and Payback Period (years)	N/A (Self-Funded)	
Economic Analysis at \$2,000/oz Gold, US\$4.00/lb Copper and US\$20.00/oz Silver		
After-tax NPV0%	\$1,051 million	
After-tax NPV5% ⁽⁵⁾	\$855 million	
IRR (%) and Payback Period (years)	N/A (Self-Funded)	

1. Run-rate excludes the final partial calendar year of production.

2. Excludes 2H 2024 commissioning and initial ramp-up stage.

3. Cash costs are net of by-product credits and are inclusive of mining costs, processing costs, site G&A and refining charges and royalties.
4. AISC includes cash costs plus estimated corporate general and administration costs, sustaining costs and accretion.
5. Net present value is calculated utilizing mid-year discounting.

1.14.1 Mining and Mineral Reserve Estimate

The FS demonstrates robust economics, schedule and mine life. As an operating mine, there is increased confidence in execution of the LOM plan, and the accuracy of costs.

The proposed mining methods are well understood and utilized globally in underground mining. The proposed mine plan is technically achievable.

It is Entech's opinion that the Mineral Reserve estimation is reported in compliance with the NI 43-101 standards.

The mine plan assumes mining of Mineral Reserve material only and was shown to be economically viable with a reasonable degree of margin to buffer against unfavourable input movements.

1.14.2 New 1.2 Mtpa Treatment Plant

Design criteria, process flow sheets and a mass balance for a 1.2 Mtpa Process Plant treating material from a copper-gold sulphide deposit have been developed. Capital Cost Estimates (Capex) and Operating Cost Estimates (Opex) were prepared for the Processing Plant, Secondary Back-up Power Station, and power reticulation.

The total installed capital estimate for the 1.2Mtpa Processing Plant is estimated to be US\$80.2mil including a contingency allowance. A new standalone Power Station for the 1.2Mtpa Processing Plant is estimated to cost US\$9.6M inclusive of contingency and a further US\$13.8M is included for Power Distribution inclusive of contingency.

Conventional single stage crushing followed by a traditional SAB milling circuit was chosen in place of the current multistage crushing and ball mill circuit based on the test work and comminution modelling conducted during the study. The milling circuit includes flash flotation and a gravity circuit to capture free gold for smelting on site to produce gold dore.

Conventional sulphide flotation, thickening and filtering is employed to produce a high-grade concentrate which is loaded into shipping containers for transport to smelters.

The overall project schedule from project go-ahead until the first gold pour and project handover is scheduled for 23 months. An implementation schedule was prepared to support the duration of 23 months and is based on a critical path through the supply and installation of the mills.

1.14.3 Tailings Storage Facility

Tailings generated from the production expansion will be stored in the existing Tailings Storage Facility (TSF) and underground mine stopes.

A tailings consultant has been engaged to review the current TSF conditions and to provide the necessary assistance. The adopted tailings management solutions will follow local and international regulations and guidelines, including:

- Australian National Committee on Large Dams (ANCOLD, 2019) – the recommended body for Australian Tailings Management Standards for Planning, Design, Construction, Operational and Closure.
- Global Industry Standards on Tailings Management (GISTM, 2020) – aims to strengthen the mining industry's current practices by integrating social, environmental, and technical considerations.

1.14.4 Paste Plant

To improve underground geotechnical stability, facilitate complete ore extraction and dispose an estimated 46% of the Kainantu tailings underground, cemented paste backfill manufactured from fresh concentrator tailings is the preferred mine backfill method for both the DFS and PEA Kora mining plans.

The topographic conditions and site layout at Kainantu present unique challenges for the paste system design. Through rigorous laboratory characterization and utilization of design principals, based on proven design methodologies, a robust paste system is proposed. This system is capable of servicing the mining operation with the quantities and quality of fill required to enable the proposed mining strategy, while disposing of mine tailings in an environmentally friendly manner.

1.15 RECOMMENDATIONS

1.15.1 Mining

Items for consideration are detailed in the following list:

- Optimization studies to increase NPV through scheduling and design improvements.
- Optimization study to consider ventilation design alternatives for surface raisebore versus underground adits to surface.
- Optimization of ore pass locations, and potential use of truck chutes at their termination points as opposed to rehandle with a loader.
- Optimization study to consider viability of underground and/or land conveyor suitability.
- A dedicated geotechnical drilling program designed to cover critical infrastructure locations and the Kora orebody.
- Ongoing campaign geotechnical logging of resource definition drill holes, with focus on any holes intercepting mineralized zones Judd, K1 and K2 and the FGZ.

- Additional geotechnical testwork is required for all lithologies to confirm FS assumptions for operational levels of robustness.
- A stress measurement program utilising the either WASM AE (Acoustic Emission) method or Hollow Inclusion Cell (HI-Cell) method is advised to be commissioned from the Kora mining area to assess the in-situ major principal stress magnitudes and directions at the Kora deposit.
- Detailed geotechnical mapping of ore drives should be routinely undertaken for input into stope design and determining a more accurate characterization of the rock mass.
- Numerical modelling of the stope extraction sequence needs to be refined once final stope designs are determined and re-run using the stress measurement test results to assess mining-induced stress re-distribution in terms of magnitudes and directions.
- A full review of the ground support systems should be undertaken as mining progresses to include updated geotechnical data to improve and justify the standards recommended.

1.15.2 1.2 Mtpa Treatment Plant

Geotech investigations are to be completed on the process plant location to confirm and optimize the foundation design parameters for the detail design.

1.15.3 Tailings Storage Facility

The recommendations to manage the tailings produced due to the Kora Expansion DFS scenario include:

- The deposition of thickened tailings into the existing TSF with an embankment raised to Stage 3 (RL 530 m) and managing the facility by adopting best available practices.
- Validate suitability of foundations.
- Implement actions to maximize the settled density of tailings.
- Consider the provision of additional drainage to promote consolidation of tailings.
- Provide sustained discharge of water from tailings, to minimize stored water within the TSF.
- Management of water pond size and location, such that beaches are maintained against the embankment.

1.15.4 Environmental Studies, Permitting and Social or Community Impact

The recommendations for environmental studies, permitting and social or community impact include:

- Investigate and pursue opportunities to accelerate the EIS process to minimize the potential for permitting delays, including commissioning long-lead studies.
- Continue engagement with MRA and CEPA to support efficient and timely project permitting.
- Continue to appropriately support the LTC determination of landholdings within the existing operations leased boundaries to minimize the potential for landownership disputes to delay project permitting and/or execution.
- Implement a comprehensive stakeholder engagement program focussed on supporting project permitting.

1.15.5 Paste Plant

Geotech drilling and investigations are to be completed at the 800 level to confirm and optimize the foundation design parameters for the detail design.

Binder constitutes over 50% of the variable component of the operating costs. At the time of compiling this work limited options were available for supply of Slag (the major binder input) to the Kainantu site. With further investigation considerable upside opportunity exists to reduce operating costs.

BLUE LAKE PROSPECT

The Blue Lake copper-gold porphyry project is located approximately 4 km southwest of the Kainantu Mine. In August 2022, the Company announced a maiden inferred resource estimate of 10.8 million ounces of gold equivalent or 4.7 billion pounds of copper equivalent at Blue Lake.

The maiden resource estimate is included in a technical report (the “**Blue Lake Technical Report**”), titled, “Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea” dated September 20, 2022, with an effective date of August 1, 2022, prepared by Simon Tear BSc (Hons), EurGeol, PGeo IGI, EurGeol, and Anthony Woodward BSc (Hons), M.Sc., MAIG. The Blue Lake Technical Report can be found on the Company’s website at www.K92mining.com or under the Company’s profile on the SEDAR+ website at www.sedarplus.ca.

The Blue Lake resource is the fifth largest known mineralized porphyry in Papua New Guinea in terms of pre-mined contained gold equivalent ounces, after the Golpu, Panguna, Ok Tedi and Frieda River porphyry deposits.

Blue Lake was discovered by K92 after mineralized lithocap was identified in 2017. K92 has completed two diamond drill programs for a total of 26 holes and 16,474.8 metres at the project, with the majority of drillholes intersecting mineralization and at a discovery cost of less than \$1/oz AuEq.

The Blue Lake Porphyry is concentrically zoned with respect to gold and copper concentration and has a particularly metal rich core associated with Kspar and biotite alteration. There is much scope for expanding the Blue Lake Porphyry resource as the porphyry is open ended at depth.

The Blue Lake Porphyry is evidently a very large, well-mineralized system, with a number of overprinting events that have introduced gold and copper. Future exploration plans include exploring for additional mineralized porphyries beneath an extensive composite lithocap, with advanced argillic alteration prominent over an area of 20 square kilometres, from Blue Lake to the A1 copper-gold porphyry target, our highest priority porphyry target based on a Mobile MT geophysical program completed in 2021. Blue Lake exploration is carried out under exploration licence EL470.

The following disclosure relating to Blue Lake is the summary excerpt from the Blue Lake Technical Report. The entire Blue Lake Technical Report is incorporated by reference into this AIF, and readers are encouraged to review the complete text of the technical report. A full list of references cited in the below summary is contained in the Blue Lake Technical Report.

BLUE LAKE TECHNICAL REPORT SUMMARY

The following summary of the Blue Lake Technical Report, which begins on page 91 and ends on page 98, is not exhaustive. The Blue Lake Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The Blue Lake Technical Report contains the expression of the professional opinions of the Qualified Persons (as defined under NI 43-101) who prepared the Blue Lake Technical Report based upon information available at the time of preparation of the reports. The following disclosure, which is derived from the Blue Lake Technical Report, is subject to the assumptions and qualifications contained in the Blue Lake Technical Report. The following summary has been reviewed by Andrew Kohler BAppSc (Geol), PGCert (Geostatistics), MAIG, the Company's Mine Geology and Mine Exploration Manager, and a Qualified Persons (as defined under NI 43-101).



1. SUMMARY

1.1 INTRODUCTION

K92 Mining Ltd ("K92ML") is the registered holder of Exploration Licence 470 ("EL470"), in PNG as issued by the applicable government authorities in accordance with the PNG Mining Act 1992 (the "Mining Act").

Exploration Licence 470 is effective until February 04, 2021. K92ML have lodged an application for renewal for a further two years. The Blue Lake deposit is situated within EL470, see Figure 1-1.



Blue Lake Property Location

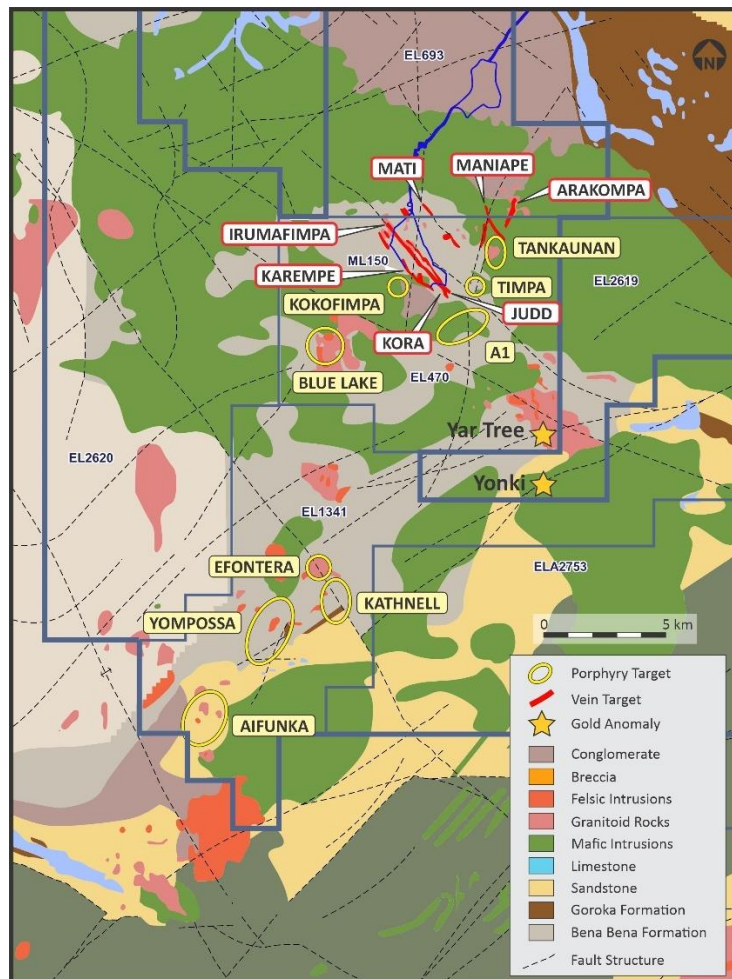


Figure 1.1 EL470 geology and known vein and porphyry prospects.
(K92ML, 2021)

1.2 GEOLOGY AND MINERALIZATION

The Kainantu region is in the northeastern flank of the northwest trending Papuan Mobile Belt which is a major foreland thrust belt. The regional structural package of the Kainantu district is bounded in the northeast by the northwest trending Ramu-Markham Fault, a major suture zone that marks the northern margin of the Australian Craton, and in the southeast by the Aure Deformation Zone. The belt is characterized by a number of north-northeast trending fault zones that commonly host major ore deposits.

The Blue Lake Porphyry Project at Kotampa is approximately 4 km southwest of K92ML's producing high-grade Kora and Judd intrusion-related gold deposits at the Kainantu Gold Mine. Drilling at Blue Lake has defined a large tonalite porphyry stock, comprising multiple overprinting intrusives, that are variably mineralized with gold and copper within Akuna Granodiorite. The mid-Miocene Akuna Intrusive Complex consists of multiple phases ranging from olivine gabbros, dolerites, hornblende gabbros and biotite diorites to granodiorites

A prominent silica-clay lithocap is present overlying mineralized propylitic (epidote-chlorite) alteration, with higher grade potassic alteration. The mineralized porphyry is concentrically zoned and tilted towards the north-west. This zonation is apparent both in metal (sulphide) distribution, with bornite grading into chalcopyrite with a molybdenum periphery, and finally into pyrite, as well as in alteration mineral assemblages, with biotite-K feldspar giving way peripherally to epidote-albite through a transitional actinolite zone. The prograde assemblages have been largely overprinted by intense sericite-pyrite alteration. There is a prominent silica-clay cap, characterized by dominant pyrophyllite, with alunite feeder zones. See Figure 1-2 below.

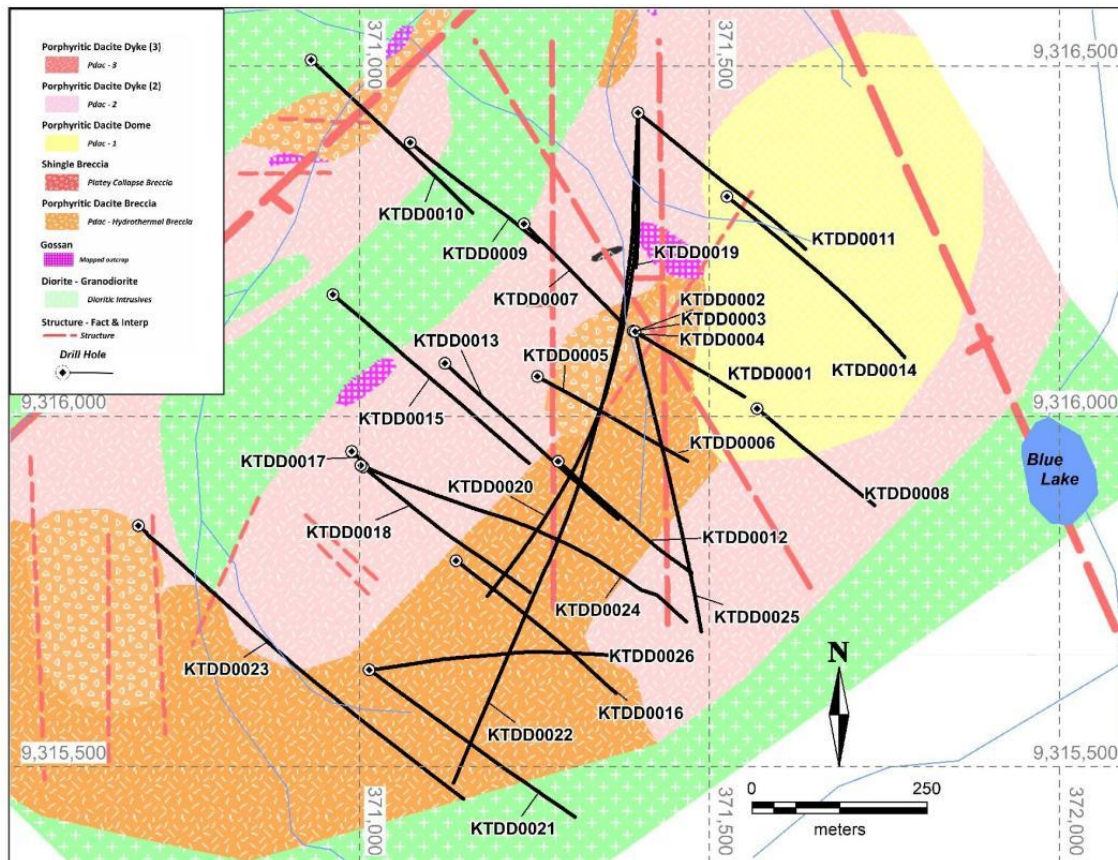


Figure 1-2 Blue Lake Prospect Surface Geology

The highest grades are associated with a potassic alteration core, characterized by biotite, K-feldspar and chalcopyrite/bornite mineralization, with a propensity of quartz stockwork veins. Copper/Gold mineralization is approximately at a 1:1 ratio and open to the south-west.

1.3 K92 MINING EXPLORATION

Surficial Au-Ag-Cu mineralization, associated with enargite-bearing breccia and vuggy silica, was identified by K92ML geologists in the Blue Lake area on EL470 during September 2017 after which a large coincident Au-Cu soil geochemical anomaly was defined by soil sampling.

Detailed mapping, rock chip and soil sampling revealed a substantial (1.2 km x 0.8 km) geological, geochemical (Au-Cu) anomaly which was coincident with a historic airborne electromagnetic anomaly see Figure 1-3.

An initial program of ten diamond drillholes was completed at the prospect in 2019. The first drill hole, KTDD0001, returned an open-ended intercept of 174.6m @ 0.28 g/t Au, 0.22 % Cu, from 259.3m. and was terminated in mineralization at 433.9m. 16 holes were drilled in a second phase commencing in November 2020, with multiple long intervals of significant gold-copper mineralization intersected.

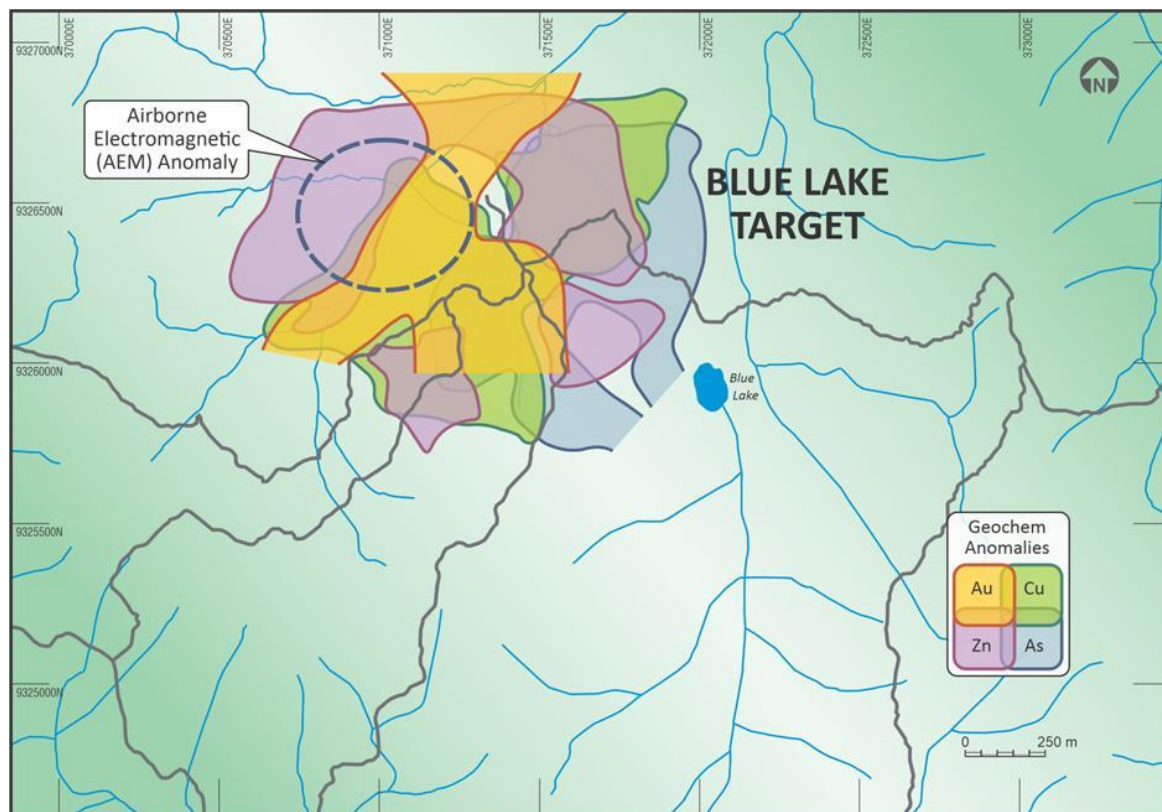


Figure 1-3 Geochemistry and airborne EM anomalies at Blue Lake prospect
(K92ML, 2020)

1.4 MINERAL RESOURCE ESTIMATE BLUE LAKE PORPHYRY DEPOSIT

Mineral Resource estimates were generated by Simon Tear (PGEO), of H&S Consultants Pty Ltd, (“H&S”) based in Brisbane, Qld, Australia. The effective date of the Mineral Resource estimate for the Blue Lake porphyry deposit is the 1st of August 2022, which was the date that the latest database was received by HS&C.

The entire resource is classified as Inferred, based on the Qualified Person’s experience with similar porphyry copper deposits elsewhere, especially in PNG. This takes into account a number of factors, including data distribution, the continuity of geology and metal grades including variography, the QAQC data, the quality of the density data and sampling method and core recoveries. It is also assumed that the deposit will be mined by a bulk mining method, e.g. open pit or block caving. The Mineral Resources reported in this section have been classified under the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. The Mineral Resources have been reported using a gold equivalent (“AuEq”) cut off grade, see Table 1-1.

Table 1-1 Blue Lake Deposit Inferred Mineral Resources at 0.4 g/t AuEq Cut-off Grade

Mt	Au g/t	Cu %	Ag g/t	AuEq g/t	CuEq %	Au Mozs	Cu Mt	Ag Mozs	AuEq Mozs	CuEq Blbs
549	0.21	0.23	2.42	0.61	0.38	3.7	1.3	43	10.8	4.7

The gold equivalent cut off of 0.4g/t, is based on cut off grades used for other similar deposits in the region and was advised by K92ML.

- *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.*
- *Mineral Resources were compiled at 0.1, 0.2, 0.3, 0.4, 0.5, 0.6 g/t AuEq cut-off grades.*
- *Density was based on 2,473 measured density data recordings (weighed core trays and measured core technique) which were composited and subsequently modelled unconstrained using Ordinary Kriging.*
- *Reported tonnage and grade figures are rounded from raw estimates to reflect the order of accuracy of the estimate.*
- *Minor variations may occur during the addition of rounded numbers.*
- *Estimations used metric units (metres, tonnes and g/t)*
- *Gold equivalents are calculated as $AuEq = Au\ g/t + Cu\% * 1.607 + Ag\ g/t * 0.0125$. Copper equivalents are calculated as $CuEq = Cu\% + Au\ g/t * 0.006222 + Ag\ g/t * 0.00007778$. Gold price US\$1,600/oz; Silver US\$20/oz; Copper US\$3.75/lb.*

The Mineral Resource estimates are based on 26 diamond core holes with logged geology and assays, totalling 16,530.3m. Downhole sampling was on 1m intervals with all drillcore sampled. Data was supplied in an orthogonal local grid coordinate system.

An initial review of the assay data in 3D and cross section indicated two distinct, broad mineral zones,

1. A large lower copper/gold zone (Zone 2) predominantly coincident with a mineralised altered tonalite, and

- An upper copper-poor zone (Zone 1) generally concomitant with low, sub-economic copper grades and lower densities, both attributable to being part of the lithocap to the underlying intrusive. The gold mineralization in this zone is very variable and "spotty", often occurring as small, unconnected zones of mineralization.

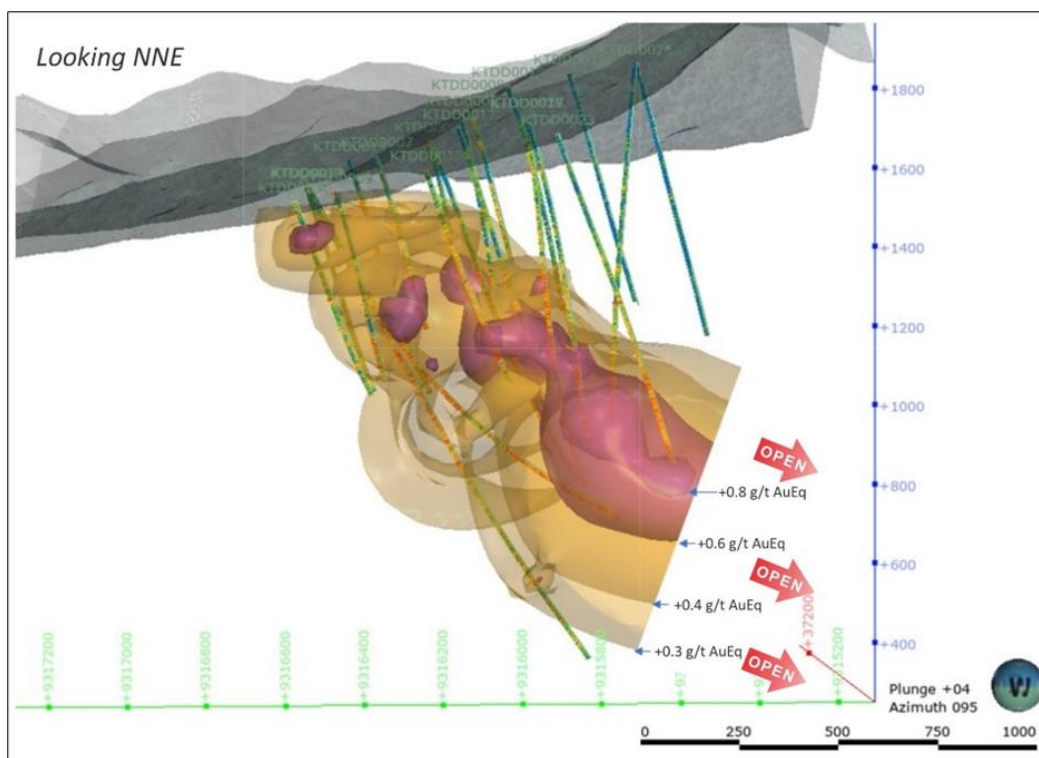
Gold grades appeared to be more ambiguously distributed in both zones, with localised intercepts of high-grade gold scattered within the lithocap unit.

The complete drill hole dataset was composited to 2m intervals for gold, copper, silver and a gold equivalent and was subsequently modelled using Ordinary Kriging ("OK"). The unconstrained modelling of the 2m composites data confirmed the two distinct zones of mineralization and allowed for the interpretation of the porphyry body in conjunction with supplied alteration data.:

Porphyry-style mineralization is interpreted to be bound in the west by the Baupa Transfer Fault and in the east and northeast by the drilling and the Blue Lake Transfer Fault respectively. The mineralization appears to taper to the north and south, with the deposit open at depth.

The interpreted porphyry body and its associated mineralization has overall dimensions of 1500m (X) by 1300m (y) by 1100m (Z) with a modest plunge to grid south-east. Mineralization is close to surface (1950mRL approx.) in the grid west and is open at depth. The Mineral Resource is terminated by a notional-pit outline down to 500m RL. Drillhole spacing was nominally on 100m centres in the centre of the deposit extending to 200m in the periphery. See Figure 1-4 below.

The density data was composited to 4m giving 1,879 data points which were subsequently modelled unconstrained using OK, using similar search parameters and rotations to the global metal grade interpolation. Density showed a marked segregation between the upper lithocap dominated zone and the lower altered tonalite zone.



**Figure 1-4 Blue Lake Porphyry – Section, viewed north-north-east
Drill holes showing downhole gold and copper grades and distribution of mineralization.**

Mineral Resources are reported for 0.4 g/t AuEq cut-off; with the tabulation below (Table 1-2) containing other cut-off values provided for information only.

Table 1-2 Mineral Resources at Different Cut-Off Grades

AuEq Cut off	Mt	Au g/t	Cu %	Ag g/t	AuEq g/t	CuEq %	Au Mozs	Cu Mt	Ag Mozs	AuEq Mozs	CuEq Blbs
0.1	1,247	0.13	0.16	2.17	0.41	0.26	5.2	2.0	87	16.4	7.1
0.2	1,080	0.15	0.17	2.28	0.45	0.28	5.2	1.8	79	15.6	6.6
0.3	808	0.18	0.20	2.43	0.52	0.33	4.7	1.6	63	13.5	5.9
0.4	549	0.21	0.23	2.42	0.61	0.38	3.7	1.3	43	10.8	4.7
0.5	382	0.25	0.25	2.39	0.68	0.42	3.1	1.0	29	8.3	3.7
0.6	233	0.30	0.28	2.43	0.77	0.49	2.2	0.7	18	5.8	2.6

The Mineral Resource classification is based on a range of considerations.

Positive aspects:

- Relatively simple geological model that conforms to the gold/copper porphyry style.
- All drilling is diamond core of an appropriate core size.
- Good core recovery with no relationship between metal grades and recovery.
- Good sampling procedures and no issues with the QAQC data.
- Significant amount of density data of a reasonable quality.

Negative aspects:

- Data point spacing (i.e. wide drill hole spacing) and the limited amount of drilling.
- There is an absence of any detailed drilling to get a better measure of any trends in the metal distribution and/or grade continuity as exemplified by the weak variography.
- No information on likely metallurgical recoveries.

1.5 CONCLUSIONS

The Kainantu district is recognized as an important mineral district, owing to the presence of multiple economic vein deposits, as well as additional veins and porphyry prospects, at various stages of exploration.

Drilling results to date indicate the Blue Lake Porphyry has the potential to be a large, mineralized Cu-Au porphyry deposit. Locally, the roots of the lithocap remain in situ (dominated by pyrophyllite, typically present deep in lithocaps and nearest to porphyry mineralization). The Blue Lake deposit remains open along strike and down plunge. Additionally, with a higher grade core, it is possible that the mineralization is much more extensive than currently understood and higher grades may be expected in the deeper parts of the system.

1.6 RECOMMENDATIONS

The general drill hole spacing and hence data distribution is considered wide for a large part of the deposit. This, plus the nature of the mineralization impacts negatively on the variography, which in turn indicates that much closer spaced drilling, perhaps in a localised test area, is required for more confidence in any grade continuity, which in turn is reflected in the resource classification. In H&SC's experience modelling of gold (and copper) composite data with such wide drill hole spacings is relatively high risk, hence the Inferred Resource classification.

The assay values from the drilling and simple unconstrained modelling of the composite data, particularly for copper, indicate quite clearly the subdivision of the mineral body into an upper gold lithocap zone and a lower porphyry intrusive copper/gold zone. Cross referencing with the alteration zones indicated that more work is required in defining these zones, and if they specifically relate to mineral styles and metal grade tenors.

The entire mineralized district covered by EL470 should be assessed but with priority given to the Blue Lake deposit and the A1 porphyry prospect. Wider scale geological mapping to understand the geological setting and more surface alteration mapping to define the distribution of the lithocap is recommended.

Additional drilling is recommended to target the definition and expansion of the zone of quartz stockwork veins and bornite mineralization within the potassic core at Blue Lake. The work program (Table 1-3) has been planned taking into consideration the current level of exploration on the tenement. Some programs will require detailed surface work which should include assessment of lithocaps and vein expressions, as well as geochemical and geophysical anomalies prior to commencement of drilling.

Table 1-3 EL470 Work Program and Budget

Tenement No.	Term End Date	Proposed Work Program Budget		Planned 2-Year Program
		Unit	Amount	
EL470	04/02/2023	PGK	4,800,000	16 km ² reconnaissance mapping, 6 km ² detailed geological mapping, significant soil + rock chip sampling (including costeaning), samples for petrology, 25 km ² airborne EM geophysics, 24 cored drill holes.

RISK FACTORS

The exploration, development and mining of natural resources are highly speculative in nature and are subject to significant risks. The following risk factors could materially adversely affect our future business, operations, and financial condition, and could cause actual events to differ materially from those described in our forward-looking statements. The risk factors noted below do not necessarily comprise all risks faced by us. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the Company's business, operations and future prospects. If any of the following risks actually occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly.

RISKS RELATED TO THE COMPANY'S BUSINESS

1. COMMODITY, CURRENCY AND MARKET RISKS

Changes in the price of gold, silver, copper and other metals in the world markets, which can fluctuate widely, significantly affect the profitability of the Company's operations, the Company's financial condition and the Company's ability to develop new mines.

The profitability of the Company's operations is significantly affected by changes in the market price of gold, silver, copper and other mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control, including: interest rates; the rate and anticipated rate of inflation; world supply of mineral commodities; consumption patterns; purchases and sales of gold by central banks; forward sales by producers; production costs; demand from the jewelry industry; speculative activities; stability of exchange rates; the relative strength of the U.S. dollar and other currencies; changes in international investment patterns; monetary systems; and political and economic events.

Current and future gold price declines could cause commercial production or the development of new mines to be impracticable or unpredictable. If the gold price declines significantly, or declines for an extended period of time, the Company might not be able to continue its operations, develop its properties, or fulfill its obligations under the Company's permits and licences, or under the Company's agreements with its partners. This could result in the Company losing its interest in some or all of its properties, or being forced to cease operations or development activities or to abandon or sell properties, which could have a negative effect on the Company's profitability and cash flow.

Fluctuations in the price and availability of infrastructure and energy and other commodities could impact the Company's profitability and development of projects.

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The Company's inability to secure adequate water and power resources as well as other events outside of the Company's control, such as unusual or infrequent weather phenomena, sabotage, terrorism, "community", or government or other interference in the maintenance or provision of such infrastructure, or failure to maintain or extend such infrastructure, could adversely affect the Company's operations, financial condition, environmental compliance and results of operations.

Profitability is affected by the market prices and availability of commodities that the Company uses or consumes for the Company's operations and development projects. Prices for commodities like diesel fuel, electricity, steel, concrete, and chemicals can be volatile, and changes can be material, occur over short periods of time and be affected by factors beyond the Company's control. The Company's operations use a significant amount of energy and depend on suppliers to meet those needs. Higher costs for such required commodities and construction materials, or tighter supplies, can affect the timing and cost of the Company's development projects, and the Company may decide that it is not economically feasible to continue some or all of the Company's commercial production and development activities, which could have an adverse effect on the Company's revenue.

Higher worldwide demand for critical resources like input commodities, drilling equipment, tires and skilled labour could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules.

Effect of global economy on commodity prices.

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

Fluctuations in foreign currency exchange rates could materially affect the Company's business, financial condition, results of operations and liquidity.

The Company's assets and operations are located in Canada and Papua New Guinea. As a result, the Company has foreign currency exposure with respect to items not denominated in U.S. dollars. The three main types of foreign exchange risk the Company faces can be categorized as follows:

- Transaction exposure: the Company's operations sell commodities and incur costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate;
- Exposure to currency risk: the Company is exposed to currency risk through a portion of the following assets and liabilities denominated in currencies other than the U.S. dollar: cash and cash equivalents, trade and other receivables, trade and other payables, reclamation and closure costs obligations; and
- Translation exposure: the Company's functional and reporting currency is U.S. dollars. The Company's operations may have assets and liabilities denominated in currencies other than the U.S. dollar, with translation foreign exchange gains and losses included from these balances in the determination of profit or loss. Therefore, as the exchange rates between the Canadian dollar, Australian dollar and Papua New Guinea kina fluctuate against the United States dollar, the Company will experience foreign exchange gains and

losses, which can have a significant impact on the Company's consolidated operating results.

As a result, fluctuations in currency exchange rates could significantly affect the Company's business, financial condition, results of operations and liquidity.

Volatility of market price of the Common Shares could result in losses.

The Common Shares are publicly traded and are subject to various factors that have historically made the Common Share price volatile. The market price of the Common Shares has experienced, and may continue to experience, significant volatility, which may result in losses to investors. The market price of the Common Shares may increase or decrease in response to a number of events and factors, including as a result of the risk factors described in this AIF.

In addition, the global stock markets and prices for mining company shares have experienced volatility that often has been unrelated to the operating performance of such companies. These market and industry fluctuations may adversely affect the market price of the Common Shares, regardless of the Company's operating performance.

2. PRODUCTION, MINING, OPERATING AND DEVELOPMENT RISKS

Mining is inherently dangerous and subject to conditions or events beyond the Company's control, including problems related to weather and climate in remote areas in which the Company's operations are located, which could have a material adverse effect on the Company's business, and mineral exploration is speculative and uncertain.

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the production of gold, silver and copper, including: unusual and unexpected geologic formations; seismic activity; rock bursts; cave-ins or slides; flooding; periodic interruption due to inclement or hazardous weather conditions; and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or death, damage to property, environmental damage and possible legal liability. Milling operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's operations are located in remote areas and are affected by adverse climate events, resulting in technical challenges for conducting both geological exploration and mining operations. Although the Company benefits from modern mining technology, the Company may sometimes be unable to overcome problems related to weather and climate either expeditiously or at a commercially reasonable cost, which could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's strategic plans may be affected by unforeseen events and there is no guarantee that the Company will be effective in developing a plan that can address changing conditions.

The Company conducts a strategic planning process that is intended to define long term objectives and execution strategies designed to achieve those objectives. These plans are regularly reviewed and updated as current or prospective external and internal conditions change. The strategic plans are based upon certain assumptions around key variables that can directly

impact the validity of the strategy and the achievement of anticipated results. As unforeseen changes in business, operating and market conditions can occur at any time, resulting in the assumptions underlying the Company's decision-making process becoming invalid, there can be no assurance that the Company's strategic planning process will be completely effective in developing a strategic plan that addresses changing conditions and could result in a material adverse effect on the Company's business, financial condition and results of operations. Additionally, due to internal and external factors, the Company may not have sufficient capital resources, organizational skills and knowledge, or systems and processes in place to be able to execute its strategic plans in a timely or efficient manner.

The Company's failure to achieve production, cost and other estimates could have a material adverse effect on the Company's future cash flows, profitability, results of operations and financial condition.

This Annual Information Form and our other public disclosure contain guidance and estimates of future production, operating costs, capital costs and other economic and financial measures with respect to our existing mine and certain of our exploration and development stage projects. The estimates can change, or we may be unable to achieve them. Actual production, costs, returns and other economic and financial performance may vary from the estimates depending on a variety of factors, many of which are not within our control. These factors include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution, and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; regional epidemic or pandemic of disease; changes in power costs and potential power shortages; exchange rate and commodity price fluctuations; price changes or shortages of principal supplies needed for operations, including explosives, fuels, water and equipment parts; labour shortages or strikes; litigation; regional or national instability, imposition of sanctions, insurrection, war or acts of terrorism; suspensions or closures imposed by governmental authorities; civil disobedience and protests; failure to comply with applicable regulations, or new restrictions or regulations, imposed by governmental or regulatory authorities; permitting or licensing issues; overlapping with other activities declared as activities for the public benefit; issues arising from the presence of illegal miners; obstacles and requisites imposed by local financial entities; shipping interruptions or delays; or other risks described herein.

Mineral exploration and development involves significant risks and uncertainties, which could have a material adverse effect on the Company's business, results of operations and financial condition.

The development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines and no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs the Company will carry out will result in a profitable commercial mining operation.

Properties not yet in production, starting production or slated for expansion, are subject to higher risks as new mining operations often experience unexpected problems during the start-up phase, and production delays and cost adjustments can often happen. Further, technical studies contain project-specific estimates of future production, which are based on a variety of factors and assumptions. There is no assurance that such estimates will be achieved and the failure to achieve production or cost estimates or material increases in costs could have a material adverse effect on the Company's future cash flows, profitability, results of operations and financial condition and the Company's share price.

In addition, developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new mines including building mining and processing facilities for new properties are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the mine. The project development schedules are also dependent on obtaining the governmental approvals and permits necessary for the operation of a mine which is often beyond the Company's control. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. There is no assurance that there will be sufficient availability of funds to finance construction and development activities, particularly if unexpected problems arise.

Other risks associated with mineral exploration and development include but are not limited to: the availability and costs of skilled labour and the ability of key contractors to perform services in the manner contracted for; unanticipated changes in grade and tonnage of ore to be mined and processed; unanticipated adverse geotechnical and geological conditions; incorrect data on which engineering assumptions are made; potential increases in construction and operating costs due to shortages of and/or changes in the cost of fuel, power, materials, security and supplies; adequate access to the site and unanticipated transportation costs or disruptions; potential opposition or obstruction from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; equipment failures; natural phenomena; exchange rate and commodity price fluctuations; high rates of inflation; civil disobedience, protests and acts of civil unrest or terrorism; the risk of carbon taxes and other applicable taxes and restrictions or regulations imposed by governmental or regulatory authorities or other changes in the regulatory environments; and other risks associated with mining described in this AIF.

The combination of these factors may result in the Company's inability to develop its non-producing properties, to achieve or maintain historical or estimated production, revenue or cost levels, or to receive an adequate return on invested capital, which could have a material adverse effect on the Company's business results of operations and financial condition.

Public health crises, including the COVID-19 pandemic, may significantly impact the Company.

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, such as the COVID-19 pandemic (which, for the purposes of this Annual Information Form, includes any variants thereof where applicable). These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's mining and exploration operations to operate as intended due to a shortage of skilled employees, shortages or disruptions

in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, decreased demand or the inability to sell commodities or declines in the price of commodities, capital market volatility or other unknown but potentially significant impacts. There are also potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infectious disease outbreak. The extent to which an infectious disease outbreak will have an impact on our business, results of operations, future cash flows, earnings, liquidity and financial condition will depend on future developments that are highly uncertain and difficult to predict. The Company may not be able to accurately predict the quantum of such risks.

The COVID-19 global health pandemic has impacted the global economy and commodity and financial markets. The full extent and expected duration of the COVID-19 pandemic and its impacts is unknown despite the time that has elapsed since it was initially discovered. To date, the impacts of the pandemic have included extreme volatility in financial markets, economic activity and commodity prices (including gold). Efforts to fight the COVID-19 pandemic have been taken by national and local governments and businesses that have had a significant impact on the economy and on individual businesses, including the Company.

Employees and contractors may still test positive for COVID-19. This may impact the health of the Company's workforce and the health of the surrounding communities as well as lead to potential labour shortages or other shortages or disruptions in supply chains. This, in turn, may result in the limitation or suspension of the Company's operations where such COVID-19 cases occur. If any such limitation or suspension occurs, production may be reduced. Any of these factors could result in a material adverse effect on the Company's business, results of operations, future cash flows, earnings, liquidity and financial condition.

Dependence on the Kainantu Mine for all of K92's operating revenue and cash flows.

While the Company may invest in additional mining and exploration projects in the future, the Kainantu Gold Mine is currently the Company's sole producing asset, providing all of the Company's operating revenue and cash flows. Consequently, a delay or difficulty encountered in the operations of the Kainantu Mine would materially and adversely affect the Company's financial condition and financial sustainability including K92's ability to fund future development.

Any adverse changes or developments affecting the Kainantu Mine, such as, but not limited to, the Company's inability to successfully mine, complete any of the development projects, work programs or expansions, obtain financing on commercially suitable terms, or hire suitable personnel and mining contractors, may have a material adverse effect on K92's financial performance, results of operations and liquidity.

In addition, the results of operations of the Company could be materially and adversely affected by any events which cause the Kainantu Mine to operate at less than optimal capacity, including, among other things, equipment failure or shortages of spares, consumables and reagents, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold.

Undue reliance should not be placed on estimates of mineral reserves or mineral resources, since these estimates are subject to numerous uncertainties. Mineral resources may never be converted into mineral reserves, which could adversely affect the Company's operating results and financial condition.

Mineral reserves and mineral resources are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized. Mineral reserve and mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other risks and relevant issues. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data, the accuracy of assumptions, the nature of the ore body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work, drilling or actual production experience.

Fluctuations in gold, copper and silver prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties may require revision of mineral reserve and mineral resource estimates. Prolonged declines in the market price of gold (or applicable by-product metal prices) may render mineral reserves and mineral resources containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves and mineral resources.

The following factors could potentially materially impact the current mineral resource estimates:

- The inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are sufficient to allow the geological and grade continuity to be reasonably assumed. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part thereof will be upgraded to an indicated or measured mineral resource as a result of continued exploration.
- Potential underestimation or overestimation of gold grade due to poor core recovery in mineralized zones.
- Results of additional drilling, metallurgical testing, receipt of new information, and production and the evaluation of mine plans subsequent to the date of any mineral resource estimate may require revision of such an estimate.

Mineral resources and mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. In addition, the estimates of mineral resources, mineral reserves and economic projections rely in part on third-party reports and investigations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and mineral reserves and corresponding grades being mined and, as a result, the volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources, or of the Company's ability to extract these mineral reserves and mineral resources, could have a material adverse effect on the Company's projects, results of operations and financial condition.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to uncertainty that may attach to inferred mineral resources, inferred mineral resources may not be upgraded to measured and indicated mineral resources or proven and probable reserves as a result of continued exploration. Inferred mineral resources 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 such projections will be realized.

The Company may be unable to identify appropriate acquisition targets or complete desirable acquisitions, and the Company may be unsuccessful in integrating businesses and assets that it has acquired or may acquire in the future.

As part of its business strategy, the Company has sought and will continue to seek new operating and development opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. There can be no assurance that the Company can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, if at all, or that any acquisitions or business arrangements completed will ultimately benefit the Company's business.

Acquisitions are accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to realize anticipated synergies and maximize the Company's financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. There can be no assurance that acquired businesses or assets will be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that the Company will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on the Company's business, expansion, results of operations and financial condition.

The Company may be unable to compete successfully with other mining companies.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities with respect to the discovery and acquisition of interests in mineral properties, and the recruitment and retention of qualified employees and other persons to carry out its mineral production and exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration and development in the future, which could have a material adverse effect on the Company's revenues, operations and financial condition.

The Company's board of directors may experience conflicts of interest.

Certain of the Company's directors are also directors, officers or shareholders of other companies that are engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities presented to a director or

employee/officer of the Company may be offered to another company or companies with which the director or employee/officer is associated and may not be presented or made available to the Company. If a conflict of interest arises, any director or officer in a conflict is required by law to disclose his or her interest and abstain from voting on such matter.

The Company may be subject to litigation risks which could have a material adverse effect on the Company's business, results of operations and financial position.

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. In addition, companies in the mining industry have experienced volatility in their share price and have been subjected to class action securities litigation by shareholders. Defense and settlement costs can be substantial, even for claims that are without merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, results of operations and financial position.

Furthermore, in the event of a dispute arising from the Company's activities, the Company may be subject to the exclusive jurisdiction of courts or arbitral proceedings outside of North America or may not be successful in subjecting persons to the jurisdiction of courts in North America, either of which could unexpectedly and adversely affect the outcome of a dispute.

The Company may be affected by failures of information systems or information security threats or attacks.

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with the Company's operations. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses, which may adversely impact the Company's reputation and results of operations.

Furthermore, the Company and its third-party service providers collect and store sensitive data in the ordinary course of the Company's business, including personal information of the Company's employees, as well as proprietary and confidential business information relating to the Company and in some cases, the Company's customers, suppliers, investors and other stakeholders. This may also include confidential information of prospective merger and acquisition targets or candidates with which the Company may have entered into confidentiality agreements. With the increasing dependence and interdependence on electronic data communication and storage, including the use of cloud-based services and personal devices, the Company is exposed to evolving technological risks relating to this information and data. These risks include targeted attacks on the Company's systems or on systems of third parties that the Company relies on, failure or non-availability of a key information technology systems, or a breach of security measures designed to protect the Company's systems.

Although to date the Company has not experienced any known material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company cannot be certain that it will be successful in securing this information and data and there may be instances where the Company is exposed to malware, cyber-attacks or other unauthorized access or use of the Company's information and data. Any data breach or other improper or unauthorized access or use of the Company's information could have a material adverse effect on the Company's business and could damage the Company's reputation, compromise the Company's network or systems and result in a loss or escape of sensitive information, a misappropriation of assets or incidents of fraud, disrupt the Company's normal operations, and cause the Company to incur additional time and expense to remediate and improve the Company's information systems. In addition, the Company could be subject to legal and regulatory liability in connection with any such cyberattack or breach, including potential breaches of laws relating to the protection of personal information.

As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company may fail to maintain adequacy of internal control over financial reporting and disclosure controls and procedures.

The Company is required to maintain adequate internal controls over financial reporting as per the requirements of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). The Company may fail to maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented or amended from time to time, and we may not be able to conclude, on an ongoing basis, that we have effective internal controls over financial reporting. The Company's failure to satisfy the requirements could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm our business and negatively impact the share price of our securities.

The Company may fail to maintain adequately designed disclosure controls and procedures. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company in reports filed with securities regulatory agencies is recorded, processed, summarized and is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required disclosure.

The Company may be affected by climate change.

The Company is subject to evolving climate change legislation that may increase both compliance costs and the risk of non-compliance. New and/or future climate change legislation may affect the Company's ability to continue to operate as currently operated or planned to be operated. Additionally, there are climate change impact risks such as drought, extreme weather events, changes in rainfall and temperatures which could significantly increase costs of operations and/or have material adverse effect on the Company's business.

Global climate change continues to attract considerable public, scientific and regulatory attention. Governments and regulatory bodies at the international, national, regional and local levels have introduced or may introduce legislative changes to respond to the potential impacts of climate change. Additional government action to regulate climate change, including regulations on carbon emissions and energy use, could increase direct and indirect costs to the Company's operations and may have a material adverse impact on the Company. The Company's primary operations

are located in Papua New Guinea who is a signatory to the Paris Agreement under the United Nations Framework Convention on Climate Change (the “**Paris Agreement**”). Additional requirements from the Paris Agreement or other climate change regulations could lead to increased costs for the Company.

In addition, the Company’s operations are subject to the physical risks of climate change, which may include increased extreme weather events and significantly restricted water availability. In the long term, the Company may be required to respond to the physical effects of climate change which could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties. Climate changes or prolonged periods of wet weather in Papua New Guinea may also severely limit the length of time per year in which exploration, development and production can be carried out, which could have a material adverse impact upon the Company. In addition, water shortages can have a significant adverse impact upon the operations of the Company and may result in delays and significant additional costs associated with mining and other operations.

Based on risk assessments conducted by the Company, climate change is not an immediate material risk faced by the Company. However, as time goes on, it may have an impact on how the Company conducts its business.

3. RISKS IN FOREIGN OPERATIONS

The Company’s operations in Papua New Guinea subject the Company to political, economic and other risks that could negatively impact the Company’s operations and financial condition.

The Company’s exploration, development and production activities are conducted in Papua New Guinea and, as such, its operations are exposed to relatively high levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, the existence or possibility of political or economic instability; conflict; terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; war or civil unrest; expropriation and nationalization; uncertainty as to the outcome of any litigation in a foreign jurisdiction; uncertainty as to enforcement of local laws; uncertainty in relation to the impact of the COVID-19 pandemic on mining operations and travel limitations on fly-in fly-out employees; the impact of any declared State of Emergency laws in Papua New Guinea on fly-in fly-out employees and on labour force generally; environmental controls and permitting; restrictions on the use of land and natural resources; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation laws or policies; restrictions on foreign exchange and repatriation; corruption; unstable legal systems; changing political conditions; changes in mining and social policies; social unrest on account of poverty or unequal income distribution; local ownership legislation; currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, the foreign jurisdiction or require equity participation by local citizens; and other risks arising out of foreign sovereignty issues.

Legislation in Papua New Guinea provides that the holder of a tenement must not enter onto or occupy any land which is the subject of the tenement for the purpose of mining, until it has made an agreement with the landholders as to the amount, times and mode of compensation and the agreement has been registered in accordance with such legislation. The Company has entered into agreements with the national, provincial and local levels of the Papua New Guinea

Government and various landowner groups whereby the landowners will collectively receive a portion of the royalty paid by the Company to the National Government pursuant to the Mining Act 1992, however there are residual land disputes concerning whether the Company has entered into agreements with all of the correct landowners to be dealt with. If it is determined that there are landowners that the Company is required to have agreements with that it currently does not, additional agreements will have to be negotiated. Inter-clan disputes seem to be a material cause of the failure to be able to expeditiously resolve the local landowner matters. Failure to come to sufficient resolutions on such matters may adversely impact on the Company's ability to carry on exploration and mining operations on its properties.

The Papua New Guinea government has the right but not the obligation to participate in mining operations by acquiring up to a 30% interest in a mining lease. It is the Company's position that the government has waived its rights to participate, and ML150 does not contain any specific provision enabling such a right. Although there is no condition to the renewal of ML150 that the government's right to acquire a participating interest be reactivated, the risk remains that the government could seek to impose and exercise such right, which could result in, among other things, material and costly negotiations as to the fair market value of such right and the terms of payment.

The Company's interests in exploration and development properties are located in Papua New Guinea, a developing country, and therefore its mineral exploration and mining activities may be affected by political instability and governmental legislation and regulations relating to foreign investment and the mining industry. Papua New Guinea can often experience periods of civil unrest and instability. Changes, if any, in mining or investment laws or policies, political attitude or the level of stability in Papua New Guinea may adversely affect the Company's operations or profitability.

Due to the potential for criminal activity and civil unrest in Papua New Guinea, the Company has to maintain a minimum level of security to protect its assets and personnel; however, there is no guarantee that such measures will provide an adequate level of protection for the Company or its assets and personnel.

Outbreak, or threatened outbreak, of any severe communicable disease in Papua New Guinea.

The outbreak, or threatened outbreak, of any severe communicable diseases in Papua New Guinea could materially and adversely affect the Company's operations, particularly if such outbreak is inadequately controlled. This in turn could materially and adversely affect domestic labour supply. As all of the Company's revenue is currently derived from the Kainantu Mine, any labour shortages in Papua New Guinea could materially and adversely affect K92's business and results of operations. In addition, if any of the Company's employees are affected by any severe communicable disease, it could adversely affect or disrupt K92's production, development and exploration and materially and adversely affect the results of operations as the Company may be required to shut down its facilities to prevent the spread of the disease. The spread of any severe communicable disease in Papua New Guinea may also affect the operations of the Company's suppliers, which could materially and adversely affect K92's business and results of operations.

In particular, malaria, COVID-19 and other diseases such as HIV/AIDS represent a serious threat to maintaining a skilled workforce in the mining industry throughout Papua New Guinea and are a major healthcare challenge faced by the operations of the Company. There can be no assurance that K92 will not lose members of its workforce or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks, which could materially and adversely affect the business and results of operations of the Company.

The Company encounters illegal mining on its properties.

There has been and continues to be illegal mining activities on the Company's mineral properties. For the most part, such mining activity is restricted to the oxidized upper portions of mineralized prospects where gold is easily obtainable in its native form. There are no agreements in place between the Company and any of the illegal miners. While illegal miners do not extract material amounts of minerals from the Company's properties, risks to the Company include altercations with illegal miners, restrictions to access over certain parts of the Company's properties, injury or death to illegal miners while on the Company's properties, and damages to the environment which the Company may have to incur resources to remediate.

The Company's operations may be impacted by potential supply chain interruptions.

Due to limited suppliers of equipment, materials, supplies and services available in Papua New Guinea, any disruption at supplier facilities could result in curtailment or suspension of activities. Any disruption in the transportation of or restriction in the flow of these goods or the imposition of customs clearance requirements may result in production delays.

The Company is also exposed to price volatility in respect of key inputs, such as fuel. Increases in global fuel prices can materially increase operating costs, erode operating margins and project investment returns, and potentially reduce viable reserves. Conversely, a significant and sustained decline in world fuel prices may offset other costs and improve returns.

The Company may also be exposed to worldwide political, economic or other risks and uncertainties, including a risk of war or civil unrest. In particular, the Company's business could be materially adversely affected by the conflict between Russia and Ukraine or any conflict involving China, which could in turn have potential impacts on commodity prices and negative implications on the financial markets. The effect of these factors cannot be predicted with any accuracy by K92 or its management.

The Company's community relations are critical for future success.

The Company's relationships with stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. Mineral resource companies face increasing public scrutiny of their activities and are under pressure to demonstrate that their operations have potential to generate satisfactory returns not only to their shareholders, but also to benefit local governments and the communities surrounding the properties where it operates. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") and civil society groups, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances and the handling, transportation and storage of various waste, including hazardous waste. The potential consequences of these pressures include reputational damages, lawsuits, increasing social investment obligations and pressure to increase taxes and future royalties payable to local governments and surrounding communities. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Reputation loss

may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, obtain permits and licences and/or continue its operations. As a result of these considerations, the Company may incur increased costs and delays in permitting and other operational matters with respect to its property interests in Papua New Guinea.

4. COMPLIANCE AND REGULATORY RISKS

The Company's operations are subject to stringent laws and regulations, which could significantly limit the Company's ability to conduct its business.

The Company's activities are subject to stringent laws and regulations governing, among other things, prospecting, development and production; imports and exports; taxes; labour standards, occupational health and mine safety; mineral tenure, land title and land use; land, water and air quality regulations; protection of endangered and protected species; social legislation; carbon mitigation, and other matters.

Compliance with these laws may require significant expenditures. If the Company is unable to comply fully, it may be subject to enforcement actions or other liabilities (including orders issued by regulatory or judicial authorities causing operations to cease, be suspended or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions) or the Company's image may be harmed, all of which could materially affect the Company's operating costs, delay or curtail its operations or cause the Company to be unable to obtain or maintain required permits. There can be no assurance that the Company has been or will be at all times in compliance with all applicable laws and regulations, that compliance will not be challenged or that the costs of complying with current and future laws and regulations will not materially or adversely affect the Company's business, operations or results.

New laws and regulations, amendments to existing laws and regulations or administrative interpretation, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment the Company operates in or otherwise, could have a material and adverse effect on the Company's future cash flow, results of operations and financial condition.

Mineral rights or surface rights to the Company's properties could be challenged, and, if successful, such challenges could have a material adverse effect on the Company's production and results of operations.

The Company's ability to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors including compliance with the Company's obligations with respect to acquiring and maintaining title to the Company's interest in its properties. The acquisition of title to mineral properties is a very detailed and time-consuming process. No guarantee can be given that the Company will be in a position to comply with all such conditions and obligations, or to require third parties to comply with their obligations with respect to such properties. Furthermore, while it is common practice that permits and licences may be renewed, extended or transferred into other forms of licences appropriate for ongoing operations, no guarantee can be given that a renewal, extension or a transfer will be granted to the Company or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed. A number of the Company's interests are the subject of pending applications to register

assignments, extend the term, and increase the area or to convert licences to concession contracts and there is no assurance that such applications will be approved as submitted.

The interests in the Company's properties may not be free from defects or the material contracts between the Company and the entities owned or controlled by a foreign government may be unilaterally altered or revoked. There can be no assurances that the Company's rights and title interests will not be revoked or significantly altered to the Company's detriment. There can be no assurances that the Company's rights and title interests will not be challenged or impugned by third parties. The Company's interests in properties may be subject to prior unregistered liens, agreements, claims or transfers and title may be affected by, among other things, undetected defects or governmental actions.

The Company is subject to taxation in foreign jurisdictions, and adverse changes to the taxation laws of such foreign jurisdictions or unanticipated tax consequences of corporate reorganizations, could have a material adverse effect on the Company's profitability.

The Company is subject to the taxation laws of a number of different jurisdictions. These taxation laws are complicated and subject to changes and are subject to review and assessment in the ordinary course. Any such changes in taxation law or reviews and assessments could result in higher taxes being payable by the Company, which could adversely affect the Company's ability to generate a profit. Taxes may also adversely affect the Company's ability to repatriate earnings and otherwise deploy its assets.

In addition, the Company has recently completed and may complete in the future, corporate reorganizations and reorganizations of the entities holding the Company's projects. If such reorganizations result in the imposition of an unanticipated tax or penalty, it may have a material adverse effect on the Company's business. The Company may also be subject to ongoing tax audits from time to time. Adverse results of such tax audits may have a negative effect on the business of the Company.

The Company requires licences, permits and approvals from various governmental authorities to conduct its operations, the failure to obtain or loss of which could have a material adverse effect on the Company's business.

The Company's mining and exploration and development operations in Papua New Guinea are subject to receiving and maintaining licences, permits and approvals from appropriate governmental authorities. Although the Company's mining operations currently have all required licences, permits and approvals that the Company believes are necessary for operations as currently conducted, no assurance can be provided that the Company will be able to maintain and renew such permits or obtain any other permits that may be required.

There is no assurance that delays will not occur in connection with obtaining necessary renewals of authorizations for existing operations, additional licences, permits and approvals for future operations, or additional licences, permits and approvals associated with new legislation. An inability to obtain or conduct mining operations pursuant to applicable authorizations would materially reduce the Company's production and cash flow and could undermine the Company's ability to generate sufficient revenue to continue operations.

There are several permits required for mining operations in Papua New Guinea, including:

- Licence to keep, store or possess explosives;

- Permit for persons using explosives;
- Conveyance of explosives and dangerous goods;
- Licence to keep, or register premises to store inflammable liquids;
- Approval to recruit non-citizens;
- Gold export licence;
- Establishing foreign bank accounts to meet exchange control requirements; and
- Tax clearance certificates for transfer of funds out of Papua New Guinea.

While the Company currently has the valid permits it requires to carry on its current operations, there is no guarantee the Company will be able to retain the necessary permits. A loss of a permit could materially delay the Company's operations, and failure to obtain or renew any necessary permit could materially restrict the Company's ability to meet the ML150 renewal obligations or future operations.

Pursuant to Section 22(2) of the Mining Act 1992, the holder of an exploration licence must relinquish not less than 50% of the area at the time of application for extension of that licence so that after each relinquishment the area of land that remains subject to the exploration licence consists of not more than three discrete areas each or which comprises one sub-block or more than one sub-blocks, each of which shall have a common side with at least one other such sub-block. Where, as a result of this requirement, the area of an exploration licence has been reduced to not more than:

- 1) 30 sub-blocks — the holder is not required to make any further relinquishments under Section 22(2); or
- 2) 75 sub-blocks — the holder may apply to the Managing Director of the Mineral Resources Authority of Papua New Guinea to waive or vary Section 22(2) and where the Managing Director is satisfied, after receiving advice from the Mining Advisory Council, that special circumstances exist which in his opinion justify retention of more than 30 sub-blocks, he may waive or vary those requirements, but the total area permitted to be held after such a waiver or variation must not exceed 75 sub-blocks.

A relinquishment under Section 22 takes effect on the date on which the exploration licence would have expired but for the lodgement of an application for an extension of term.

At the time of making subsequent applications for renewal of the Company's exploration licences, the Company will make an application under Section 22(3)(a) of the Mining Act, for an exemption from the requirement to relinquish any part thereof. No assurance can be made that such applications will be successful, and if an application is denied and the Company is required to relinquish any part of an exploration licence, it could materially affect the nature and scope of the Company's future mineral exploration.

In addition, the grant of and the registration of mining tenements in Papua New Guinea do not guarantee title under applicable legislation. As such there is the risk of third-party claims which could be made against title to any or all of the tenement interests held by or to be held by the Company, to which none the Company or any of its subsidiaries are aware; and such claims could

be material and adverse to the Company's right or ability to carry out exploration, development or mining activities thereon.

The Company is subject to risks relating to environmental regulations and the Company's properties may be subject to environmental hazards, which may have a material adverse effect on the Company's business, operations and financial condition.

The Company's operations are subject to local laws and regulations regarding environmental matters, including, without limitation, the renewal of environmental clearance certificates, the use or abstraction of water, land use and reclamation, air quality and the discharge of mining wastes and materials. Any changes in these laws could affect the Company's operations and economics. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Company. The Company cannot predict how agencies or courts in foreign countries will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Company's business or financial condition.

The Company may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. The Company may also acquire properties with known or undiscovered environmental risks. Any claim against or indemnification from the entity from whom the Company has acquired such properties may not be adequate to pay all the fines, penalties and costs (such as clean-up and restoration costs) incurred related to such properties.

Some of the Company's properties have been used for mining and related operations for many years before the Company acquired them and were acquired as is or with assumed environmental liabilities from previous owners or operators. The Company has been required to address contamination at its properties in the past and may need to continue to do so in the future, either for existing environmental conditions or for leaks or discharges that may arise from the Company's ongoing operations or other contingencies. Contamination from hazardous substances, either at the Company's own properties or other locations for which the Company may be responsible, may subject the Company to liability for the investigation or remediation of contamination, as well as for claims seeking to recover for related property damage, personal injury or damage to natural resources. The occurrence of any of these adverse events could have a material adverse effect on the Company's future growth, results of operations and financial position.

While the Company believes it does not currently have any material unrecognized risks under environmental obligations, exploration, development and mining activities may give rise in the future to significant liabilities on the Company's part to the government and third parties and may require the Company to incur substantial costs of remediation. Additionally, the Company does not maintain insurance against environmental risks. As a result, any claims against the Company may result in liabilities that the Company will not be able to afford, resulting in the failure of the Company's business.

The Company's mining lease, ML150, requires the Company to develop a detailed Rehabilitation and Mine Closure Plan ("RMCP") for the Kainantu Mine prepared in accordance with relevant regulatory requirements in force in PNG at the time. A copy of the RMCP must be provided to the PNG Mineral Resources Authority ("MRA") at least five years prior to the earlier of 1) the

planned closure of the mine, or 2) the expiration of the mining lease. There is a risk that the MRA may not accept the Company's RMCP at the time of its submission.

The cost of the Company's reclamation activities and mine closure costs may materially exceed the Company's provisions for them, or regulatory developments or changes in the assessment of conditions at closed operations may cause these costs to vary substantially, from prior estimates of reclamation liabilities.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration operations may be required to compensate those suffering loss or damage by reason of the exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

The Company's operations are associated with the emission of 'greenhouse gases'. Ongoing international negotiations that aim to limit greenhouse gas emissions may result in the introduction of new regulations, and may have an adverse impact on the Company's operations.

The Company is subject to various anti-corruption laws and regulations and the Company's failure to comply with such laws and regulations may have a material adverse impact on the Company's business, financial condition and results of operations.

The Company is subject to Canadian and other anti-corruption laws and regulations such as the *Canadian Corruption of Foreign Public Officials Act* and *Extractive Sector Transparency Measures Act* (Canada) (the "**Anti-Corruption Legislation**"), which require companies to report annually on payments made to all levels of governments both in Canada and abroad. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Anti-Corruption Legislation also require Canadian public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls.

According to Transparency International, Papua New Guinea is perceived as having fairly high levels of corruption relative to Canada. The Company relies, to a great extent, on the Company's local advisors in respect of legal, environmental compliance, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations in Papua New Guinea. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted. The Company's operations in the Papua New Guinea may create the risk of unauthorized payments or offers of payments by the Company's employees, consultants or agents. Failure by the Company or its predecessors to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial

condition and results of operations. Likewise, any investigation of any alleged violations of the applicable Anti-Corruption Legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations.

The Company's environmental, social and governance ("ESG") practices and reporting may be scrutinized and failure to meet evolving standards may adversely impact the Company's reputation and ability to access capital.

There are many analysts, reviewing agencies and consultants ("**ESG Reviewers**") that evaluate the Company's performance on specific ESG matters and issue reports and ratings relating to the Company. There is a wide variety of ESG reporting frameworks and limited standardization on reporting metrics within the global ESG reporting space. There is also a wide variety of methodologies employed by ESG Reviewers, most of which are not transparent about the metrics they rely on or the weightings they give them in generating a particular report or ranking. The Company has systems in place to manage ESG matters at the Company's operations and to ensure proper and complete reporting thereof. However, given the wide variety in ESG reporting frameworks and ESG Reviewer methodologies, there are no assurances that the Company's efforts will be successful or meet the standards set by any given ESG Reviewer. ESG reporting frameworks and ESG factors, including climate change, are increasingly becoming a relevant metric for institutional investors to review and assess the performance of the Company and a significant factor in their investment decisions. In addition, ESG expectations adopted by the capital markets may not be consistent with explicit statutory obligations to which the Company is subject. There is no assurance that the Company's systems will be able to reliably manage potential impacts of ESG reports and rankings on the Company's ability to attract capital at a reasonable cost.

5. FINANCIAL RISKS

The Company may not be able to obtain additional financing on acceptable terms, or at all.

Future exploration, development, mining, and processing of minerals from the Company's properties, or repayment of current or future indebtedness, could require substantial additional financing. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities or repayment of indebtedness, should such funding not be fully generated from operations. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may involve certain restrictions on operating activities or other financings. There is no assurance that such equity or debt financing will be available to the Company or that they would be obtained on terms favourable to the Company, if at all, which may adversely affect the Company's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

The Company is exposed to global financial conditions.

Global financial conditions have been characterized by ongoing volatility. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. In particular, the conflict between Russia and Ukraine and any restrictive actions that are or may be taken by Canada, the

U.S., and other countries in response thereto, such as sanctions or export controls, could have potential negative implications to the global capital markets.

Future crises may be precipitated by any number of causes, including natural disasters, pandemics (including the COVID-19 pandemic), geopolitical instability, changes to energy prices or sovereign defaults. Market events and conditions, including the COVID-19 pandemic, significant fluctuations in fuel and energy costs and prices, political instability in the Middle East and Russia and international trade tension have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global financial markets, causing consumer spending to decrease, employment rates to reach historic lows and consumer debt levels to increase. Notwithstanding various actions by governments, concerns about the general condition of the capital markets have caused these markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals, including gold, silver and copper, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business. Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by the COVID-19 pandemic, and the associated decreases in consumer spending and employment levels, as well as concerns over global growth rates and conditions. Any sudden or rapid destabilization of global economic conditions could negatively impact K92's ability to obtain equity or debt financing or make other suitable arrangements to finance their projects. Additionally, increased levels of volatility and market turmoil can adversely impact the operations of K92 and the value and the price of the Common Shares could be adversely affected.

The Company's insurance does not cover all potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable.

Although the Company maintains insurance to protect against certain risks in such amounts as the Company considers to be reasonable, the Company's insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon the Company's financial performance and results of operations.

Potential dilution of the Common Shares.

The Company may sell additional equity securities in subsequent offerings and may issue additional equity securities to finance its operations, exploration, development, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Company's shares.

The Company has not declared dividends on its Common Shares.

The Company has not declared or paid any dividends on the Common Shares. The Company intends to retain future earnings, if any, to finance the growth and development of its business

and does not intend to pay cash dividends on the Common Shares in the foreseeable future. Any payments of dividends will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Board may consider appropriate in the circumstances.

6. RELATIONSHIPS WITH KEY STAKEHOLDERS

The Company is subject to risks related to community relations and community action, including aboriginal and local community title claims and rights to consultation and accommodation, which may affect the Company's existing operations and development projects.

As a mining business, the Company comes under pressure in the jurisdictions in which it operates to demonstrate that other stakeholders (including employees, communities surrounding operations and the countries in which it operates) benefit and will continue to benefit from the Company's commercial activities, and/or that the Company operates in a manner that will minimize any potential damage or disruption to the interests of those stakeholders. The Company may face opposition with respect to its current and future development and exploration projects which could materially adversely affect the Company's business, results of operations and financial condition.

Governments in many jurisdictions, including the jurisdictions in which the Company operates, must consult with aboriginal peoples and local communities with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of Aboriginal people and local communities frequently require accommodations, including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire within a reasonable time frame effective mineral titles, permits or licences in the jurisdictions in which it operates and may affect the timetable and costs of development of the Company's mineral properties.

Further, certain NGOs, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Company's operations specifically, could have an adverse effect on the Company's reputation and financial condition and may impact its relationship with the communities in which the Company operates. They may also attempt to disrupt the Company's operations.

The Company depends on key personnel and if it is unable to attract and retain such persons in the future it could have an adverse effect on the Company's operations.

The Company's success will be largely dependent upon the performance of its key officers, employees, outside contractors and consultants. Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its officers, employees or other qualified personnel required to operate its business. Failure to retain key personnel or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the

Company's success. The Company has not purchased any "key-man" insurance with respect to any of the Company's directors, officers or key employees and have no current plans to do so.

The Company's operations would be adversely affected if it failed to maintain satisfactory labour relations or attract and retain skilled personnel.

Production at the Company's mining operations is dependent upon the efforts of its employees and the Company's relations with its employees. The Company may not be able to satisfactorily renegotiate its labour agreements when they expire. Existing labour agreements may not prevent a strike or work stoppage at the Company's facilities in the future. In addition, relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in those jurisdictions in which the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, financial condition and results of operations.

In Papua New Guinea, due to high levels of unemployment, it may be difficult for the Company to obtain skilled personnel that may be required in exploration or mining operations. In addition, Papua New Guinea suffers from high levels of poverty. A significant proportion of the Papua New Guinea workforce can be classified as unskilled or semi-skilled labourers, as a result of which it may be difficult for the Company to find skilled personnel for specialized tasks. Shortages of suitably qualified personnel in Papua New Guinea could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks relating to the Trafigura Loan and amended and restated offtake transaction (the "Trafigura Transaction")

There are also certain risks and uncertainties associated with the Trafigura Transaction, which risk factors could materially adversely affect our future business, operations and financial condition, and could cause actual events to differ materially from those described in our forward-looking statements. The risks factors noted below do not necessarily comprise all risks related to the Trafigura Transaction. Additional risks and uncertainties associated with the Trafigura Transaction that are not presently known to us or that we currently consider immaterial may also impair our business, operations and future prospects. If the Trafigura Transaction is not completed, the market price of our Common Shares may decline and our business may suffer.

The BPNG may not approve the Amended Offtake Agreement

As of the date hereof, BPNG has not yet approved 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 Loan security and (ii) regulatory approvals, including, with respect to the Amended Offtake Agreement, the approval of the BPNG.

In the event that the BPNG does not approve the Amended Offtake Agreement, the condition precedent to the Loan cannot be satisfied, the Loan may therefore be terminated by Trafigura, K92 may default under the Loan or K92 PNG may default under the Amended Offtake Agreement.

In the event that the BPNG does not approve the Amended Offtake Agreement and the Loan is terminated, the Company may not be able to obtain alternative capital or financing when required to meet its financial obligations. Failure to obtain additional financing on a timely basis may have

a material adverse effect on the Company's business, financial condition, operating results and cash flows.

The Company may default under the Loan Agreement

If the Company satisfies the conditions precedent to the Loan and the Loan is advanced, in whole or in part, then at any time if there is an event of default under the Loan that is not cured in accordance with the terms of the Loan Agreement, Trafigura may exercise remedies under the Loan Agreement and the various security agreements granted pursuant to the Loan Agreement, which include accelerating repayment of the Loan and realizing on its security. Trafigura's security includes a charge over all of the assets of the Company's subsidiaries and a pledge of shares in the Company's subsidiaries. In addition, until such time as the Company satisfies certain conditions subsequent as set out in the Loan Agreement, Trafigura may, after the occurrence of an event of default under the loan, exercise its Conversion Right in exchange for Common Shares or realize on a charge over substantially all the assets of the Company. In the event that the Conversion Right is exercised or any of Trafigura's security is realized upon following the occurrence of an event of default, the Company's share price may be materially adversely impacted.

DIVIDENDS

We have not declared any dividends or distributions on our Common Shares since our incorporation. The Board may declare from time to time such cash dividends or distributions out of the monies legally available for dividends or distributions as the Board considers advisable. Any future determination to pay dividends or make distributions will be at the discretion of the Board and will depend on our capital requirements, results of operations and such other factors as the Board considers relevant.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As at the date of this AIF, 235,197,737 Common Shares are issued and outstanding. As at December 31, 2023, 234,879,174 Common Shares were issued and outstanding.

For detailed information about our equity compensation arrangements, specifically, our Share Compensation Plan, including the compensation principles that govern the grants made, please refer to our management information circular for the most recent annual general meeting, available under our Company's profile on SEDAR+ at www.sedarplus.ca.

COMMON SHARES

The holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, the holders of Common Shares will be entitled to receive on pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares, on a pro rata basis.

SHARE COMPENSATION PLAN

Until October 28, 2021, the Company had a “rolling” stock option plan (the “**Stock Option Plan**”) whereby the Company was authorized to grant stock options (“**Options**”) equal to up to 10% of the number of issued and outstanding Common Shares to directors, officers, employees and consultants. The Company’s Stock Option Plan was prepared by the Company in accordance with the policies of the TSX and was in the form of a “rolling 10% plan” reserving for issuance upon the exercise of Options granted pursuant to the Stock Option Plan a maximum of 10% of the outstanding Common Shares.

Effective October 28, 2021, the Company replaced the Stock Option Plan with an omnibus share compensation plan (the “**Share Compensation Plan**”) that provides for the issuance of Options, restricted share units (“**RSUs**”), and performance share units (“**PSUs**”) to directors, officers, employees and consultants (each an “**Eligible Person**”). The maximum number of Common Shares issuable under the Share Compensation Plan is 6.75% of the number of Common Shares outstanding at the time of grant.

The aggregate number of Common Shares issuable pursuant to Options, PSUs and RSUs granted to any one non-employee director within a one-year period may not exceed an aggregate value of \$150,000 per such non-employee director, of which no more than \$100,000 may consist of Options.

STOCK OPTIONS

Pursuant to the Share Compensation Plan, the Company is authorized to grant Options to executive officers, directors, employees and consultants. Each Option is exercisable into one Common Share. The maximum number of Options that may be granted under the Share Compensation Plan, together with any other shares issuable pursuant to Options granted under the Stock Option Plan, is **4%** of the number of issued and outstanding Common Shares at the time of the grant, on a non-diluted basis. The options have a term of no more than five years and vest in equal segments over three years.

As at December 31, 2023, the Company had 7,328,850 outstanding Options. As of the date of this AIF, the Company has Options outstanding to purchase 7,289,150 Common Shares at exercise prices from C\$0.85 to C\$8.02 per share with original terms of 5 years, and with the last Options expiring on April 30, 2026. Based on the Company having 235,197,737 Common Shares outstanding on April 1, 2024, a total of 2,118,759 Options are available for issuance under the Stock Option Plan. No Options have been issued since 2021. For additional details regarding these securities, refer to the notes to the Company’s audited consolidated financial statements for the year ended December 31, 2023, which are available on the Company’s website at www.K92mining.com and under the Company’s profile at www.sedarplus.ca.

RESTRICTED SHARE UNITS

Pursuant to the Share Compensation Plan, the Company is authorized to grant RSUs to officers, directors, employees and consultants. Each RSU entitles the holder to one Common Share. The maximum aggregate number of Common Shares that may be issuable pursuant to RSUs together with PSUs may not exceed 2.75% of the number of outstanding Common Shares, calculated at the time of grant.

Unless otherwise determined by the Board in accordance with the Share Compensation Plan, the RSUs vest in three installments; one-third vesting one year from the grant date, one-third vesting two years from the grant date and the remainder vesting three years from the grant date. During the year-ended December 31, 2023, the Company granted a total of 1,243,010 RSUs of which 75,000 RSUs would vest during 2023, 401,712 RSUs would vest on during 2024 and 401,712 RSUs would vest during 2025 and 364,586 RSUs would vest during 2026, subject to the RSU holders being Eligible Persons.

Kainantu Employee Trust

In order for the Company to ensure that it is providing compensation opportunities to attract, retain and motivate the employees of its Papua New Guinea subsidiary, K92 PNG, and to ensure that the interests of the employees of K92 PNG are aligned with the success of the Company, in 2023 the Company amended the Share Compensation Plan to allow the Company to grant RSUs to a the Kainantu Employee Trust (the “**RSU Trust**”) established for the benefit of resident PNG employees of K92 PNG from time to time (the “Trust Beneficiaries”). The amendments allow the Company to award RSUs to the RSU Trust. Once vested, the Company will arrange for the issuance of the vested Common Shares to the RSU Trust, the RSU Trust will then sell the Common Shares in the market and distribute the cash proceeds to Trust Beneficiaries in accordance with the terms and conditions and distribution criteria set out in the governing documents of the RSU Trust.

PERFORMANCE SHARE UNITS

The Company is authorized to grant PSUs to officers, directors, employees and consultants pursuant to the Share Compensation Plan. The maximum aggregate number of Common Shares that may be issuable pursuant to PSUs together with RSUs may not exceed 2% of the number of outstanding Common Shares, calculated at the time of grant. Unless otherwise determined by the Board in accordance with the Share Compensation Plan, the PSUs vest in three installments; one-third vesting one year from the grant date, one-third vesting two years from the grant date and the remainder vesting three years from the grant date, subject to certain performance criteria having been met. The vesting of the PSUs is based on the Company’s share performance in comparison to its peer group, with the final number of PSUs vested ranging from 25% to 150% of the number of initial PSUs granted. During the year-ended December 31, 2023, the Company granted 1,189,509 PSUs.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

Our Common Shares are listed for trading on the TSX under the symbol “KNT”.

The following table sets out the market price range and trading volumes of our Common Shares on the TSX for year ended December 31, 2023.

Month	High (C\$)	Low (C\$)	Volume (# shares)
December	6.74	5.26	11,373,873
November	6.05	4.64	15,066,168

Month	High (C\$)	Low (C\$)	Volume (# shares)
October	6.01	4.79	15,230,297
September	6.50	5.61	10,476,743
August	6.70	5.26	12,714,707
July	6.61	5.39	10,465,277
June	6.28	5.63	15,751,679
May	7.12	5.82	29,364,402
April	8.11	6.42	15,885,411
March	8.29	7.23	20,437,066
February	7.91	6.72	14,903,342
January	8.86	7.47	16,685,907

On April 1, 2024, the closing price of our Common Shares on the TSX was C\$6.37 per share.

PRIOR SALES

The following table summarizes the Company's issuances of securities convertible or exercisable for Common Shares during the year ended December 31, 2023.

Date of Issue	Restricted Share Units (#)	Performance Share Units (#)	Stock Options (#)	Price per Security (C\$)
January 27, 2023	422,918	634,377	-	7.56
June 30, 2023	520,092	555,132	-	5.75
November 30, 2023	150,000	-	-	5.94
December 4, 2023	150,000	-	-	6.00
	1,243,010	1,189,509	Nil	

DIRECTORS AND EXECUTIVE OFFICERS

The Board is, as of the date of this AIF, composed of seven directors, each of whom is elected at each annual meeting of shareholders, to hold office until the next AGM or until their successor is duly elected or appointed, unless they resign or their office becomes vacant.

The following table sets forth the name, municipality, province or state of residence, position held with us, the date of appointment of each of our current directors and executive officers, their principal occupation within the immediately preceding five years, and the shareholdings of each director and executive officer as at the date of this AIF. The statement as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the directors and executive officers named below is in each instance based on information furnished by the person concerned and is as at the date of this AIF.

DIRECTORS AND OFFICERS

Name and Province or State and Country of Residence	Position with K92	Principal Occupation During Past Five Years	Director / Officer Since	Number of Voting Securities ⁽¹⁾
Anne Giardini ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Rome, Italy	Chair	Corporate Director and Author; Director, CMHC from 2018 to 2022, Pembina Institute from 2020 to 2023, Stella-Jones Inc. since 2021, Capstone Copper since 2021; Governor and Past Chair of Vancouver Board of Trade; Past Chair, BC Achievement Foundation.	July 2020	20,509
John D. Lewins ⁽⁶⁾⁽⁷⁾ British Columbia, Canada	CEO and Director	Chief Executive Officer of the Company since August 2017.	May 2016	3,269,000
Mark Eaton ⁽³⁾⁽⁴⁾ Ontario, Canada	Director	Executive Chairman of Belo Sun Mining Corp. since February 2014; Independent Business Consultant since March 2008.	May 2016	160,000
Nan Lee ⁽⁵⁾⁽⁶⁾⁽⁷⁾ Saskatchewan, Canada	Director	Mining and Engineering Project Development Consultant since 2009; Vice President, Project Development UEX Corporation, a uranium mining company, from 2011 until 2017.	April 2022	4,000
Saurabh Handa ⁽³⁾⁽⁴⁾ British Columbia, Canada	Director	Chief Financial Officer of Metalla Royalty & Streaming Ltd. since October 2020; Principal of Handa Financial Consulting Inc.; Chief Financial Officer of Titan Mining Corp. from March 2017 to January 2018.	May 2016	170,000
Cyndi Laval British Columbia, Canada	Director	Partner at the law firm of Gowling WLG (Canada) LLP.	November 2019	13,241
Graham Wheelock ⁽³⁾⁽⁵⁾⁽⁷⁾ Auckland, New Zealand	Director	Managing Director of PolyNatura Corp., a mining exploration company, since January 2018; Mining Consultant for Belgravia Capital International Inc. (formerly IC Potash Corp.) from January 2015 until December 2017.	May 2016	Nil

Name and Province or State and Country of Residence	Position with K92	Principal Occupation During Past Five Years	Director / Officer Since	Number of Voting Securities ⁽¹⁾
David Medilek British Columbia, Canada	President and COO	President of the Company since January 2023; President and COO of the Company since January 2024; Vice President, Business Development and Investor Relations of the Company from June 2019 until January 2023; Equity Research Analyst at Macquarie Group Limited from 2016 until 2019.	June 2019	Nil
Justin Blanchet British Columbia, Canada	CFO	Chief Financial Officer of the Company since May 2016, former co-owner of Red Fern Consulting Ltd. from January 2011 until January 2023 and, through Red Fern, previously held officer roles with several publicly listed companies.	May 2016	250,000
Christopher Muller New South Wales, Australia	Executive Vice President Exploration	Executive Vice President Exploration of the Company since February 2023; Vice President, Exploration of the Company from October 2017 until February 2023; Exploration Manager of the Company from 2016 until 2017.	October 2017	150,000

Notes:

- (1) The information as to the nature of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the directors and executive officers, not being within our knowledge, has been furnished by such directors and officers.
- (2) Ms. Giardini is Board Chair.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation and Benefits Committee.
- (5) Member of the Nominating and Corporate Governance Committee.
- (6) Member of the Sustainability Committee.
- (7) Member of Health and Safety Committee.

As at December 31, 2023, the Board consisted of seven directors.

STANDING COMMITTEES

The following table identifies the members of each of each of the Company's committees of the Board and indicates whether each committee member is considered independent or non-independent:

Board Committee	Committee Members	Independence Status
Audit Committee	Saurabh Handa (Chair) Mark Eaton Graham Wheelock	Independent Independent Independent
Compensation and Benefits Committee ⁽¹⁾	Mark Eaton (Chair) Saurabh Handa Anne Giardini	Independent Independent Independent
Nominating and Corporate Governance Committee	Anne Giardini (Chair) Nan Lee Graham Wheelock	Independent Independent Independent
Sustainability Committee	Nan Lee (Chair) Anne Giardini John Lewins	Independent Independent Non-Independent
Health and Safety Committee	John Lewins (Chair) Nan Lee Graham Wheelock	Non-Independent Independent Independent

As of the date of this AIF, five of the Board's seven directors are independent as that term is defined in NI 52-110. Independence is formally assessed annually and considered continually throughout the year to ensure the directors can act objectively and in an unfettered manner, independent of management and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act in the Company's best interests. John Lewins is not independent because he is the Company's CEO. Cyndi Laval is not independent because she is a partner of the Company's legal counsel.

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this AIF, our directors and executive officers, as a group, beneficially owned, or controlled or directed, directly or indirectly, 4,036,750 Common Shares, representing approximately 1.72% of the issued and outstanding Common Shares.

CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, none of our directors or executive officers is, as at the date of this Annual Information Form, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including K92), that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsections (a) and (b), “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, and in each case that was in effect for a period of more than 30 consecutive days.

None of our directors or executive officers, or a shareholder holding a sufficient number of our securities to affect materially the control of K92:

(a) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including K92) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

The following information, not being within the knowledge of the Company, has been furnished by the respective directors, officers and shareholders holding a sufficient number of our securities to affect materially control of K92.

Saurabh Handa was a director of Banks Island Gold Ltd. from June 7, 2011 to July 28, 2015. On January 8, 2016, Banks Island Gold Ltd. announced its intention to make an assignment into bankruptcy and Industry Canada accepted that assignment effective January 8, 2016. The assignment was also filed with the Office of the Superintendent of Bankruptcy the same day.

John Lewins was a director of Platinum Australia Limited, a company listed on the Australian Stock Exchange when, on June 28, 2012, Bryan Hughes of Pitcher Partners Accountants, Auditors & Advisors was appointed Voluntary Administrator of the company pursuant to Section 436A of the Australia Corporations Act.

The decision was made due to operational issues at the company’s Smokey Hills platinum mine, combined with decreasing commodity prices. Mr. Lewins remained a director of Platinum Australia Limited until December 2014, while the company was still in Administration status. Under the Corporations Act, all powers of the directors ceased on the appointment of the Administrator.

The Administrator found that the company had not traded while insolvent and that the directors had not committed any offences.

Platinum Australia Limited was still in Administration when it was suspended from the Australian Stock Exchange on August 31, 2015. The Administrator subsequently made an application for Platinum Australia Limited to be wound up voluntarily.

PENALTIES OR SANCTIONS

None of our directors or executive officers, or a shareholder holding a sufficient number of our securities to affect materially the control of K92, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding us.

The foregoing information, not being within our knowledge, has been furnished by the respective directors, officers and shareholders holding a sufficient number of our securities to affect materially control of K92.

CONFLICTS OF INTEREST

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring and exploiting natural resource properties. These associations to other public companies in the resource sector may give rise to conflicts of interest from time to time. Under the laws of the Province of British Columbia, the directors and senior officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company. If such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will disclose such interest in a contract or transaction and will abstain from voting on any resolution in respect of such contract or transaction.

CODE OF BUSINESS CONDUCT AND ETHICS

We have adopted a **Code of Business Conduct and Ethics** (the "Code"), which is applicable to all directors, officers and employees and sets out the standards which guide the conduct of our business and the behaviour of our employees, officers and directors. A copy of the Code can be obtained from our website at www.K92Mining.com.

AUDIT COMMITTEE

The Company's Audit Committee is governed by an audit committee charter. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "A". The Audit Committee Charter may also be obtained upon request to the Company's Corporate Secretary or through its website at www.K92Mining.com.

The Audit Committee is responsible for the review of both interim and annual financial statements for the Company. Board approval of interim financial statements is delegated to the Audit Committee. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditor of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditor.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee must consist of at least three directors, all of whom must be independent and “financially literate” (within the meaning of applicable requirements or guidelines for audit committee service under securities laws or the rules of any applicable stock exchange, including NI 52-110). The Company’s Audit Committee is composed of three independent directors: Saurabh Handa (Chair), Mark Eaton and Graham Wheelock.

All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience and expertise necessary to read, understand and analyze financial statements of the Company, as well as understand the complexity of issues, accounting principles, internal controls and procedures necessary for the Company’s financial reporting.

Each of the Audit Committee members have education and experience that is relevant to the performance of their responsibilities as audit committee members, as disclosed below.

Financial Expert

Saurabh Handa is considered an audit committee “financial expert” within the meaning of the applicable U.S. securities laws as he has extensive experience as the CFO with public companies, and previously served as a public accountant with Deloitte in its audit and valuation practices, working with international mining clients.

Saurabh Handa – Mr. Handa is a mining professional with over sixteen years of diverse senior experience that includes finance, mergers and acquisitions and multi-jurisdictional public company disclosures. He is considered an audit committee financial expert within the meaning of the applicable U.S. securities laws. He is currently the Chief Financial Officer of Metalla Royalty & Streaming Ltd., and the Principal of Handa Financial Consulting Inc. Previously, he was Chief Financial Officer of Titan Mining Corp., Vice President, Finance of Imperial Metals Corp., Chief Financial Officer of Meryllion Resources Corp., Chief Financial Officer of Yellowhead Mining Inc. and Controller for SouthGobi Resources Ltd. Mr. Handa also worked at Deloitte Vancouver in its audit and valuation practices, primarily with international mining clients. Mr. Handa serves as Audit Committee Chair of Carbon Streaming Corporation.

Mr. Handa is a Chartered Professional Accountant (“**CPA**”) and graduated with Honours from the University of British Columbia with a diploma in Accounting. Prior to joining the accounting profession, Mr. Handa obtained a Bachelor of Science degree in Genetics from the University of British Columbia and a diploma in Computer Systems from the British Columbia Institute of Technology.

Mark Eaton – Mr. Eaton is an experienced investment professional with over 25 years of experience in equity capital markets specializing in the resource sector. He is currently Executive Chairman and is the former President and CEO of Belo Sun Mining Corp. Mr. Eaton was a Partner and Director of Loewen Ondaatje McCutcheon Ltd., a Toronto-based investment dealer, from January 2007 until March 2008. From 1998 to 2007, he held the position of Managing Director of Global Mining Sales, a division of CIBC World Markets of Toronto and Manager of US Equity Sales for CIBC World Markets. Mr. Eaton has also served in the capacity of CEO, President and director of several other TSX and TSXV listed companies. Mr. Eaton is a graduate from Hull University, England.

Graham Wheelock – Mr. Wheelock is a mining professional and geologist with over 40 years of experience with international mining companies. He is currently the Managing Director and former Project Manager, of Polynatura Corporation, that is developing the Ochoa Fertilizer project in New Mexico, USA. In 2005, Mr. Wheelock co-founded Gem Diamonds Limited, which grew quickly under his leadership. Mr. Wheelock helped manage Gem Diamonds’s initial public offering in 2007, when the company was listed with a market capitalization of £600 million. From 2000 to 2003, he was Acting General Manager for De Beers Namaqualand Mines in South Africa, with 2,300 employees and responsibility for the production of 4.5 million tons per year. From 1981 to 1999, Mr. Wheelock worked with Anglo American plc and De Beers as a gold and diamonds geologist and a manager. Mr. Wheelock has a Master of Science degree in Geology from the University of Cincinnati, Ohio, and a Bachelor of Science degree (Honours) in Geology from the University of Natal, South Africa.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of our most recently completed financial year has K92 relied on any exemption from NI 52-110.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

NON-AUDIT RELATED PRE-APPROVAL POLICIES AND PROCEDURES

All non-audit related services to be performed by the Company’s independent auditor must be approved in advance by the Audit Committee and such approval is subject to ratification by the Board at its next meeting. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of the Audit Committee if it first adopts specific policies and procedures in respect of this delegation and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

EXTERNAL AUDITOR SERVICE FEES

The aggregate fees billed by our external auditors, PricewaterhouseCoopers LLP, in each of the last financial years are as follows: \

Financial Year Ending	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2022	C\$301,979	C\$2,247	C\$69,980	C\$56,000
2023	C\$298,734	C\$2,625	C\$34,240	C\$65,698

Notes:

- (1) Represents the aggregate fees billed by the Company’s external auditor in each of the last two financial years for audit services.
- (2) Represents Canadian Public Accountability Board (CPAB) fees related to the annual audit.
- (3) Represents fees for return of capital, preparation of income tax returns and stock options tax withholding analyses.
- (4) Represents the aggregate fees billed in each of the last two financial years by the Company’s external auditor for services not included under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”. These other fees relate to reviews of interim financial statements.

LEGAL PROCEEDINGS

To the Company's knowledge, there are no pending or contemplated legal proceedings to which the Company is a party or of which any of its material properties is the subject that would have a material effect on our financial condition or future results of operations. During the last financial year, the Company has not been subject to any penalties or sanctions imposed by a regulatory body in respect of securities legislation or regulatory requirements or any penalty or sanction that would likely to be considered important to a reasonable investor in making an investment decision. The Company has not entered into any settlement agreement in respect of securities legislation or regulatory requirements.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, during the three most recently completed financial years, no director or executive officer, insider, or any associate or affiliate of such insider, or director, or executive officer has had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company at its offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

There are no contracts, other than those disclosed in this AIF and other than those entered into in the ordinary course of the Company's business, that are material to the Company and which were entered into in the most recently completed financial year ended December 31, 2023, or before the most recently completed financial year but are still in effect as of the date of this AIF.

INTEREST OF EXPERTS

The persons referred to below have been named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – *Continuous Disclosure Obligations* during, or relating to, as of the date of this AIF.

The following individuals, and Qualified Persons as defined by NI 43-101, are the authors responsible for the IDP Technical Report:

- Evan Kirby BSc (Hons), FSAIMM, of Metallurgical Management Services Pty Ltd.
- Dr Matthew Helinski PhD (Geotechnical), of Minefill Services Pty Ltd.
- Patrick McCann BSc (Mining), Entech Mining Ltd.
- Ralph Holding, CPEng, FIEAust, ATC Williams Pty Ltd.
- Sandra Hunter BSc (Hons), FAusIMM(CP), of Lycopodium Minerals Pty Ltd.
- Shane McLeay B.Eng (Mining, Hons), FAusIMM, Entech Pty Ltd.

- Simon Tear BSc (Hons), EurGeol, PGeo IGI, EurGeol, of H&S Consultants Pty Ltd .
- Tara Halliday, B.Eng (Environmental), FAusIMM, of Tetra Tech Coffey.
- Andrew Kohler BAppSc (Geol), PGCert (Geostatistics), MAIG, of K92 Mining Limited.

The following individuals, and Qualified Persons as defined by NI 43-101, are the authors responsible for the Blue Lake Technical Report:

- Simon Tear, P.Geo. of H & S Consultants Pty. Ltd.,
- Anthony Woodward BSc (Hons), M.Sc., MAIG, Consulting Geologist.

Andrew Kohler, the Company's Mine Geology and Mine Exploration Manager, a "qualified person" within the meaning of this term in NI 43-101, in addition to contributing to the IDP Technical Report, reviewed the Company's news releases, sections of this AIF and other disclosure documents that are of a scientific and technical nature pertaining to the Company's mineral projects and has verified the data disclosed therein. Mr. Kohler is not independent as he is an employee of the Company.

None of the persons above, at the time of or after such person prepared or certified the applicable report, valuation, statement or opinion, (a) held registered or beneficial interests, direct or indirect, in any of our securities or other property (or securities or other property of one of our associates or affiliates), representing 1% or more of our outstanding securities, or (b) was expected to be, elected, appointed or hired as a director, officer or employee of K92 or of any associate or affiliate.

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants of Vancouver, British Columbia, who have prepared an independent auditor's report dated April 1, 2024, in respect of the Company's consolidated financial statements as at December 31, 2023 and 2022 and for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available free of charge through the Company's website at www.K92Mining.com or under the Company's profile on SEDAR+ at www.sedarplus.ca.

Additional financial information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Company's most recent consolidated financial statements and the MD&A for its most recently completed financial year.

SCHEDULE A

AUDIT COMMITTEE CHARTER



Effective March 30, 2022

1. PURPOSE

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors of the Company (the “**Board**”). The Audit Committee is accountable to the Board.

- A.** The Committee’s primary function is to assist the Board in fulfilling its oversight responsibilities with respect to:

 - (a) the integrity of the financial information to be provided to the shareholders and others;
 - (b) the adequacy and maintenance of the systems of internal controls, and accounting and financial reporting processes that management has established under supervision of the Audit Committee;
 - (c) the Company’s internal and external audit process including the external auditor’s qualifications, independence and performance;
 - (d) the assessment, monitoring and management of the strategic, operational, reporting and compliance risks of the Company’s business (including but not limited to financial, disclosure, fraud, tax, and financial reporting risks and exposures) (the “**Risks**”); and
 - (e) monitoring compliance with the Company’s legal and regulatory requirements with respect to this Committee mandate and financial disclosure.
- B.** In the course of fulfilling its specific responsibilities, the Committee is expected to maintain an open communication between the Company’s external auditors and the Board. In addition, the Committee will facilitate communication among the auditors, management and the Board for financial reporting and control matters.
- C.** The Committee, in collaboration with the external auditors, has the duty to review and ensure that the Company’s financial disclosures are complete and accurate, are in accordance with generally accepted accounting principles and fairly present the financial position and Risks of the Company’s business.
- D.** The responsibilities of a member of the Audit Committee are in addition to such member’s fiduciary responsibility and duties as a member of the Board.

2. COMPOSITION AND MEMBERSHIP

- A. The Audit Committee shall consist of at least three Directors of the Company who shall serve on behalf of the Board. The members will be appointed annually by the Board at the time of each annual meeting of shareholders and shall hold office until the next annual meeting or until they cease to be directors or Committee members. The Board may, at any time and from time to time, remove or replace any member of the Committee, fill any vacancy in the Committee or add a member to the Committee.
- B. All Committee members shall be “independent” as that term is defined by Canadian National Instrument 52-110 - *Audit Committees*, U.S. securities laws and regulations and applicable stock exchange rules.
- C. All the Committee members shall be “financially literate” (i.e., able to read and understand a set of financial statements and associated notes that represent a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company’s consolidated financial statements.) Additionally, at least one member of the Committee shall have accounting or related financial management expertise and be considered an “audit committee financial expert” within the meaning of the rules of the U.S. Securities and Exchange Commission.
- D. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, will appoint a Committee Chair and the other members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- E. The Chair shall preside over all Committee meetings, coordinate the Committee’s compliance with this Charter, and provide reports of the Committee to the Board.
- F. A member shall cease to be a member of the Committee upon ceasing to be a director of the Company.

3. PROCEDURAL MATTERS

A. General

As part of its responsibilities, authorities and procedures, the Audit Committee shall:

- (a) take charge of all responsibilities imparted on an Audit Committee of the Company, as they may apply from time to time, under the Business Corporations Act (*British Columbia*), National Instrument 52-110 - *Audit Committees*, and any other applicable laws or stock exchange rules;
- (b) be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures;
- (c) report material decisions and actions of the Committee to the Board, together with such recommendations as the Committee may deem appropriate, at the subsequent Board meeting. The reports of the Committee shall include any issues of which the Committee is aware with respect to the integrity of the Company’s

financial statements, any instances of fraud or illegal acts, its compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor and changes in Risks;

- (d) ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business;
- (e) review the performance of the Committee, including its compliance with this Charter, on an annual basis and report the results of its evaluation to the Board;
- (f) review and assess this Committee Charter at least annually and recommend any proposed changes to the Board of Directors;
- (g) review and assess the adequacy of insurance coverage for the Company, including directors' and officers' liability coverage;
- (h) have the power to conduct or authorize investigations into any matter within the scope of its responsibilities;
- (i) have the authority to communicate directly with the external and internal auditors;
- (j) have the right to communicate directly with the CFO and other members of management who have responsibility for the accounting and financial reporting process, if applicable;
- (k) have the authority to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors; and
- (l) perform other functions as requested by the Board from time to time or as may be required by any applicable stock exchanges, regulatory authorities or legislation.

B. Meetings and Transacting of Business

- (a) The Committee shall meet regularly and at least four times annually either by telephone or virtual conference, or in person.
- (b) The Committee shall have the opportunity to hold in-camera sessions without the presence of management after each meeting.
- (c) A meeting may be called at the request of the external auditor, the Chair of the Board, the Chief Executive Officer ("**CEO**") or the CFO, or any member of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee.
- (d) Notice of the time and place of every meeting of the Committee shall be given in writing to each member of the Committee a reasonable time before the meeting.
- (e) In advance of every meeting of the Committee, the Chair, with the assistance of the CFO, will ensure that the agenda and meeting materials are distributed in a timely manner.

- (f) No business may be transacted by the Committee at a meeting of its members unless a quorum of the Committee is present. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
- (m) The Chair of the Committee shall chair each meeting. In his or her absence, the Committee may appoint another person to act as chair of a meeting of the Committee provided a quorum is present. The Chair will appoint a secretary of the meeting, who need not be a member of the Committee and who will maintain the minutes of the meeting.
- (n) The external auditors shall receive notice of and are entitled to attend and be heard at each Committee meeting.
- (o) The Committee may invite to a meeting any directors, officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.
- (j) The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. A member of the Committee may be designated as the liaison member to report on the deliberations of the Committee to the Board.
- (k) If a meeting is not convened, the Committee may alternatively approve matters by resolution in writing signed by all the members of the Committee.

C. Engagement of Other Advisors

The Committee shall have the authority to engage independent counsel, consultants and other advisors as the Committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the Committee. The Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

D. Access to Information

The Committee shall have access to such officers and employees any and to all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO, Controller or CFO such records and other matters considered appropriate.

E. Authority of External Auditors

The internal accounting staff, any external accounting consultant(s) and the external auditors of the Company will have a direct line of communication to the Committee and may bypass management if deemed necessary. The external auditors will report directly to the Committee.

4. RESPONSIBILITIES

The Committee shall have the duties and responsibilities set out below as well as any other duties that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these duties and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the “**Applicable Requirements**”).

A. External Auditors

The Audit Committee has primary responsibility for the selection, engagement, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the shareholders and the Board as is required under applicable legislation and stock exchange requirements. For this purpose, the Committee may consult with management.

The responsibilities of the Committee in respect of external auditors are to:

- (a) Recommend to the Board:
 - i. whether the current external auditor should be re-nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
 - ii. if the current external auditor is not to be re-nominated, an acceptable alternative auditor; and
 - iii. the compensation to be paid to the external auditor.
- (b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company. The external auditors must report directly to the Committee.
- (c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting through querying management and the external auditors.
- (d) Take reasonable steps to confirm, at least annually, the independence of the external auditors. Obtain from the external auditors a formal written statement delineating all relationships between the external auditors and the Company, consistent with the Public Company Accounting Oversight Board Rule 3526. Actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that impact the objectivity and independence of the external auditor. Assure the regular rotation of the lead audit partner as may be required by law. Consider whether, in order to assure continuing external auditor independence, there should be regular rotation of the audit firm itself.
- (e) Review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the Company’s present and former external auditors to ensure the external auditor remains independent.

- (f) Consider, in consultation with the external auditors, the audit scope, plan and timing of the external audit and the related engagement letter, and ensure no unjustifiable restriction or limitations have been placed on the scope. Recommend approval of the audit engagement and plan to the Board.
- (g) Confirm with the external auditor and receive written confirmation at least annually as to the external auditor's internal processes and quality control, and disclosure of any investigations or government enquiries, reviews or investigations of the external auditors, and any steps taken to deal with any such issues.
- (h) In accordance with any applicable regulatory requirements and applicable stock exchanges, pre-approve any non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any. The Committee may decide pre-approval is not required if:
 - i. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditor during the fiscal year in which the services are provided;
 - ii. the Company or the subsidiary entity of the Company did not recognize the services as non-audit services at the time of the engagement; and
 - iii. the services are promptly brought to the attention of the Audit Committee of the Company and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Audit Committee.

The Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of the Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Committee for approval at its next meeting.

- (i) Obtain confirmation from the external auditors that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 - *Auditor Oversight* and in compliance with governing regulations.
- (j) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures and provide feedback to the extent deemed appropriate.
- (k) Review and evaluate, at least annually, and oversee the performance of the external auditors and the lead audit partner. Consider the opinions of the Company's management and internal auditors or other personnel serving the internal audit function. The Committee should present its conclusions to the full Board.
- (l) Recommend to the Board any change of the external auditors, and in the event of a proposed change of auditor, review all issues relating to the change, including the information to be included in any notice of change of auditor as required under applicable securities laws, and the planned steps for an orderly transition.

B. Internal Auditors

The Audit Committee must assist the Board in its oversight of the performance of the Company's internal audit function, if any. In connection with the Company's internal audit function, if any, the Committee shall:

- (a) review the terms of reference of the internal auditor and meet with the internal auditor as the Committee may consider appropriate to discuss any concerns or issues;
- (b) in consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with applicable laws and regulations, and any special audit steps adopted in light of material deficiencies and controls;
- (c) review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and
- (d) periodically review with the internal auditor any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

C. Audit and Review Process and Results

The Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and Risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Committee is required to:

- (a) Review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits.
- (b) Ensure the auditors have full, unrestricted access to required information and have the cooperation of management.
- (c) Review with the external auditors, in advance of the audit, the scope and general extent of the external auditors' review, including the audit engagement letter, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (d) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements.
- (e) Review the appropriateness and disclosure of any off-balance sheet matters.
- (f) Review disclosure of related-party transactions and potential conflicts of interest.

- (g) Receive and review with the external auditors, the external auditors' audit reports and the audited or reviewed financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (h) Determine whether the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- (i) In connection with the annual audit, review material written matters between the external auditors and management, such as management letters, schedules of unadjusted differences and analyses of alternative assumptions, estimates or generally accepted accounting methods.
- (j) Ascertain whether any significant financial reporting issues were discussed by management and the external auditor during the fiscal period and review the method of resolution.
- (k) Review and resolve any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (l) Meet with the auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and usage of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.
- (m) Meet at least annually with the external auditors, independent of management, and report to the Board the results of such meetings.

D. Annual Financial Statements, MD&A and Other Financial Disclosure

The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of annual financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (c) Review the annual financial statements, management's discussion and analysis ("**MD&A**"), annual information form (only to the extent that it contains financial information or projections), and the results of the audit with management and the external auditors prior to the submission to the Board for approval and distribution of such statements, and obtain an explanation from management of all significant variances between comparative reporting periods. Such review must occur at a meeting, and not merely by polling or written consent.
- (d) Assess the fairness of the financial statements and disclosures, and obtain explanations from management on whether:

- i. actual financial results for the financial period varied significantly from budgeted or projected results;
 - ii. generally accepted accounting principles have been consistently applied;
 - iii. there are any actual or proposed changes in accounting or financial reporting practices; and
 - iv. there are any significant, complex and/or unusual events or transactions such as related party transactions or those involving derivative instruments and consider the adequacy of disclosure thereof.
- (e) Prior to their submission to the Board and public release, review and discuss all public disclosure concerning audited financial information where such disclosures are required to be approved by the Board (including, without limitation, annual financial statements, annual MD&A, any annual press release, as well as financial information and earnings guidance provided to analysts, any financial outlook or future-oriented financial information, and financial information contained in any prospectus, private placement offering document, annual report, annual information form or takeover bid circular) and approve such disclosures for recommendation to the Board. Provide the Board with such recommendations and reports with respect to the annual financial statements and MD&A of the Company as it deems advisable.

E. Interim Financial Statements, MD&A and Financial Press Releases

The Board has delegated to the Committee the power to approve the Company's interim financial statements and management's discussion and analysis. The Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (c) Evaluate and, if appropriate, approve the interim financial statements and MD&A.
- (d) Review interim profit or loss press releases before the Company publicly discloses this information.
- (e) If the external auditors conduct a review of the interim financial statements:
 - i. receive and review the interim financial statements with the external auditors; and
 - ii. receive and review the external auditors' interim review reports to the Committee.

Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee shall:

- (a) Ensure that management has the proper and adequate systems and procedures in place for the review of the Company's financial statements, financial reports and other financial information, including all Company disclosure of financial information extracted or derived from the Company's financial statements, and that they satisfy all legal and regulatory requirements; periodically assess the adequacy of such procedures.
- (b) Retain an understanding of the current areas of greatest financial Risk. Review material financial Risks with management, the plan that management has implemented to monitor and deal with such Risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable. Review disclosures made to the Committee by the CEO and CFO during their certification process for any statutory disclosures regarding any significant deficiencies in the design or operation of internal controls or material weakness therein, and any fraud involving management or other employees who have a significant role in internal controls.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Oversee the development of and monitor the Company's cybersecurity activities and plans.
- (g) Review as required with management annual financial statements, quarterly financial statements, MD&A, Annual Information Form, future-oriented financial information or pro-forma information, press releases and other financial disclosure in continuous disclosure documents.
- (h) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (i) Review any legal matters that could significantly impact the financial statements and meet with outside counsel whenever deemed appropriate.
- (j) Periodically receive and review reports from management on tax matters that could have a material effect on the Company's financial position or operating results, including corporate structural changes, tax positions and plans, material tax developments, and tax assessments from regulatory authorities.

- (k) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements, reviewing with management and the external auditor where appropriate.
- (l) Review with management and approve public disclosure of the Audit Committee Charter in the Company's Annual Information Form, if applicable, the Information Circular and on the Company's website.

F. Internal Controls

The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures.

At least annually, the Audit Committee shall consider and review with management and the auditors:

- (a) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security), the overall control environment for managing business Risks, accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, regulatory controls, and the impact of any weaknesses in internal controls on management's conclusions;
- (b) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (c) the Company's fraud prevention and detection program, including, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting, that may impact the integrity of financial information, or expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against those involved; and
- (d) any related significant issues and recommendations of the auditors together with management's responses to them, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

G. Risks

The Committee shall be responsible for the following related to Risks:

- (a) Review and approve for recommendation to the Board, together with any other applicable committees, the risk management sections of the annual financial reports to shareholders, the Annual Information Form, prospectuses and other public reports or documents requiring approval by the Board.

- (b) Coordinate with any other applicable committees, and regularly review and discuss with management the following, with a view to ensuring that the Company's Risks and exposures are being effectively managed, monitored or controlled:
- i. the Company's risk philosophy as set forth by management and the Board;
 - ii. the effectiveness of the Corporation's policies and procedures with respect to Risk identification, assessment and management;
 - iii. the Corporation's major Risk exposures;
 - iv. the steps management has taken and management's plans and programs to monitor and control such exposures; and
 - v. the effect of relevant regulatory initiatives and trends.

5. WHISTLEBLOWER COMPLAINTS

A. Confidentiality

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Chair of the Audit Committee in accordance with the Company's Whistleblower Policy. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential.

B. Treatment of Complaints

Upon receipt of concerns regarding questionable accounting or auditing matters, the Committee Chair will conduct or designate a member of the Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Committee for a determination of further investigation and action.

C. Recording of Complaints

Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Committee for a period of three years.

REPORTING

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.

ANNUAL REVIEW

This Charter will be reviewed annually, and any recommended changes will be submitted to the Board of Directors for approval.

At least annually, the Committee will assess its performance of the duties specified in this charter and report its findings to the Board.

EFFECTIVE DATE

This Charter was implemented by the Board on May 20, 2016 and updated on March 30, 2022.

SCHEDULE B

GLOSSARY OF TERMS

2019 Offtake Agreement	has the meaning ascribed to that term on page 14 of this AIF
2019 Loan Agreement	the loan agreement dated July 1, 2019 between the Company, K92 PNG, and Trafigura pursuant to which Trafigura made available to the Company a loan in the principal amount of US\$15 million
AIF or Annual Information Form	this annual information form
AISC	all-in sustaining costs
Ag	silver
Amended Offtake Agreement	has the meaning ascribed to that term on page 20 of this AIF
Anti-Corruption Legislation	has the meaning ascribed to that term on page 116 of this AIF
Au	gold
AuEq	gold equivalent
B	billion
BCBCA	the Business Corporations Act (<i>British Columbia</i>)
Board	board of directors of the Company
Barrick	Barrick Gold Corporation
Blue Lake Technical Report	The technical report, titled, "Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea" dated September 20, 2022, with an effective date of August 1, 2022, prepared by Simon Tear BSc (Hons), EurGeol, PGeo IGI, EurGeol, and Anthony Woodward BSc (Hons), M.Sc., MAIG
BPNG	Bank of Papua New Guinea
C\$ or \$	Canadian dollars
CEPA	has the meaning ascribed to that term on page 27 of this AIF
CFO	Chief Executive Officer
CFO	Chief Financial Officer
CIM Definition Standards	mining terms defined in the Canadian Institute of Mining, Metallurgy and Petroleum Standards
Code	code of business conduct and ethics
Common Shares	the common shares in the authorized capital of the Company.
Conditions Subsequent	has the meaning ascribed to that term on page 21 of this AIF
Conversion Right	has the meaning ascribed to that term on page 21 of this AIF
COO	Chief Operating Officer
COVID-19	the worldwide pandemic (coronavirus disease 2019) caused by a virus named SARS-CoV-2

CPAB	the Canadian Public Accountability Board.
CSA	the Canadian Securities Administrators
Cu	copper
CuEq	copper equivalent
DBTI	has the meaning ascribed to that term on page 32 of this AIF
DFS	definitive feasibility study case
DFS Case	the Kainantu Stage 3 Expansion DFS case
DMT	dry metric tonnes
EIS	environmental impact statement
EL470	the Company's PNG Exploration Licence 470 effective until February 4, 2023 (application lodged for a further two-year renewal)
EL693	the Company's PNG Exploration Licence 693 effective until February 4, 2023 (application lodged for a further two-year renewal)
EL1341	the Company's PNG Exploration Licence 1341 effective until June 20, 2024 (application lodged for a further two-year renewal)
EL2619	the Company's PNG Exploration Licence 2619 effective until January 22, 2022 (application lodged for a further two-year renewal)
EL2620	the Company's PNG Exploration Licence 2620 effective until June 2, 2023 (application lodged for a further two-year renewal)
ELA2753	the Company's PNG Exploration Licence Application 2753 effective until December 20, 2025
Eligible Person	has the meaning ascribed to that term on page 122 of this AIF
EMS	has the meaning ascribed to that term on page 28 of this AIF
EMP	has the meaning ascribed to that term on page 28 of this AIF
EPC	engineering, procurement, construction and commissioning
ESG	environmental, social and governance
ESG Reviewers	has the meaning ascribed to that term on page 117 of this AIF
forward-looking statements	has the meaning ascribed to that term on page 1 of this AIF
g/t	grams per tonne
H&SC	H&S Consultants Pty Ltd.
HSES	health, safety, environmental and corporate social responsibility policies and programs
IDP	the integrated development plan for the Kainantu Mine Project. The IDP comprises two scenarios: 1) Kainantu Stage 3 Expansion "DFS" or "DFS Case"; and 2) Kainantu Stage 4 Expansion "PEA" or "PEA Case"

IDC Technical Report	the technical report containing the integrated development plan, prepared in accordance with NI 43-101 and titled, "Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea" dated October 26, 2022, with an effective date of January 1, 2022
IFC	has the meaning ascribed to that term on page 27 of this AIF
IFRS	International Financial Reporting Standards
IRGC	intrusion related gold copper
IRR	Internal rate of return
IT	information technology
K92	K92 Mining Inc.
K92 Australia	K92 Mining (Australia) Pty Ltd., the Company's wholly-owned subsidiary in Australia
K92 Holdings	K92 Holdings International Limited, the Company's wholly-owned subsidiary in the British Virgin Islands
K92 Holdings PNG	K92 Holdings (PNG) Limited, the former wholly-owned subsidiary of K92 Holdings
K92PNG	K92 Mining Limited, the Company's wholly-owned subsidiary in Papua New Guinea
K92 Trust	The Kainantu Employee Trust Ltd., the Company's wholly-owned subsidiary incorporated in British Columbia 2023 through which the RSU Trust is administered
Kainantu Mine	the Kainantu gold mine that includes the Kora, Kora North, Kora South, Judd, Judd South and Irumafimpa deposits
Kainantu Project	the Company's processing plant, equipment and infrastructure located on ML150, together with the Kainantu Mine
km	kilometres
Kora Consolidated deposit	the combined Kora, Kora North and Eutompi deposits in PNG
Stage 3 Expansion	has the meaning ascribed to that term on page 7 of this AIF
Stage 4 Expansion	has the meaning ascribed to that term on page 8 of this AIF
Loan	has the meaning ascribed to that term on page 20 of this AIF
Loan Agreement	has the meaning ascribed to that term on page 20 of this AIF
lb or lbs	pound or pounds
LMP 78	PNG Licence for Mining Purposes 78 effective until June 13, 2024
LOM	life of mine
m	metre or metres
M	million
MD&A	management's discussion and analysis
ME80	PNG Mining Easement 80 effective until June 13, 2024

ME81	PNG Mining Easement 81 effective until June 13, 2024
Mining Act	the PNG Mining Act 1992
ML150	the PNG mining lease 150 effective until June 13, 2034
MRA	PNG Mineral Resources Authority
MRE	mineral resource estimate
Mtpa	million tonnes per annum
NGOs	non-governmental organizations, public interest groups and reporting organizations
NI 43-101	CSA National Instrument 43-101 - <i>Standards of Disclosure for Mineral Projects</i>
NI 52-109	Canadian Securities Administrators' National Instrument 52-109 - <i>Certification of Disclosure in Issuers' Annual and Interim Filings</i>
NI 52-110	Canadian Securities Administrators' National Instrument 52-110 - <i>Audit Committees</i>
Nolidan	Nolidan Mineral Consultants
NPV	net present value
OK	ordinary kriging
Options	stock options as defined on page 122 of this AIF
oz	ounce or ounces
Paris Agreement	the Paris Agreement under the United Nations Framework Convention on Climate Change.
PEA	preliminary economic assessment
PEA Case	the Kainantu Stage 4 Expansion PEA case
Personnel	directors, officers, employees, consultants and contractors
PGK	Papua New Guinea currency, Kina
PNG	the country of Papua New Guinea
Preferred Shares	the former Class A Preferred Shares of the Company
Processing Facility	the Company's processing plant, equipment and infrastructure located on ML150
PSU	performance share unit
RMCP	has the meaning ascribed to that term on page 115 of this AIF
RSU	restricted share unit
RSU Trust	has the meaning ascribed to that term on page 123 of this AIF
SDGs	the United Nations Sustainable Development Goals
SEC	the U.S. Securities and Exchange Commission
SEC Modernization Rules	has the meaning ascribed to that term on page 3 of this AIF
SEDAR+	the Canadian Securities Administrators' system for electronic document analysis and retrieval at www.sedarplus.ca

Share Compensation Plan	has the meaning ascribed to that term on page 122 of this AIF
Stock Option Plan	has the meaning ascribed to that term on page 122 of this AIF
TCFD	Task Force on Climate-Related Financial Disclosures
tpa	tonnes per annum
Trafigura	Trafigura Pte Ltd.
Trafigura Loan Agreement	Means the Loan Agreement
TSX	the Toronto Stock Exchange.
TSXV	the TSX Venture Exchange
US\$ or USD	United States dollars
U.S.	the United States of America

SCHEDULE "C"**Measurement Conversions**

In this AIF metric units are used with respect to all our mineral properties, unless otherwise indicated. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table below.

Imperial Measure = Metric Unit		Metric Unit = Imperial Measure	
2.47 acres	1 hectare	0.4047 hectares	1 acre
3.28 feet	1 metre	0.3048 metres	1 foot
0.62 miles	1 kilometre	1.6093 kilometres	1 mile
0.032 ounces (troy)	1 gram	31.1 grams	1 ounce (troy)
2.2 pounds	1 kilogram	0.454 kilograms	1 pound
1.102 tons (short)	1 tonne	0.907 tonnes	1 ton (short)
0.029 ounces (troy)/ton (short)	1 gram/tonne	34.28 grams/tonne	1 ounce (troy)/ton (short)
2,204.62 pounds	1 tonne	0.00045 tonnes	1 pound