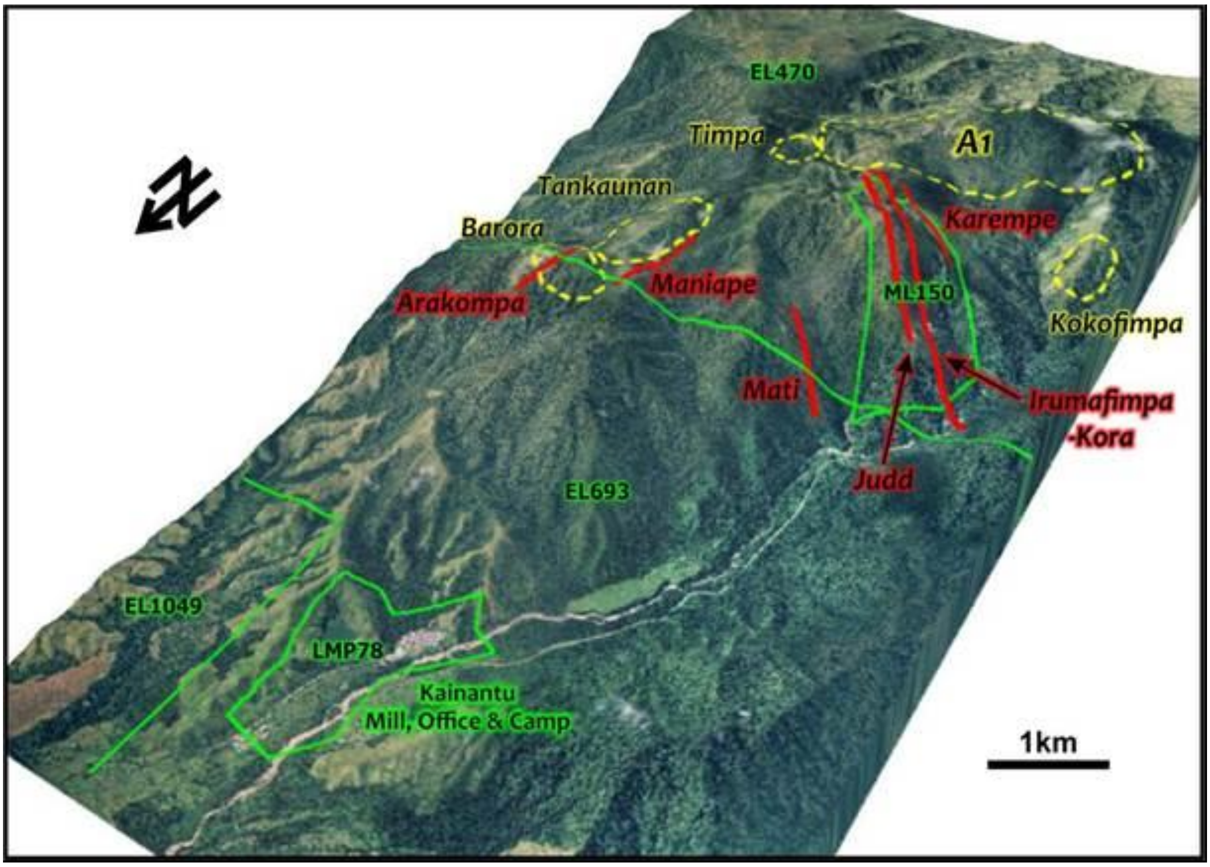
NOLIDAN MINERAL CONSULTANTS

K92 MINING INC.

INDEPENDENT TECHNICAL REPORT,

PRELIMINARY ECONOMIC ASSESSMENT OF IRUMAFIMPA AND KORA GOLD DEPOSITS,

KAINANTU PROJECT, PAPUA NEW GUINEA



Prepared by Nolidan Mineral Consultants

for

K92 Mining Inc.

Author:
Anthony Woodward BSc Hons., M.Sc., MAIG

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Nolidan Mineral Consultants
14 Carlia Street
Wynnum West, Queensland 4178
Australia
T +617 3396 9584

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1. SUMMARY

1.1 INTRODUCTION

At the request of Mr Brian Lueck, Director of Otterburn Resources Corp, ("Otterburn") now K92 Mining Inc. ("K92"), commissioned Nolidan Mineral Consultants ("Nolidan") in November 2014 to prepare a Technical Report on the Kainantu project ("the Project") in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") including a mineral resource estimate of the Irumafimpa-Kora gold copper deposit. This report was dated 06 March 2015. It was amended in a report dated 01 May 2015 to include descriptions of the mining and milling infrastructure and recommendations to refurbish the mine and mill at Kainantu.

The Technical Report dated 01 May 2015 was further amended to reflect changes to 15 April 2016. In October 2016 Mr John Lewins, Chief Operating Officer of K92, requested Nolidan to update the report dated 15 April 2016 to incorporate the results of recently completed mine scoping studies of the Irumafimpa and Kora gold deposits and plant upgrade studies.

Australian Mine Design and Development ("AMDAD") were initially engaged in 2016 by K92ML to compile a 3 Year Mine Plan for mining of the Irumafimpa deposit. AMDAD were later engaged to undertake a Scoping Study (Preliminary Economic Assessment) for the development of the Kora deposit. In conjunction with the Kora Scoping Study Mincore was engaged to carry out a detailed study on the potential expansion of the existing processing plant to treat 400,000tpa of ore primarily from the Kora deposit.

This report summarise the results of the Preliminary Economic Assessments of the Irumafimpa and Kora deposits at Kainantu. The preliminary economic assessments is preliminary in nature, it 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. There is no certainty that the preliminary economic assessments will be realized.

The Kainantu property covers a total area of 405 sq.km and is located in the Eastern Highlands Province of Papua New Guinea, approximately 180 km west-northwest of Lae.

The Project as described herein is 100% owned by K92 Mining Limited ("K92ML") (formerly Barrick (Kainantu) Limited); a company incorporated in Papua New Guinea, which is 100% owned by K92 Holdings (PNG) Limited ("K92PNG"), a 100% owned subsidiary of K92 Holdings International Limited ("K92 Holdings").

K92PNG acquired K92ML from Barrick (Niugini) Limited ("Barrick") pursuant to an agreement dated June 11, 2014 (the "K92ML Purchase Agreement") (which closed March 6, 2015), for the sum of US$2,000,000. Under the terms of that agreement K92PNG is obligated to make additional payments of up to US$60,000,000 as follows:

(i) US$20,000,000 upon K92PNG determining 1,000,000 ounces of gold equivalent (based on in-situ and mined product classified as measured mineral resource, indicated mineral resource, probable ore reserve or proven ore reserve); and

(ii) US$5,000,000 upon upon K92PNG determining each additional 250,000 ounces of gold equivalent (on the same bases as stated above) up to an aggregate of 3,000,000 ounces.

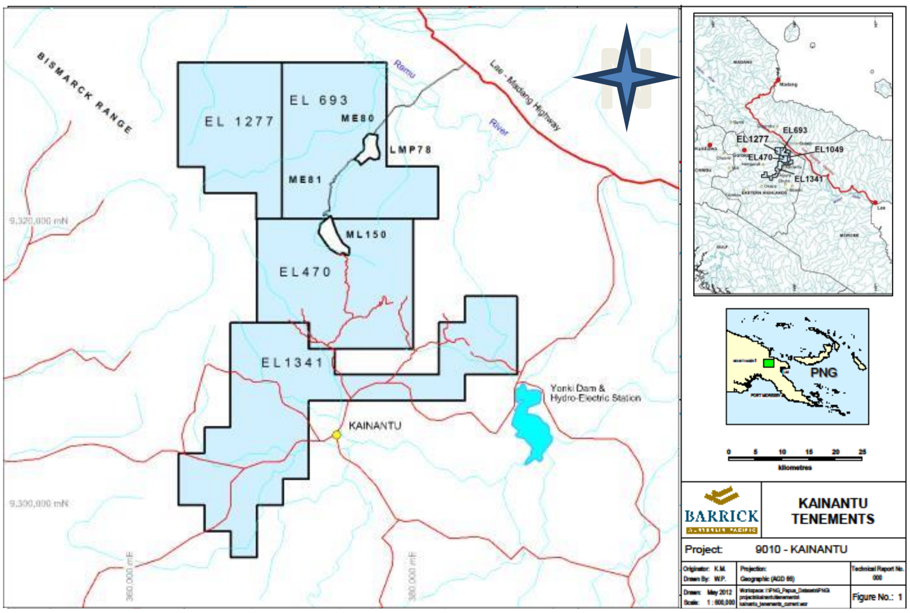
The obligation to pay additional payments will cease on March 6, 2025.

On August 21, 2014, Otterburn, K92 Holdings and the shareholders of K92 Holdings entered into a Share Exchange Agreement, pursuant to which Otterburn agreed to acquire all of the issued and outstanding shares of K92 Holdings, from the shareholders of K92 Holdings on the basis of one common share of Otterburn for each outstanding common share of K92 Holdings, for an aggregate of 49,126,666 Otterburn common shares. Subsequently the transaction was restructured, and Otterburn and Cada International Ltd. (a wholly owned subsidiary of Otterburn) entered into a merger agreement with K92 Holdings on April 15, 2016, pursuant to which K92 Holdings agreed to merge with Cada International Ltd. to form an amalgamated subsidiary of Otterburn, and whereby Otterburn agreed to acquire all of the outstanding shares of K92 Holdings, in exchange for common shares of Otterburn on the basis of one post-consolidation common share of Otterburn for each common share of K92 Holdings, for an aggregate of 49,126,666 Otterburn common shares.

K92 Mining Inc. (formerly Otterburn) is a company incorporated under the laws of British Columbia, Canada; the common shares of which are publicly listed on the TSX Venture Exchange.

K92ML is the registered holder of the following tenements in PNG, as issued by the applicable government authorities in accordance with the PNG Mining Act 1992 (the "Mining Act"):

1. Mining Lease 150 ("ML150"), effective until June 14, 2024;
2. Mining Easements 80 and 81 ("ME80" and "ME81 "), each effective until June 14, 2024;
3. Licence for Mining Purposes 78 ("LMP 78"), effective until June 14, 2024;
4. Exploration Licence 470 ("EL470"), effective until February 05, 2017;
5. Exploration Licence 693 ("EL693"), effective until February 05, 2017;
6. Exploration Licence 1341 ("EL1341"), effective until June 20, 2018. ; and
7. Exploration Licence 1277 ("EL1277") which expired on May 20, 2009. The PNG Minister for Mining rejected K92ML's application for renewal on December 5, 2011. K92ML initiated legal action to compel the Minister for Mining to overturn the decision, but the court instructed the parties to instead try to reach an out-of-court settlement. Negotiations in that regard have to date been unsuccessful; and if not settled will revert to the courts for a decision.



Kainantu Project Location.
Source: Barrick 2014

1.2 GEOLOGY AND MINERALIZATION,

The Kainantu property is located within the New Guinea Thrust Belt, close to its northern contact with the Finisterre Terrane. The property area is underlain by metamorphosed sedimentary rocks of the Early Miocene Bena Bena Formation, unconformably overlain by Miocene age sedimentary and intermediate volcanic rocks of the Omaura and Yaveufa Formations. These formations were intruded in the mid-Miocene by the Akuna Intrusive Complex, which comprised multiple phases of mafic to felsic magma. Late Miocene age Elandora Porphyry dykes formed small high level crowded feldspar porphyry dykes and diatreme breccias.

Mineralization on the property includes gold, silver and copper occurring in epithermal Au telluride veins and Au Cu Ag sulphide veins of Intrusion Related Gold Copper ("IRGC") affinity and also less explored porphyry Cu Au systems; and alluvial gold. The Irumafimpa-Kora vein deposit is the most advanced project at Kainantu with current defined resources and past modern mining activity in the Irumafimpa area. The deposit occurs in the centre of a large mineralized system approximately 5 km x 5 km in area that has been partly delineated by drilling and comprises several individual zones of IRGC and porphyry style mineralization. The current resources occupy a broad northwest trending mineralized zone more than 2.5 km long and up to 60m wide in which individual veins vary from less than one metre wide that pinch and swell over short distances (Au telluride lodes) to more continuous veins up to several metres wide (Au Cu Ag sulphide lodes).

The Kora veins average 3.1m true width; which is the entire extent of the known veins before cut-off grades are applied. The Mill veins at Irumafimpa average 1.2m true width, which is the entire extent of the known veins before cut-off grades are applied, and also the minimum width used during resource estimation.

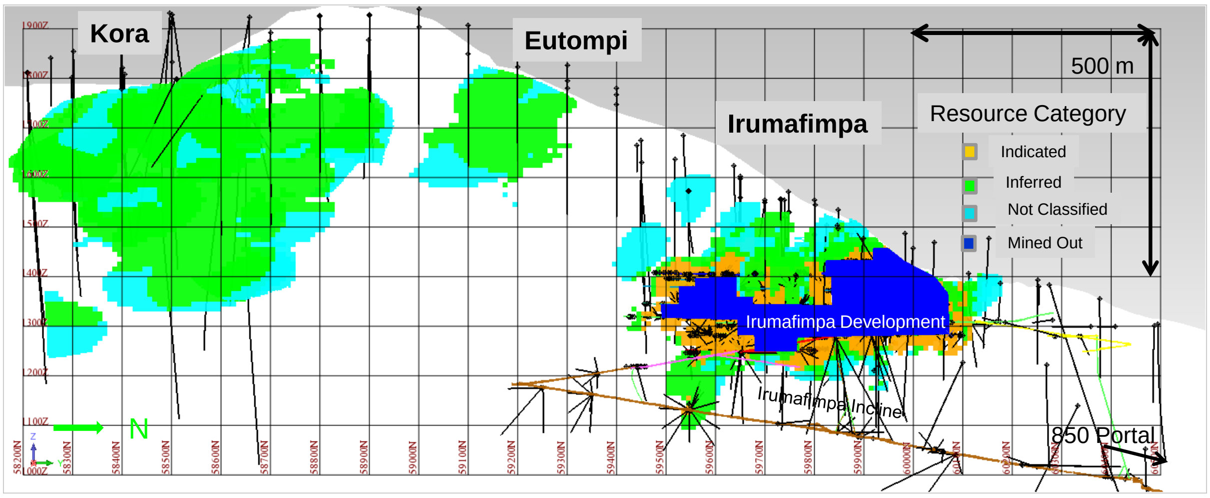
Other less advanced prospects on the property include epithermal Au veins similar to Irumafimpa, IRGC veins similar to Kora, porphyry Cu Au systems, skarn Cu, Pb and Zn mineralization and alluvial gold.

1.3 RESOURCE ESTIMATE

A resource estimate was completed for the Irumafimpa-Kora vein systems based on the historical surface and underground drilling conducted by previous owners, Barrick and HPL. Face channel and grade control samples collected during previous mining operations were also used but have only a local influence.

Comparison of grade control face sampling and drilling in the same mineralized zones shows a significant bias towards lower average grades in drilling compared with the average grade of the face samples. For all veins the highest recorded values for gold (outliers) occurred in drillhole samples and grade capping was therefore used. Face samples are however concentrated in the higher grade mining areas, so were included in resource estimation.

Results are presented in the table below and should be read in conjunction with the notes following.



ML150 long section with blocks coloured by resource category.

Mineral Resource by Deposit, Category and Mining Method											
Deposit	Resource	Mining	Tonnes	Gold		Silver		Copper		Gold Equivalent	
	Category	Method	Mt	g/t	MOz	g/t	MOz	%	Mlb	g/t	MOz
Kora/Eutompi	**Inferred**	Mechanical	3.36	7.1	0.77	32.9	3.55	2.2	161	11.5	1.24

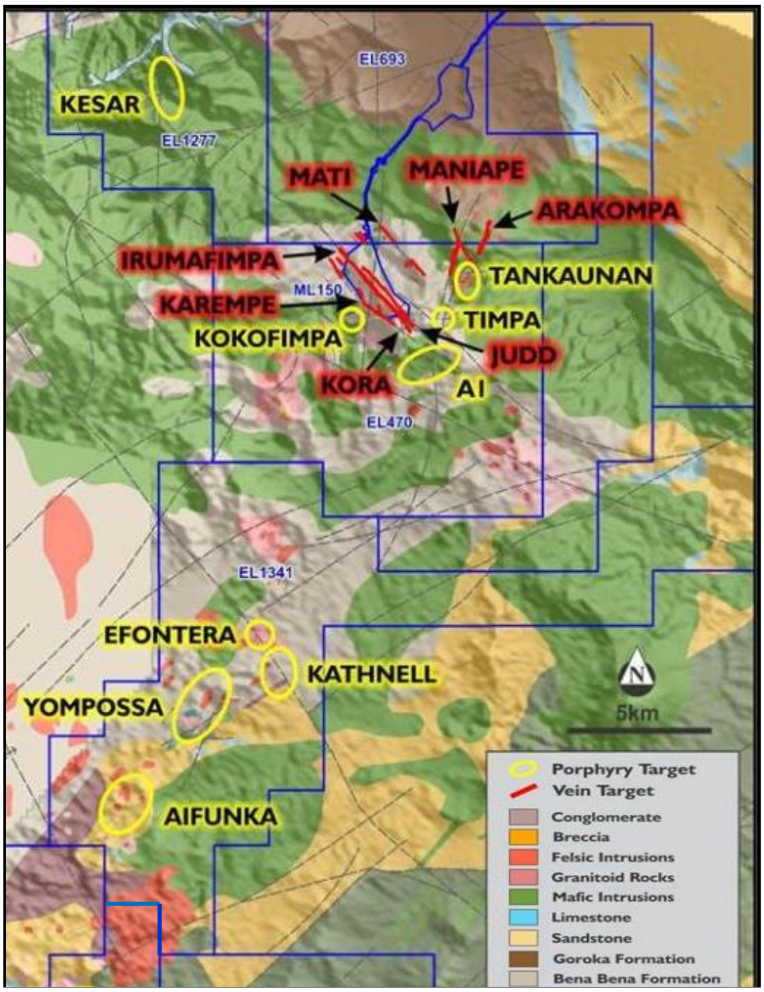
		Hand	1.06	7.2	0.25	40.0	1.37	2.3	55	12.0	0.41
Irumafimpa	**Indicated**	Mechanical	0.01	11.5	0.00	2.2	0.00	0.3	0	12.1	0.00
		Hand	0.56	12.6	0.23	8.9	0.16	0.3	3	13.3	0.24
	Inferred	Mechanical	0.07	7.2	0.02	7.4	0.02	0.2	0	7.7	0.02
		Hand	0.45	11.3	0.16	9.6	0.14	0.3	3	12.0	0.17
Total All Deposits	**Indicated**		0.56	12.6	0.23	9	0.2	0.3	3	13.3	0.24
	Inferred		4.94	7.5	1.20	32	5.1	2.0	219	11.6	1.84

*M in Table is millions. 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. Gold equivalents are calculated as AuEq = Au g/t + Cu%*1.7308 + Ag g/t*0.0185.*

1. The current sample exploration database was supplied by Barrick in MS Access format.
2. Estimation undertaken in Surpac™, using ordinary kriging ("OK") in unfolded space.
3. The estimation block size was 10m in Y and 10m in Z with width estimated in unfolded space as a variable. Grade was interpolated by domain using OK estimation with parameters based on directional variography by domain. Thickness of the vein was also estimated by OK estimation.
4. Results validated against drill data and Inverse Distance Squared, Nearest Neighbour, Gram M Accumulation estimates and Ordinary Krige uncapped estimates.
5. Minimum mining width of 1.2 m horizontal. Grade was diluted to account for minimum width.
6. This mineral resource estimate is based on 78,935 metres of drilling from 767 holes, and 18,312 metres of assayed intervals across all lodes. A single vein composite was used for each drill intercept on each lode – cut-off for selection was 3 m-gms Au Equivalent. There are a total of 2,003 vein composites across 19 veins, including 349 face composites.
7. A mined out area representing the extent of current mining projected across all lodes were removed from the final model as the exact location of individual stopes is not clear.
8. Top caps were applied to the composites for each vein. Grade caps were selected to restrict the influence of outliers where drilling was sparse, and varied by vein.
9. A minimum of 2 samples and maximum of 12 samples were used for each block. Search distances varied by lode and reflect the variogram ranges of 100-200 m, maximum projection beyond last drill-hole is 50 m.
10. The volume for each vein was defined by a wireframe in 3D space and is used to constrain the resource blocks.
11. Lower cut-off grades for reporting were a combination of thickness and grade reflecting mining methods, metallurgical recovery, and royalties:
    a. Narrow Vein - Shrink Stopes - 1.2 m – 3 m thick and >=6g/t AuEq
    b. Wide Vein – Mechanised Stopes - >3 m thick and >= 5g/t AuEq
12. Resource categories are based on estimation confidence and number of informing samples as a guide. Blocks shown in the Long Section have been coloured by resource category. Turquoise blocks are unclassified blocks with only one sample supporting them and are not included in the resource estimate.
13. Density of 2.75 t/m^3 was used for every vein block.

1.4 EXPLORATION TARGETS

The Kainantu project is located in a recognized copper-gold province, as evidenced by the underlying geology and presence of nearby major projects operated by global majors Barrick, Newcrest and Harmony. There remain a significant number of major untested and early stage targets. Within ML150 are the Kora lodes which are strongly mineralized at the limit of drilling and open and in all directions, as well as the Judd, Karempe and other unnamed mineralized lodes parallel to defined resources which have economically attractive grade in surface and/or drill samples from very limited work to date.



Kainantu geology and known vein and porphyry deposits and prospects.
(Source: Barrick, 2014)

1.5 PREVIOUS MINING AND PROCESSING

During the mining operation at Irumafimpa between 2006 and 2009, mining was predominantly shrink stoping with some bench stoping (longhole). The method applied was based on the geological structure and varying vein widths. Multiple independent reviews have shown that previous operators had considerable difficulty with dilution issues during mining which has been mainly attributed to the geological complexity of the veins and a poor understanding of grade distribution within the veins.

The processing plant built to treat the Irumafimpa lodes was demonstrated in the previous operating phase between 2006 and 2008 (HPL and Barrick) to be generally well suited to the mineralization in that deposit.

The underground mining operation and process facility were not operated between January 2009 and September 2016. K92ML commenced rehabilitation of the underground workings in March 2016 and refurbishment of the treatment plant in April 2016.

In order to comply with the terms of the renewal of ML150, K92ML was required to refurbish the mine and mill by December 31, 2016. This was effectively accomplished in September 2016.

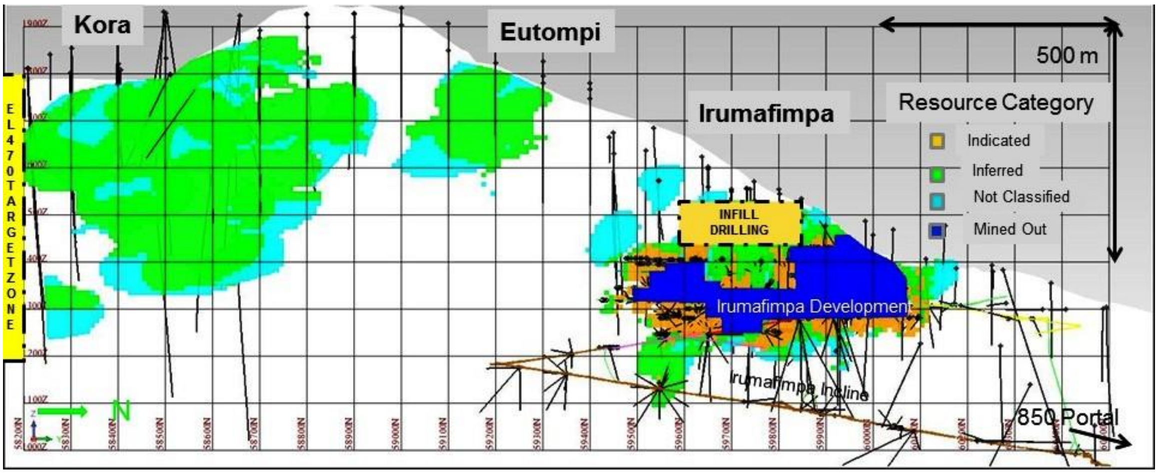
An additional requirement is that operations and production from the Kora deposit must commence on or before 30 June 2018.

1.6 EXPLORATION

Further investigation is required to understand the geological complexity of the veins at Kainantu and the controls on high grade shoots. K92ML has commenced close spaced drilling from existing underground workings to confirm indicated and inferred resources at Irumafimpa and to test the Judd vein.

Significant opportunity remains for resource extension within the immediate mine environment, including:

- The Irumafimpa-Kora vein system is open at depth, in the central areas beneath the top of the mountain (Eutompi) and to the South (Kora) beyond the ML150 boundary.
- Blocks shown in the Longitudinal Section below have been coloured by resource category. Turquoise blocks are blocks with only one sample supporting them and are not included in the resource estimate. These unclassified areas are extensive and represent obvious targets for immediate drillhole targeting with significant upside to possible production and mine life. AMDAD estimated there are approximately 1Mt of unclassified material above 4.5 g/t Aueq. However the width of some of these veins may not be sufficient for economic mining.



Kainantu Exploration Targets 2016

1.7 SCOPING STUDIES

It should be noted that the mine plan and scoping studies prepared for the Irumafimpa and Kora deposits are not based on Ore Reserves. The estimates of tonnes and grade reported and scheduled in both the Irumafimpa and Kora Scoping Studies do not constitute an Ore Reserve because:-

- Most of the resource estimate on which the tonnes and grade are based on are at too low a level of confidence to allow conversion to Ore Reserves.
- There is insufficient geotechnical information for the Kora deposit to be confident in development and extraction design parameters and costs and the mine plan can only be considered conceptual.
- Limited metallurgical testwork has been completed for the copper-gold mineralization at Kora and further work will be required to confirm the processing cost and recovery assumptions.

Non-mining economic and processing parameters assumed and referred to in the studies are conceptual. They were applied for the purpose of identifying the part of the Resource that notionally may be economic, in order to prepare conceptual extraction designs. Schedules are based on conceptual development and stoping quantities and not practical designs. Cashflow schedules are based on these assumed parameters. They should be treated with caution, and they should not be interpreted as a measure of the value of the deposit.

1.7.1 Irumafimpa

Key conclusions from the Irumafimpa Mine Plan prepared by AMDAD are:

- Over the 3 years of the mine plan treatment of 0.49Mt tonnes at 8.4 g/t Au, 5.8 g/t Ag, 0.11%Cu would generate a net cashflow of USD $56 million.
- Over the 8 years of the Mine Life treatment of 1.40Mt tonnes at 8.2 g/t Au, 5.8 g/t Ag, 0.19%Cu would generate a net cashflow of USD $153 million

1.7.2 Kora

Key conclusions from the Kora Mine Scoping Study prepared by AMDAD are:

- Over a 9 year operating life the plant could treat 3.2 Million tonnes averaging 7.1 g/t Au, 25 g/t Ag and 1.7% Cu (9.3 g/t Au Eq*).
- An estimated positive cash flow of US$538 million using current metal prices if 15m levels are used in mining. If 25m mining levels are used then net cashflows are estimated as US$559 million.
- Production of an estimated average of 108,000 Au Eq* ozs per annum over an 8 year period from Year 2 through to Year 9.
- An estimated pre-tax NPV of US$415 Million using current metal prices, exchange rate and a 5% discount rate;
- Initial Capital Cost is estimated to be US$13.84 Million, including the US$3.3 million for the plant upgrade identified in the Mincore Scoping Study, but excluding the proposed Kora exploration inclines and diamond drilling. Sustaining Capital Cost is estimated to be a further US$64 million spent over the life of the Kora mining.
- Operating Cost per tonne is estimated to be US$125/tonne
- Cash Cost (excluding initial Capital Expenditure of US$14M) is estimated to be US$547/oz Au Eq (inclusive of a 2.5% NSR) and AISC of US$619/oz Au Eq.

Current Metal Prices used were: Au – US$1,300/oz; Ag – US$18/oz; Cu – US$4,800/tonne.

*Au Eq – calculated on above Metal Prices.

1.7.3 Treatment Plant Upgrade

Key conclusions from the study by Mincore on requirements for upgrading the treatment plant to 400,000tpa are:

- There is sufficient crushing and milling (comminution) power to grind 50tph to P80 of 106 µm.
- Additional flotation capacity is required to achieve acceptable residence times for each cell. There is sufficient space to install additional cells if future testwork identifies a requirement for longer residence time.
- The existing concentrate thickener and filter is adequate for 400,000tpa Kora feed averaging 1.7% copper.
- The existing tailings line is adequate but a full pump upgrade will be required.
- Construction time for the plant upgrade was estimated as 10 months.

1.8 RECOMMENDATIONS

1.8.1 Exploration

- Drilling should concentrate on infill drilling of current resources and extensions to veins within ML 150.

1.8.2 Mine

- The estimated costs used in producing the preliminary mine plans and scoping studies for mining of the Irumafimpa and Kora gold deposits need further refinement using actual costs from Irumafimpa once operations reach a steady state.
- Geotechnical studies of the mine workings need to be advanced to determine ground conditions and support requirements for development within waste and the mineralised veins.
- The position and condition of existing development and stope workings at Irumafimpa needs to be confirmed.
- Stope stability analysis is required to guide the selection of level interval (15m or 18m) and stope strike lengths suitable for the next stage of Kora mine design.
- Groundwater conditions need to be investigated.
- More detailed ventilation planning is required including analysis of ventilation options including VentSim modelling of airways to determine airflows, pressures, air power and fan specifications. Vent rise paths will need geotechnical investigations.
- The feasibility of raiseboring >500m long holes from surface has to be investigated considering the implications, timing, and costs involved
- Development profiles for the Kora incline and lateral access development require further analysis in relation to materials handling requirements. More analysis to reduce initial waste development is recommended.
- The source and cost of any surface waste rock sources should be investigated and the various cement backfill options for Kora should be reviewed.

1.8.3 Treatment Plant

- Further metallurgical testwork is required prior to process design on the expanded treatment plant.
- Operating and capital cost estimates for the expanded plant need to be updated.

2 INTRODUCTION AND TERMS OF REFERENCE

2.1 ISSUER

This report is an independent technical review of the geology, exploration, mineral resource estimates, and mining scoping studies for the Irumafimpa and Kora gold deposits at the Kainantu project.

At the request of Mr Brian Lueck, Director of Otterburn Resources Corp, ("Otterburn") now K92 Mining Inc. ("K92"), commissioned Nolidan Mineral Consultants ("Nolidan") in November 2014 to prepare a Technical Report on the Kainantu project ("the Project") in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") including a mineral resource estimate of the Irumafimpa-Kora gold copper deposit. This report was dated 06 March 2015. It was amended in a report dated 01 May 2015 to include descriptions of the mining and milling infrastructure and recommendations to refurbish the mine and mill at Kainantu.

The Technical Report dated 01 May 2015 was further amended to reflect changes to 15 April 2016. In October 2016 Mr John Lewins, Chief Operating Officer of K92, requested Nolidan to update the report dated 15 April 2016 to incorporate the results of recently completed mine scoping studies of the Irumafimpa and Kora gold deposits and plant upgrade studies.

Australian Mine Design and Development ("AMDAD") were initially engaged in 2016 by K92ML to compile a 3 Year Mine Plan for mining of the Irumafimpa deposit. AMDAD were later engaged to undertake a Scoping Study for the development of the Kora deposit. In conjunction with the Kora Scoping Study Mincore was engaged to carry out a detailed study on the potential expansion of the existing processing plant to treat 400,000tpa of ore primarily from the Kora deposit.

2.2 TERMS OF REFERENCE AND PURPOSE

K92 intends that this report be used as an Independent Technical Report as required under Part 4 "Obligation to File a Technical Report" of NI 43-101 to support publicly disclosed information.

At K92's request, the scope of Nolidan's inquiries and of the report included the following:

1. Site verification and review of project.
2. Preparation of an Independent Technical Report prepared in accordance with NI 43-101.
3. Description of mining and milling facilities at Kainantu.
4. Summarize the results of the mining plan for the Irumafimpa deposit
5. Summarize the results of the preliminary assessment ("scoping study") of the Kora deposit
6. Summarize the studies on upgrading the capacity of the process plant.

2.3 INFORMATION USED

This report is based on technical data provided by K92 to Nolidan. K92 provided open access to all the records necessary, in the opinion of Nolidan, to enable a proper assessment of the project and resource estimates. K92 has warranted in writing to Nolidan that full disclosure has been made of all material information and that, to the best of the K92's knowledge and understanding, such information is complete, accurate and true.

Additional relevant material was acquired independently by Nolidan from a variety of sources. This material was used to expand on the information provided by K92 and, where appropriate, confirm or provide alternative assumptions to those made by K92.

With respect to Items 6, and 9 through 13 of this report, the author has relied in part on historical information including exploration reports, technical papers, sample descriptions, assay results, computer data, maps and drill logs generated by previous operators and associated third party consultants. Historical documents and data sources used during the preparation of this report are cited in Item 27.

Throughout this Report, measurements are in metric units and currency is in US Dollars unless otherwise stated. Appendix 1 lists key technical terms and abbreviations used throughout this Report.

Two weeks were spent on data collection and analysis and preparation of this report.

Investors should note that the statements and diagrams in this report are based on the best information available at the time, but may not necessarily be absolutely correct. Such statements and diagrams are subject to change or refinement as new exploration makes new data available, or new research alters prevailing geological concepts. Appraisal of all the information mentioned above forms the basis for this report. The views and conclusions expressed are solely those of Nolidan.

2.4 SITE VISIT BY QUALIFIED PERSONS

Mr Anthony Woodward of Nolidan has twice visited the Kainantu Gold Mine. From 12th November to 13th November 2014 and from 22nd November to 25th November 2016.

The two day visit in November 2014 when the project was on care and maintenance included a review of drill core and exploration data from the Kainantu project

The three day site visit in November 2016 included a visit to the rehabilitated underground workings, current underground diamond drilling sites at 1247mRL and 950mRL, inspection of the treatment plant, and discussions with company site management. Underground development activities were occurring on 1205, 1220 and 1235 Levels of the mine.

3 RELIANCE ON OTHER EXPERTS

During the preparation of this document, Nolidan has relied on the opinions and documentation prepared by other experts in both external (consultant) and internal (company) capacity only in respect of legal political, plant refurbishment and environmental matters relevant to the technical report. These include O'Briens Lawyers (mineral title, surface rights, and legal agreement information), the Fraser Institute (political risk), AMC Consultants ("AMC") and Australian Mine Design and Development ("AMDAD") (mine refurbishment and mine planning) and Mincore Pty Ltd ("Mincore") (plant refurbishment).

O'Briens Lawyers are based in Port Moresby and have extensive experience advising participants in the mineral industry. A number of operating mining companies and exploration companies are clients of the firm. The Fraser Institute is a research and educational organization based in Canada that publishes peer-reviewed research into international economic and public policy issues.

4 PROPERTY DESCRIPTION AND LOCATION

The Kainantu property covers a total area of 405 sq.km and is located in the Eastern Highlands Province of Papua New Guinea, approximately 180 km west-northwest of Lae (Figure 1). The project is located at the approximate centre of the Project, at 6°06'25" S Latitude and 145°53'27" E Longitude.

The property comprises four exploration licences, EL470, EL693, EL1277 and EL1341, one mining licence, ML150, two mining easements, ME80 and ME81, and one licence for mining purposes, LMP78. Tenements are owned 100% by K92 Mining Limited ("K92ML") but there is an understanding in-place for a 5% share to be divested to the local landowners. Further information on this understanding is detailed in Section 4.3.1. Memorandum of Understanding (MOU). To the extent known by Nolidan, there are no option agreements or joint venture terms in place for the property. A tenement map is shown in Figure 1 and tenement details are summarised in Table 1.

The Project as described herein is 100% owned by K92 Mining Limited (“K92ML”); a company incorporated in Papua New Guinea, which is 100% owned by K92 Holdings (PNG) Limited (“K92PNG”), a 100% owned subsidiary of K92 Holdings International Limited (“K92 Holdings”).

On August 21, 2014, Otterburn, K92 Holdings and the K92 Holdings shareholders entered into a Share Exchange Agreement, pursuant to which Otterburn agreed to acquire all of the issued and outstanding shares of K92 Holdings, from K92 Holdings shareholders, in consideration for issuing shares in the capital of Otterburn. However, after further consideration by the parties, it was determined that effecting a tri-party merger under BVI law was more appropriate in order to effect Otterburn’s acquisition of K92 Holdings. Accordingly, Otterburn entered into an agreement with K92 Holdings, pursuant to which K92 Holdings will merge with a newly created British Virgin Islands subsidiary of Otterburn, and whereby the Otterburn will acquire all of the outstanding shares of K92 Holdings, in exchange for shares of Otterburn.

K92 (formerly Otterburn) is a company incorporated under the laws of British Columbia, Canada; the common shares of which are publicly listed on the TSX Venture Exchange.

Nolidan has not undertaken any title search or due diligence on the tenement titles or tenement conditions and the tenement’s status has not been independently verified by Nolidan.

K92ML is the registered holder of the following tenements in PNG (MRA, 2016), as issued by the applicable government authorities in accordance with the PNG Mining Act 1992 (the "Mining Act"):

1. Mining Lease 150 ("ML150"), effective until June 14, 2024;
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The renewal of ML150, ME80, ME81, and LMP78 occurred immediately prior to the acquisition of K92ML by K92PNG.

K92PNG acquired K92ML from Barrick (Niugini) Limited (“Barrick”) pursuant to an agreement dated June 11, 2014 (the “K92ML Purchase Agreement”) (which closed March 6, 2015), for the sum of US$2,000,000. Under the terms of that agreement K92PNG is obligated to make additional payments of up to US$60,000,000 as follows:

(i) US$20,000,000 upon K92PNG determining 1,000,000 ounces of gold equivalent (based on in-situ and mined product classified as measured mineral resource, indicated mineral resource, probable ore reserve or proven ore reserve); and

(ii) US$5,000,000 upon upon K92PNG determining each additional 250,000 ounces of gold equivalent (on the same bases as stated above) up to an aggregate of 3,000,000 ounces.

The obligation to pay additional payments will cease on March 6, 2025.

The PNG National Government has expressed its desire to recommence mining on ML150 as soon as possible to deliver benefits to the local community, Provincial Government and Nation (Barrick 2014).

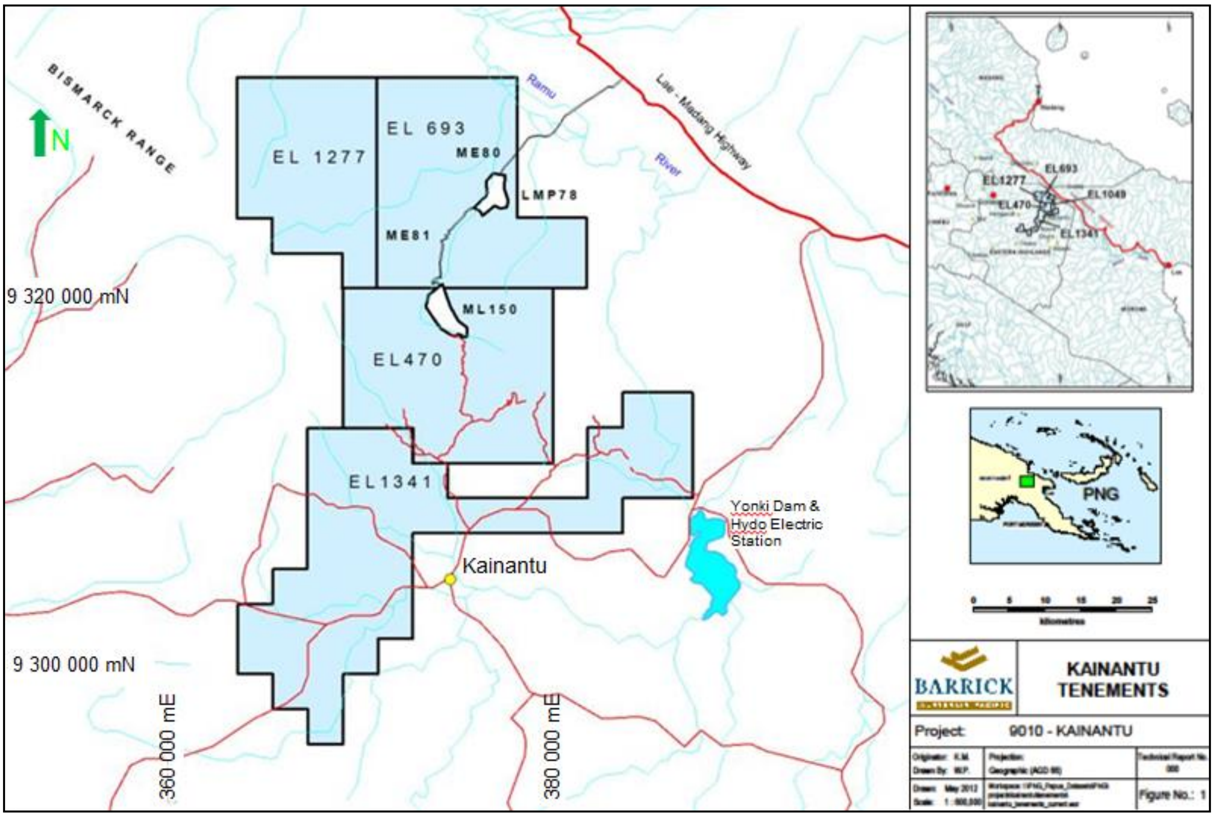


Figure 1. Kainantu Project Location and Tenements.

Source: Barrick 2014

Table 1. Project Tenure Details.

Tenement No.	Grant Date	Expiry Date	Renewal or Appln. Date	Area (km²)	Rent (2016) Kina	Owners#
EL470	5/2/1982	4/2/2017	Current	95.0	13,160	K92ML
EL693	5/2/1986	4/2/2017	Current	95.0	13,160	K92ML
EL1277	30/5/2001	29/5/2009*	TBA*	68.3	9,400	K92ML
EL1341	21/6/2004	20/6/2018	Current	146.8	20,210	K92ML
ML150	4/6/2002	14/6/2024	Current	2.9	3,456	K92ML– 95% Landowners – 5%**
ME80***	14/6/2002	14/6/2024	Current	0.29	N/A	K92ML
ME81***	14/6/2002	14/6/2024	Current	0.35	N/A	K92ML
LMP78***	14/6/2002	14/6/2024	Current	2.1	2,512	K92ML

* Last approved renewal was to 29/05/2009. Application for renewal of tenure to 29/05/2011 was rejected by the Minister for Mining on 05/11/2011. K92ML undertook legal action to compel the Minister to overturn the decision and renew the lease. This was not successful and K92ML continues to negotiate settlement terms and the date for renewal.

** Ownership of ML150 currently 100% K92ML. 5% pledged under commercial terms to Landowners in the 2003 Memorandum of Understanding, and ratified by the 2014 K92ML Purchase Agreement.

*** ME80, ME81 and LMP78 are linked to the current ML150.

4.1 TENURE

4.1.1 Exploration Licence

An exploration licence may be granted for a term not exceeding two years, which may be extended under Section 28 of the Mining Act 1992 and Regulation. An exploration licence includes all land in the State, within the bounds of the exploration licence, including all water lying over that land.

An exploration licence authorizes the holder, in accordance with any conditions to which it may be subject, to:

a) Enter and occupy the land which comprises the exploration licence for the purpose of carrying out exploration for minerals on that land; and
b) Subject to Section 162, extract, remove and dispose of such quantity of rock and earth, soil or minerals as may be permitted by the approved programme; and
c) Take and divert water situated on or flowing through such land and use it for any purpose necessary for his exploration activities subject to and in accordance with the provisions of the Water Resources Act (Chapter 205); and
d) Do all other things necessary or expedient for the undertaking of exploration on the land.

The holder of an exploration licence is entitled to the exclusive occupancy for exploration purposes of the land in respect of which the exploration licence was granted.

Subject to Subsection (2), the Minister shall, on the application under Section 24 of the holder of an exploration licence, extend the term of the exploration licence for periods each of up to two years, where the Board advises the Minister that the holder has:

a) Complied with the conditions of the exploration licence during the previous term of the exploration licence; and
b) Paid compensation as required by this Act; and
c) Submitted a programme for the proposed extended term which the Board recommends for approval under Section 26.

Where he considers that it is in the best interests of the State to do so, the Minister may refuse to extend the term of an exploration licence.

Where the Board is unable to give the advice required under Subsection (1) to the Minister, the Minister may, after receiving a recommendation from the Board, extend the term of the exploration licence for such period or periods of up to two years as he may determine, and include such further conditions of the exploration licence as he may consider necessary.

In considering whether the holder of an exploration licence has paid compensation as required by this Act, the Board shall rely on the advice of the Chief Warden

4.1.2 Mining Lease

A mining lease (ML) may be granted for a term not exceeding 20 years, which may be extended under Section 46 of the Mining Act 1992 and Regulation. A mining lease must be not more than 60 km^2 in area, and be in a rectangular or polygonal shape.

A mining lease authorizes the holder, in accordance with the Mining (Safety) Act (Chapter 195A) and any conditions to which the mining lease is subject, to; -

a) enter and occupy the land over which the mining lease was granted for the purpose of mining the minerals on that land and carry on such operations and undertake such works as may be necessary or expedient for that purpose; and
b) construct a treatment plant on that land and treat any mineral derived from mining operations, whether on that land or elsewhere, and construct any other facilities required for treatment including waste dumps and tailings dams; and
c) take and remove rock, earth, soil and minerals from the land, with or without treatment; and

d) take and divert water situated on or flowing through such land and use it for any purpose necessary for his mining or treatment operations subject to and in accordance with the Water Resources Act (Chapter 205); and

e) do all other things necessary or expedient for the undertaking of mining or treatment operations on that land.

Subject to the Act, the holder of a mining lease -

a) is entitled to the exclusive occupancy for mining and mining purposes of the land in respect of which the mining lease was granted; and

b) owns all minerals lawfully mined from that land.

4.1.3 Mining Lease No 150 Renewal Conditions

Mining Lease No. 150 was renewed on 23 January 2015 for a period of 10 years to 13 June 2024. Conditions of the lease renewal are summarised below:

1. The lessee must comply with the Kainantu Mine Project Proposals for Development Tenure Extension Application 2014 dated 10 June 2014.
2. The mine must comply with the Mining Safety Act.
3. The Lessee must comply with all relevant legislation.
4. The change in control of K92ML must occur within 3 months of ML renewal.
5. The mine and mill must be completely refurbished by 31 December 2016 (this variation to the original condition 5 of the lease renewal was approved by the Mining Minister on December 07, 2015).
6. Operations and production from the Kora deposit must commence on or before 30 June 2018.
7. Develop a detailed rehabilitation and Mine Closure Plan at least 5 years prior to the planned closure of the mine or the expiration of the Mine lease or any extended Mining Lease, whichever occurs first.
8. Any public statement in relation to the Mining Lease and Kainantu Gold Project must also disclose any relevant conditions that form part of the extension of the Mining Lease.

4.1.4 Expenditure Commitments

The tenement package has current annual rents of PGK 85,868 and annual minimum expenditure commitments of PGK 1,435,000 under approved work programs for the granted tenements.

4.1.5 Reporting Requirements

Pursuant to the Mining Act (1992), license holders are required to provide reports to the Mineral Resources Authority (“MRA”) as follows:

Mining Licenses

- Monthly Mineral Return – Submitted every calendar month from date of grant of lease, detailing production of minerals (if any), including quantity and value of ore mined/treated and the quantity and value of minerals recovered.
- Monthly Royalty Return - Submitted every calendar month from date of grant of lease, detailing minerals won that are shipped/exported, prices and exchange rates at time of sale, expenditure, and net revenue from which royalty is calculated and paid to landowner groups.
- Annual report – as for Exploration License.

Exploration Licenses

- Bi-annual prospecting report – submitted every 6 months from date of expiry, on cancellation and on surrendering EL. Summarises all works undertaken on or in connection with EL since the previous report.
- Bi-annual expenditure report - submitted every 6 months from date of expiry, on cancellation and on surrendering EL. Summarises all expenditure connected with acquisition and interpretation of exploration data on the lease.
- Annual report – submitted every 12 months from date of grant of lease. Provides detailed information on all work on, or in connection with the license. Includes aims of works, procedures applied and conclusions reached. All relevant data must be included.

4.2 ROYALTIES

The Mining Act 1992 (Act) provides that all minerals at or below the surface of any land (i.e. gold, silver, copper and other minerals) are the property of the State. K92ML, pursuant to the Mining Lease from the State, owns what is mined from the orebody.

The tenements are subject to royalties and interests in favour of the Government of Papua New Guinea in accordance with the Mining Act 1992 (Act). The holder of a mining lease or a special mining lease under the Act is required to pay a royalty to the State equal to 2% of either:

- the Free on Board (FOB) value of the minerals, if they are exported without smelting or refining in Papua New Guinea; or
- the Net Smelter Return from the minerals, if they are smelted or refined in Papua New Guinea.

No other royalty agreements exist over the tenement package.

While not strictly a royalty cost, the PNG government imposes a second cost on mining projects, that of the MRA Levy. This levy is 0.25% of mine revenue (there are no deductions allowed for concentrate transport, smelting and refining).

4.2.1 States Right to Acquire 30% Interest In Mining Projects

Under the laws and upon grant of a mining licence (ML) or a special mining licence (SML) the State may elect at its discretion to take, at sunk cost, up to a 30% participating interest in any major mineral development in PNG. Upon exercise of that option, the State will fund its share of capital and ongoing costs and the mine developer will be repaid its share of sunk costs.

In respect of ML150, the State waived its right to acquire a 30% interest in the existing mining licence when they were first granted and has no similar rights under the ML renewal process. However, the State retains the option in respect of the Exploration Licences should any be converted into a Mining Licence or Special Mining Licence.

4.3 MEMORANDUM OF AGREEMENT (MOA)

The original tenement holder, Highlands Pacific Limited (“HPL”) signed a Memorandum of Agreement (MOA) with the State, the Eastern Highlands Province (“EHP”) Government, the Kainantu LLG, the Billimoian Landowners Association (“BLA”), and Associated Landowners on 11th November 2003. This MOA provides for the allocation and use of the royalties derived from the project for the benefit of all stakeholders.

The agreement was to be reviewed five years after consummation, i.e. in 2008, and bi-annually thereafter. There have been no reviews of the MOA due initially to delays in completion of an investigation into Landholding at the Project by the Land Titles Commission (“LTC”), and subsequently due to further delays from appeals to the determination by the LTC in 2009.

The MOA would normally have expired with ML150 on 13th June 2014. However, in line with the continuance of the mining lease under Section 112 of the Mining Act 1992, the MOA will continue in force unless the Minister for Mining decides not to extend the term of the mining lease.

K92ML has discussed and agreed with the MRA that the review of the MOA and Compensation Agreement (see Section 4.4 below) will be delayed until the LTC has finalised review of all appellants to the 2009 LTC determination, and the primary Landholders for the Project have been declared. In the interim, K92ML will comply with the tenets of the MOA and will resurrect aspects of the MOA which have been closed while the project has been in care and maintenance.

4.3.1 Memorandum of Understanding (MOU)

HPL signed a Memorandum of Understanding (MOU) on 21st August 2003 with the Billimoian Landowners Association (BLA). The MOU was presented to the MRA as an attachment to the MOA. The document provides the framework and understanding for the Landowners to receive a 5% interest in the Project.

The agreement to provide to the Landowners a 5% carried equity in the Project was established by the Chief Warden Mr Timothy Kota through mediation after a breakdown in negotiations between the parties over the draft Compensation Agreement.

The MOU provides for Landowners to be issued a 5% carried equity in the Project through the issuing of shares in Highlands Kainantu Limited ("HKL"). The 5% interest was not issued due to uncertainty in relation to the parties who constitute Landowners which is being determined through the Land Title Commission ("LTC") Appeals Review. The obligation in relation to the MOU now resides with K92 Holdings to issue a 5% carried equity interest in K92ML once the LTC has issued its determination.

The MOU also provides that 65% of the dividends from the 5% equity will be used to repay capital costs to the parent company and 35% will be paid to the Landholders until the capital has been fully repaid.

This MOU has no legal or binding effect, however K92PNG agreed with Barrick Niugini under the K92ML Purchase Agreement to pursue in good faith negotiations to implement the terms of the MOU and convey a 5% equity interest in K92ML to the BLA.

4.3.2 Local Business Development Policy (LBDP)

This document, dated August 2003, was prepared as Annexure A to the MOA. The policy sets out the principles by which direct assistance will be given to the Landowners and local Community. K92ML will continue to operate under the tenets of this Policy.

4.3.3 Community Sustainable Development Plan (CSDP)

This document, dated August 2003, was presented to the MRA as Annexure B to the MOA.

The Plan provides for coordinated management of the benefit streams arising from the mining operation, to ensure that community development was delivered in a sustainable manner.

Key obligations to the Developer under the Plan are:

- Royalties. Distribution of royalties to be to the Public Infrastructure Trust Fund for management under the CSDP.
- Community Facilities Grant (CFG). K600,000 allocated by HPL for high priority community development projects.
- Structural Support Grant (SSG). A grant provided between the commencement of commercial production and commencement of payment of company tax.
- Tax Credit Scheme (TCS). The TCS of applicable tax credits to fund local infrastructure projects.

4.4 COMPENSATION AGREEMENT

HPL signed a Lands and Environment Compensation Agreement with identified impact communities in June 2003. The agreement was to be reviewed three years from commencing commercial production, and every three years thereafter. There have been no reviews of the agreement due initially to delays in completion of an investigation into Landholding at the Project by the Land Titles Commission (LTC), and subsequently due to further delays from appeals to the determination by the LTC in 2009.

K92ML has discussed and agreed with the MRA that the review of the MOA and Compensation Agreement will be delayed until the LTC has finalised review of all appellants to the 2009 LTC determination, and the primary Landholders for the Project have been declared.

Upon re-commencement of the Project, K92ML will convene a forum for discussion to determine and ratify a method for implementation of the Compensation Agreement in an operational phase now that the LTC has made its 2009 determination. These forums will involve the signatories to the Compensation Agreement (which includes all beneficiaries of the 2009 LTC determination), the LTC, the Provincial Administration, and the Development Coordination Division arm of the MRA.

4.5 CARE AND MAINTENANCE

In January 2008, Barrick sought to place the mine into care and maintenance. The basis of the care and maintenance application was that the mining operation was not economic at the market conditions existing at that time. Barrick submitted that it would undertake significant exploration on ML150 and surrounding tenements to prove up sufficient resources to enable mining operations to resume.

Barrick received approval to have the mine in care and maintenance via the Variation to the Approved Purposes for Mining Lease No. 150 dated 13 February 2009.

Barrick received an extension to its care and maintenance until February 2013, when the Mining Advisory Council determined that extension of care and maintenance was appropriate provided a Mine Closure Plan was submitted.

Mining Lease No. 150 was renewed on 23 January 2015 for a period of 10 years to 13 June 2024.

Conditions of the lease renewal are discussed in section 4.1.3

Since 01 May 2015 various consultants have been engaged by K92ML to review aspects of the mine and mill refurbishment. Rehabilitation by K92ML of the Irumafimpa mine, process plant and associated infrastructure commenced in late March 2016. Remedial work on the 800 Portal and Incline, the main mine access for the Irumafimpa mine, was completed in June 2016 with the upper working levels of the mine accessible and ventilation re-established. Refurbishment of the Kainantu Processing Plant was completed in September 2016 and the first batch of underground ore from Irumafimpa treated in October 2016.

4.6 ENVIRONMENTAL LIABILITIES AND MINE CLOSURE

To the extent known by Nolidan, there are no known environmental liabilities on the property which were not fully disclosed in the Mine Closure Plan by Barrick dated November 2010, a summary of which is given below:

The estimated closure costs are reported in two ways, namely as the Asset Retirement Obligation (ARO) and Life-of-Mine (LOM) costs. The ARO reflects expected costs as of the end of a calendar year (the ARO Year) as defined by the Financial Standards Board (FASB) Statement 143. Both the ARO and LOM costs calculated are undiscounted and based on third party cost rates.

The mine closure costs have been calculated in accordance with the Barrick Mine Closure Planning and Cost Estimation Guideline which outlines the approach to estimating costs associated with mine site reclamation, closure and decommissioning. The Barrick Reclamation Cost Estimator (BRCE) model has been used to determine the 2010 costs.

The un-discounted ARO closure cost as at 31 December 2009 was determined as $5.94m. This estimate has been reviewed based on operational changes and closure review. The un-discounted ARO closure cost estimate for 31 December 2010 is $ 6.86m.

The un-discounted LOM closure cost as at 31 December 2009 was determined as $5.97m.This estimate has been reviewed based on operational changes and the closure review. The LOM closure cost estimate for 31 December 2010 is $6.89m.

It should be noted that in 2010 the 'Direct Total' cost includes a 16% contractor profit and administration fee within the labour rate, whereas in previous years a 20% P&G fees was applied to the overall total cost.

Table 2 Mine Closure Costs - Barrick 2010

KAINANTU	Description	2009 ARO (from BRCE)	2010 ARO (from BRCE)
Waste rock Dumps	Waste Rock Dumps	$32,186	$37,179
Tailings impoundments	Tailings Impoundments	$236,238	$263,413
Pits	Pits	$0	$0
Roads	Roads	$2,494	$0
Processing areas	Heap Leach Facilities	$0	$2,885
	Landfills	$3,645	$4,107
	Buildings	$194,330	$306,034
	Other Demo & Equip Removal	$680,000	$708,800
	Yards	$29,436	$33,577
	Process Ponds	$6,089	$6,285
Backfilling, Adits, Shafts	General rock Hauling/backfilling	$0	$0
	Adits & Declines	$38,651	$41,166
	Shafts	$878	$1,015
Drainage and Sediment Control	Drainage & Sediment Control	$8,075	$12,097
Wells and Bores	Wells & Bores	$3,816	$4,537
Exploration rehabilitation	Exploration Holes	$0	$0
	Exploration Roads & Pads	$0	$0
	Trenches	$0	$0
Waste, Decontamination and Effluent Disposal	Waste Disposal	$48,309	$50,643
	Solution/water pumping	$0	$0
	Solution/water Evaporation	$0	$0
	Solution/water Management	$0	$0
	Decontamination	$0	$0
Other Costs including Closure Management, Admin etc	Other user costs	$1,891,640	$2,081,982
	Miscellaneous costs	$849,534	$942,814
	Closure Plan Management	$20,000	$120,750
	Construction Management	$256,656	$300,558
	Monitoring & Maintenance	$220,993	$458,207
	General & Administration	$0	$1,060,000
	Human Resources	$430,000	$424,000
	Direct Totals	$4,952,970	$6,860,049
	Contractor P&G (incuding profit)	$990,594	$0
	Total	**$5,943,563**	**$6,860,049**

4.7 TAILINGS STORAGE FACILITY

A tailing storage facility (TSF) is located downstream of the process plant adjacent to the Kumian Creek, which flows into the Baupa River. Tailings are reject from the flotation circuit.

The tailings storage facility is classified as a high hazard dam and contains tailings material. Runoff from within the dam is captured in catchment ponds behind the dam wall and is intermittently decanted into the tailings treatment ponds prior to discharge to Kumian Creek. Water quality of the discharge from the ponds indicates that the water quality does not pose a risk to the receiving environment.

4.7.1 Tailings Disposal

It is reported that nominally 285,000 tonnes of tailings were produced by the plant during the years of production. The waste stream generated from the processing of ore comprises of sand tailings from the flotation circuit. The flotation tailings were relatively inert, composed primarily of quartz and waste rock sand and only very minor sulphur bearing minerals. A water cover is maintained over the material within the TSF which has prevented oxidation. No detailed studies have been completed on tails characterisation.

The only water discharge from the plant was contained in the flotation tailings, and pumped to the tailings dam. Any over-accumulation of decant water in the TSF was discharged to the overflow wetland system. Overflow and decant from the TSF flows through a wetland system prior to discharge to Kumian Creek.

4.7.2 Future Tailings Capacity

It is reported that approximately 307,000t of ore was fed to the plant over the life of the mine, with 93% reporting to the tailings for 285,000t.

Assuming a total capacity of 600,000m^3 and utilisation of 285,000t to date, the remaining capacity of the TSF would be around 170,000m^3 or 238,000t dry. In 2013 Golders estimated nominally 280,000m^3 capacity remaining based on the observation of 2m remaining freeboard on the TSF wall.

A detailed survey reconciliation will be completed during the process of refurbishment of the Plant.

4.8 REQUIRED PERMITS

The following permits are required for mining operations:

- License to keep, store or possess explosives;
  - Application will be made by the Registered Mine Manager prior to recommencement of underground refurbishment operations.
- Permit for Persons using Explosives;
  - Competent Persons will be employed for using explosives, and K92ML will ensure those Competent Persons have this appropriate permitting.
- Conveyance of Explosives & Dangerous Goods;
  - Application for this permit will be made by the Registered Mine Manager prior to commencement of shipping of explosives or dangerous goods to the site.
- License to keep, or Register premises to store inflammable liquids;
  - This license will be checked and if it is not current then the license will be renewed immediately after Completion of the sale agreement.
- Approval to recruit non-citizens;
  - License is currently held by previous operators. Approval will be sought by K92ML immediately after completion of the sale agreement.
- Gold Export License;
  - K92ML will apply for this license prior to recommencement of production operations.
- Export Consignment Form;
  - K92ML will pursue this form with the MRA upon receipt of the Gold Export License.
- Exchange Control for Establishing Foreign Bank Accounts;
  - Approved, but will be amended by K92ML upon completion of the sale arrangements.
- Tax Clearance Certificates for Transfer of Funds out of PNG;
  - K92ML will apply for this clearance from the Commissioner of Taxation after Completion of the sale arrangements.
- Liquor License;
  - This application will be made upon Completion of the sale arrangements.
- Certificate to Conduct Business as a Foreign Enterprise;
  - Not required as K92ML will be operating through a PNG company.
- Registration of an Overseas Company under the Companies Act;
  - Not required as K92ML will be operating through a PNG company.
- Date Transmission VSAT;
  - Not required at this time.
- Radio Licenses;
  - Granted to previous operator.

4.9 ENVIRONMENTAL PERMITS

Environmental Permits for the Property are for Water Extraction and Waste Discharge. Environmental permits for the site are current until 31st December 2053. The various iterations of the Permits are described here:

- 14/06/2002; Grant of permits - Water Extraction WE-L3(9), Waste Discharge WD-L3(32)
- 30/08/2004; Amendment for Water Extraction WE-L3(13), Waste Discharge WD-L3(34).
- 12/09/2005; Amendment for Water Extraction WE-L3(13), Waste Discharge WD-L3(34).
- 11/12/2007; Transfer for Water Extraction WE-L3(13), Waste Discharge WD-L3(34). Transferred from Highlands Kainantu Ltd to Barrick Kainantu Ltd.

4.10 OTHER SIGNIFICANT FACTORS AND RISKS

Barrick conducted an extensive investigation into the matter of the all outstanding sales royalties and compensations payable by K92ML since the commencement of the project. Some of these monies remain outstanding due to internal disputes over land ownership, the resolution of which is beyond K92ML's control. Barrick, in conjunction with the K92ML Purchase Agreement, set up bank accounts under K92ML to hold these monies in trust. Considerable effort was expended to ensure that Barrick had determined the entire value of the amounts outstanding. Where there are discrepancies, Barrick has erred on the side of caution with respect to determining amounts payable. However, any discrepancies discovered after closing of the K92ML Purchase Agreement are the responsibility of the new management. Barrick considers that once the bank accounts are in place and the populated with the relevant monies, they have concluded their obligation to fully investigate and hand over the outstanding monies for the new administration's future management and dispersal.

Access to areas with existing surface miners is challenging, although well under control at the present time. K92ML maintains a security presence at the main artisanal mining areas (Kora and Irumafimpa). The Security teams are supervised by K92ML personnel, but are comprised of local Billimoian security contractors who source their personnel from the nearby Billimoian villages. There have been no significant artisanal mining issues since this approach was employed (Barrick, 2014).

Land Ownership and access issues result from inter-clan fighting. This results in delays in assessment and advancement of exploration properties. The risk to property is minimal and is mitigated by ongoing and proactive Community Relations ("CR") engagement.

Strong community relations are imperative to exploring in PNG with community agreement required before any exploration activities can take place. The Kainantu area has been beset with CR issues since modern exploration commenced, resulting in many prospective areas not being explored and very limited drilling. The K92ML CR team have worked to gain the trust of the local landowners and this has resulted in access being granted in many areas which have not previously undergone detailed exploration.

As part of Barrick's commitment to deal equitably with local communities, Community Engagement Agreements between Barrick and local landowners were put in place prior to any exploration activities commencing. These set out what the community could expect from Barrick, including incentive payments, rental payments and dispute resolution procedures. The Exploration CR team includes up to four community relations officers and six village liaison officers supported by a community relations coordinator and Community Relations Manager.

Community relations personnel deal with all access negotiations prior to any exploration activities being undertaken, calculate, resolve and payout compensation payments and attend all Warden's Hearings. (Barrick 2014)

K92ML has undertaken to continue this pro-active CR engagement with affected landowners.

As to political risk, Nolidan notes that on the Fraser Institute's Investment Attractiveness Index for 2014 Papua New Guinea ranks higher than Indonesia and the Philippines but below Australia and New Zealand (Jackson, T., and K.P.Green, 2015). Its score was 48.5 compared with 56.2 in 2013.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 PHYSIOGRAPHY

The Property lies within an area of mostly rugged topography, with transecting rivers forming lower lying areas. Elevations range from 400m to 1600m above sea level. Vegetation is mostly primary rainforest with areas of shifting agriculture in valley floors.

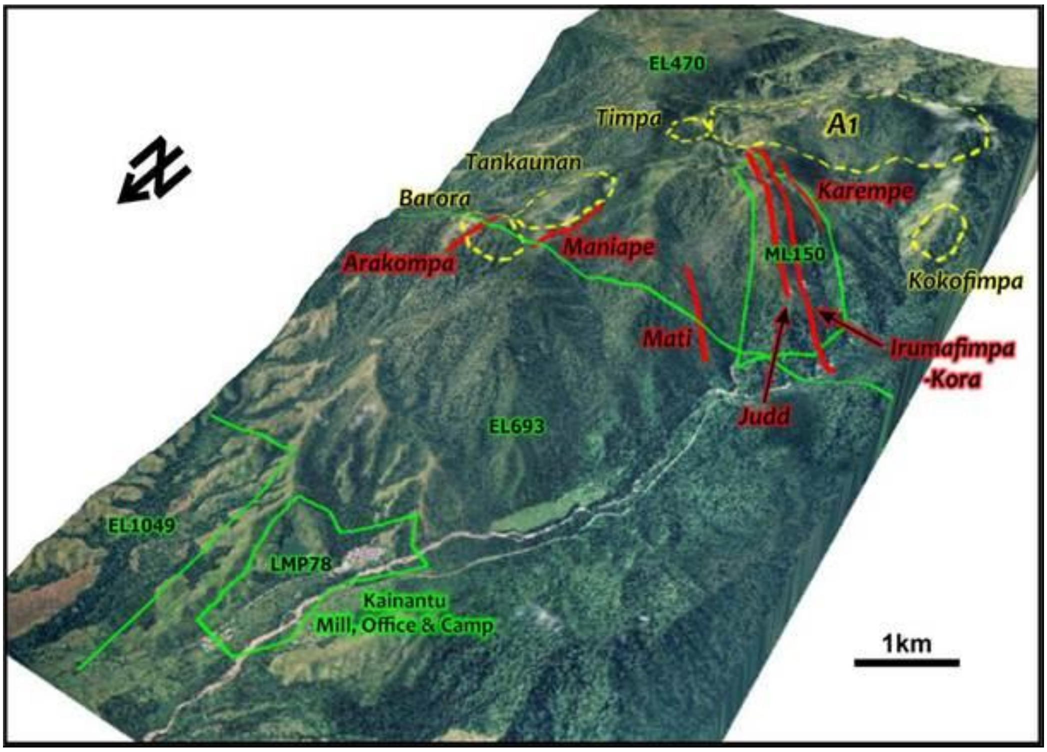


Figure 2. Oblique View of Northern Part of Property, Showing Relief and Location of Main Infrastructure.
Source: Barrick 2012

5.2 ACCESS

The property area is accessed by a two hour drive along the sealed Lae-Madang Highway from Lae. Lae is the capital city of the Morobe Province and second largest city in PNG. It is serviced by daily flights from Port Moresby and other PNG centres and also hosts the largest cargo port in PNG.

The property is serviced by a 10 km long formed access road from the Lae-Madang Highway, commencing at Gusap Airstrip to the Kumian Process Plant and Office facility. The access road crosses one single lane bridge at the Ramu River. From the process plant site, a formed haul road travels 6.5 km to the 800 Lower Portal of the mine. The haul road crosses three major single lane bridges.

Access and haul roads span 6m width and are constructed within two Mining Easements (ME's 80 and 81) commencing at the Ramu Bridge. The haul road rises 391m in elevation over its total length. These roads are graded and reformed generally twice a year in low traffic conditions, and have not deteriorated significantly in high rainfall seasons.

5.3 CLIMATE

The climate across the Property is variable due to topography. Hot temperatures and wet conditions characterize the climate at Kainantu. Daytime temperatures reach 30°C dropping to night time lows of 20°C. A pronounced wet season occurs between November and April, although rainfall is common throughout the year. Rainfall averages 235 mm/month during the November to April wet season, and 137 mm/month during the dry season. Annual rainfall averages approximately 2000 mm. Project operation/exploration is subject to the weather; reduced visibility when cloudy prevents operation of helicopters and heavy rainfall or earthquakes can trigger landslides.

5.4 LOCAL RESOURCES

The Property site offices are located 140 km from Lae, 21 km from Kainantu township and 56 km from Goroka (Table 3). Goroka is the Capital of Eastern Highlands Province and contains Local and Provincial Level Government Offices.

Table 3. Local Resources to Property

Local Resources	Lae (Morobe Province)	Goroka	Kainantu
Population:	~100,700	~18,500	~6,700
Elevation:	10m	1600m	1570m
Distance from Lae:	-	285km	170km
Distance to Property Site Offices	140	56	21
Airport:	Runway Length 2440m. 1 Runway;	Runway max 1646m. 2 x runways.	In use
Commercial air travel:	+ 11 flights daily	3 flights daily. 1 hr flight from Port Moresby.	No
Facilities:	Many	Schools, hospital, police station, district and provincial court, tertiary education, fuel stations, banks	School, hospital, police station, district court, fuel stations, banks. Local Level Government Offices.

5.4.1 Yonki Dam and Ramu Hydro Electric Power Station

Yonki Dam provides water for the Ramu Hydro Power Station and the Yonki Toe of Dam Power Station operated by PNG Power Ltd. The Dam commissioned in 1991 on the upper Ramu River, has a 335M m^3 capacity, a 60m high earth fill dam wall with 680m long crest.

Mining Projects including Hidden Valley created a need for additional power output. The Yonki Toe of Dam Project was commissioned in 2013 to help meet that requirement.

Currently the Ramu 1 Hydro Power station is supplying 54 MW from three generators on to the Ramu Grid while the Yonki Toe of Dam supplies 14MW. They are supplemented by 4MW from the Pauanda Hydro Power station, 10MW from the Baiune Hydro Power station at Bulolo in Morobe Province and a combined thermal generation capacity of 20MW from the diesel power stations in Lae, Madang and the Highlands centres, giving a total generation capacity of 102MW into the Ramu Grid (PNG Power website, 2014).

The grid serves Lae, Madang & Gusap in the Mamose Region, and Wabag, Mendi, Mt Hagen, Kundiawa, Goroka, Kainantu & Yonki in the Highlands.

5.4.2 Gusap Airstrip

The Gusap Airstrip is a fully licenced, international grass strip located in the Ramu Valley and maintained jointly by the project and Ramu Agricultural Industries mainly for use in emergencies and for charter flights.

5.5 INFRASTRUCTURE

The Kainantu mine is located within ML150 and the main Kainantu exploration camp and processing plant are located within LMP78 which is located within EL693. The Property includes all mine infrastructure, exploration camps, exploration data and diamond drill core.

The property is well supported by regional infrastructure, and contains all the necessary site infrastructure for mining operations

Underground mining at Kainantu operated from 2004 to 2008 and was based on mining of the Irumafimpa gold deposit. The majority of the mining infrastructure from that period remains in place.

The Kainantu processing plant (**Error! Reference source not found.**) is located approximately 7 km from the opening of the 800 portal which accesses the Irumafimpa Mine. The plant was on care and maintenance between December 2008 and September 2016. Simple processing technology was used and following crushing, screening and grinding, sulphide bearing material was separated from non-mineralized host rock by flotation and a gold-rich flotation concentrate sold. Further details of site infrastructure can be found in Section 13 Mineral Processing and Metallurgical Testing and Section 18 Project Infrastructure of this report.

6 HISTORY

The history of the Kainantu project including previous ownership, historical exploration, historical production and historical mine performance is described in detail in Section 6 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

Local people started mining zones of the Irumafimpa zone in 1992 after the discovery of the outcrop by Highlands Gold. Surface mining at all of the three mineralized structures continues today, and provides a major source of income for the local people.

Irumafimpa-Kora is an advanced property and current Resources are described in Section 14 of this report. Figure 10**Error! Reference source not found.** shows the location of the prospects described below in relation to property boundaries.

6.1 ML150 (IRUMAFIMPA, KORA, JUDD AND KAREMPE)

6.1.1 Kora and Irumafipa

A representative long section is shown in Figure 3. A total of 24 diamond holes were drilled by Barrick at Kora , including a single hole at the nearby Karempe vein system (Figure 4). Drilling confirmed the continuity of the Kora Lode and confirmed that the overall system has a vertical extent to >800m. Significant intercepts are summarised in Table 4 and Figure 5 shows the consistency of grade intersected at Kora.

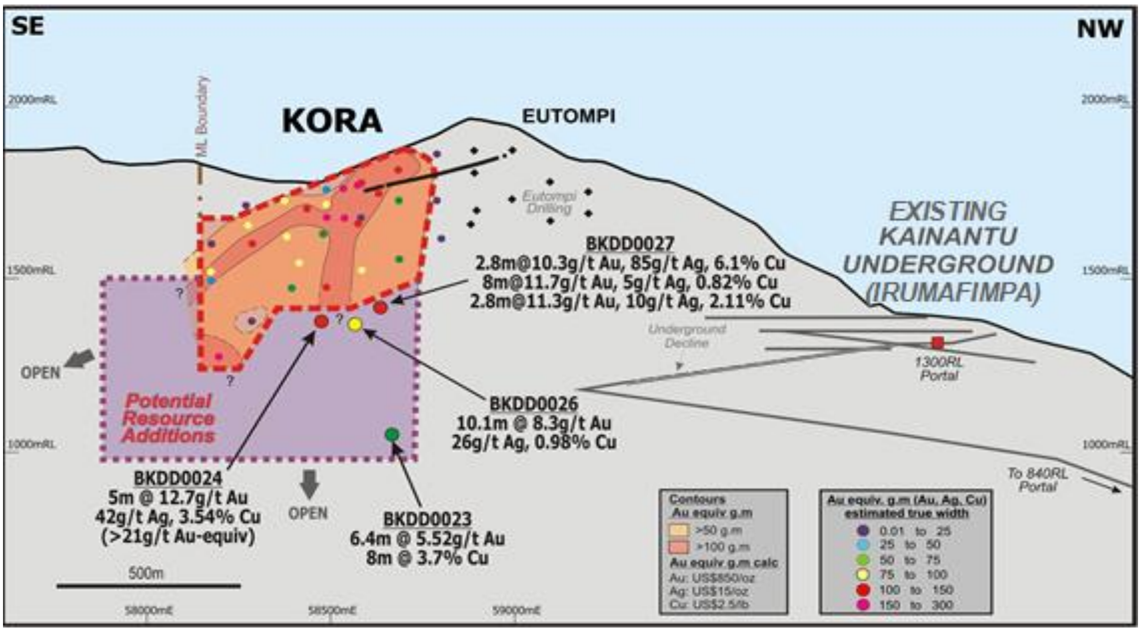


Figure 3. Kora long section showing potential depth extents of mineralization.

(Source Barrick 2014)

Prospect location in relation to property boundaries is shown in Figure 10

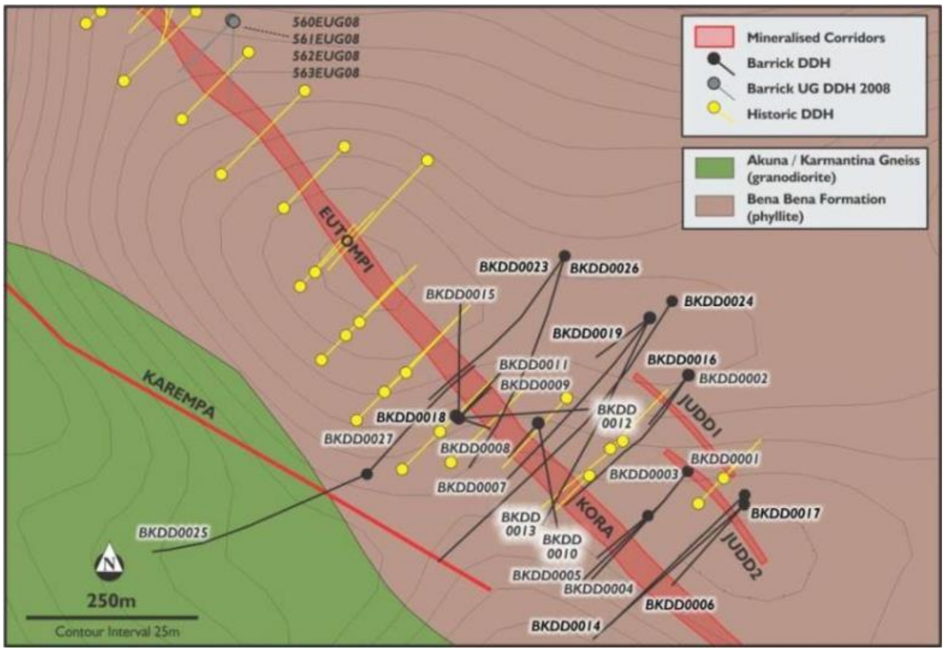


Figure 4. Local geology and Barrick drillholes location plan at Kora and Karempe.

(Source Barrick 2014)

Prospect location in relation to property boundaries is shown in Figure 10

Table 4. Significant intercepts, Barrick drilling (> 1 g/t Au) at Kora.

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Cu (%)	Metal Accumulation. Factor (gm)
BKDD0001	279	282	3	5.16	8.37	15.48
BKDD0001	299	303	4	6.3	8.04	25.20
BKDD0002	113.3	116.3	3	347.73	0.21	1043.19
BKDD0005	138.1	146	7.9	20.14	6.74	159.11
BKDD0005	156	159	3	8.33	7.96	24.99
BKDD0005	173	182.7	9.7	4.64	0.53	45.01
BKDD0006	575.2	581	5.8	6.76	7.94	39.21
BKDD0007	515.15	522.51	7.36	22.78	2.22	167.66

BKDD0008	87.5	89.5	2	53.36	4.8	106.72
BKDD0008	123.38	130	6.62	9.57	0.44	63.35
BKDD0009	218.87	221.36	2.49	207.09	3.04	515.65
BKDD0009	225.6	231.4	5.8	25.05	2.25	145.29
BKDD0010	104.8	107	2.2	101.7	15.07	223.74
BKDD0011	38	47	9	19.17	1.08	172.53
BKDD0013	488	492	4	228.91	0.45	915.64
BKDD0015	62.4	73	10.6	184.78	1.85	1958.67
BKDD0023	945	951.4	6.4	5.55	0.46	35.52
BKDD0024	619	624	5	12.94	3.54	64.70
BKDD0026	582.9	593	10.1	8.21	0.97	82.92
BKDD0027	472	480	8	11.97	0.82	95.76

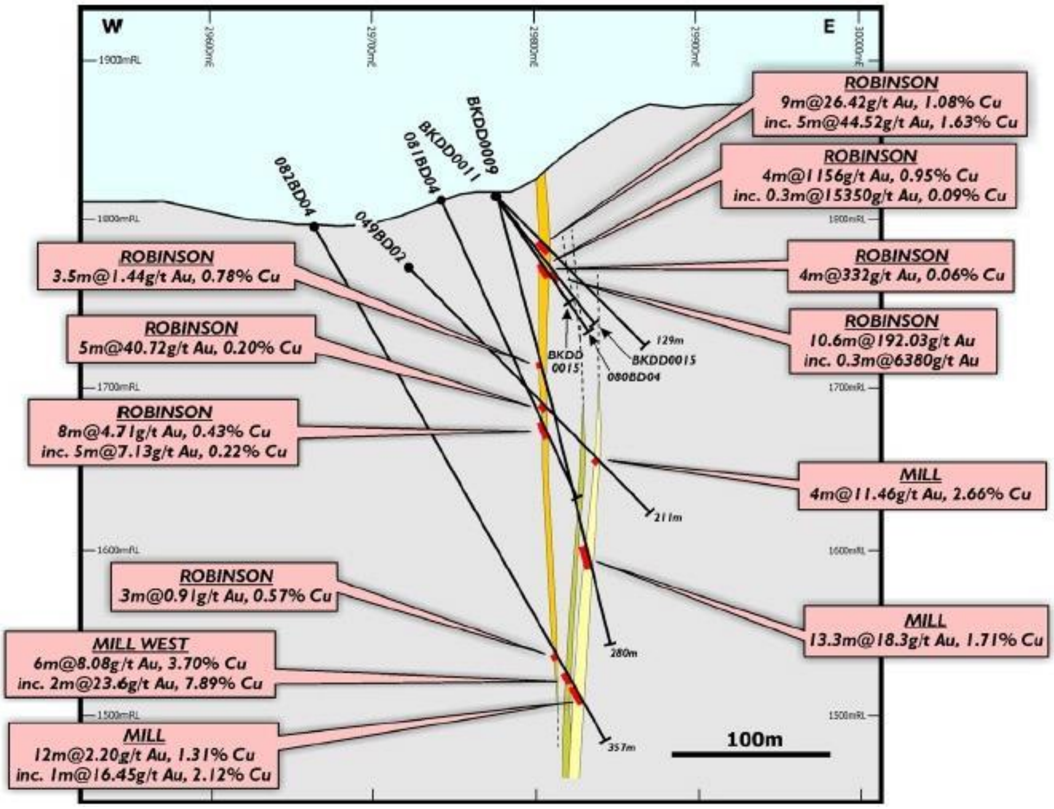


Figure 5. Cross section 58600mN at Irumafimpa showing consistency of high grade, particularly within the Robinson lode.

Yellow colouring indicates the Mill lode and orange colouring the Robinson lode Prospect location in relation to property boundaries is shown in Figure 10

(Source Barrick 2014)

A review of >100g/t Au and >10% Cu intersections showed greater continuity of high grade at Kora when compared to Irumafimpa (Figure 6; Figure 7).

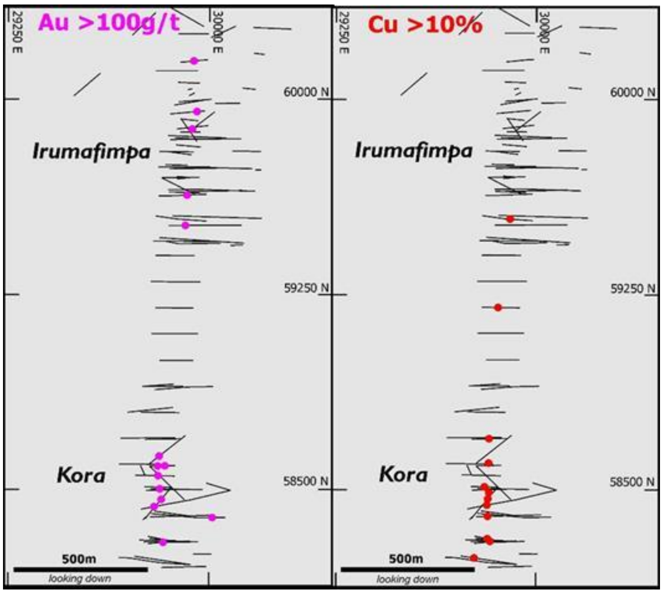


Figure 6. Surface drilling traces showing surface projections of >100g/t Au and >10% Cu.

(Source Barrick 2014)

Prospect location in relation to property boundaries is shown in Figure 10

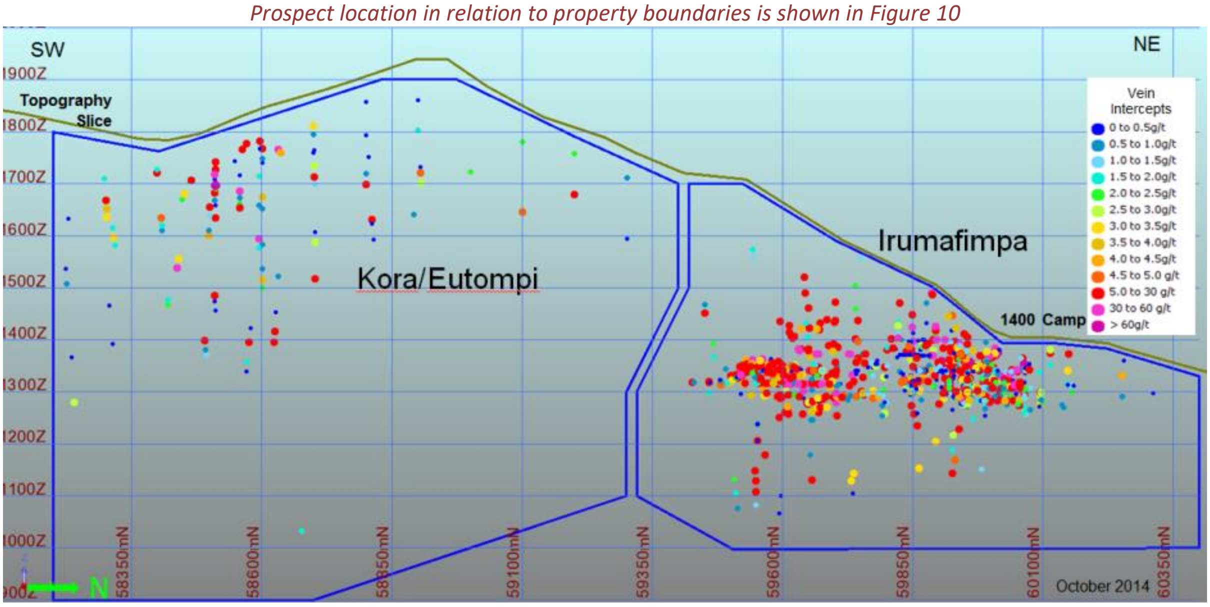


Figure 7: Long section view of Kainantu Resource Areas with Vein Composites colour coded for Au Eq

In addition, veins are wider and likely more continuous than those at Irumafimpa. Mineralization is open in all directions. There is also strong potential below the Eutompi area and high grade mineralization to the southeast where structures hosting Kora lodes were identified by Barrick mapping 800m beyond the ML boundary.

Potential also exists to define additional vein hosted resources within the ML at Judd and Karempe.

6.1.2 Judd

Judd, a narrow intermediate vein system located 200m east of and parallel to Kora was partially tested by Barrick holes designed to test the Kora lode at depth. This drilling on the Judd lode returned several highly encouraging intersections of the Judd lode including 1m @ 4.1 g/t Au, 9m @ 8.8 g/t Au and 1.1% Cu and 3m @ 278 g/t Au (Figure 8). Barrick considered that holes designed to specifically target the Judd lode would have the potential to yield high grade resources within close proximity to the immediate mine environment.

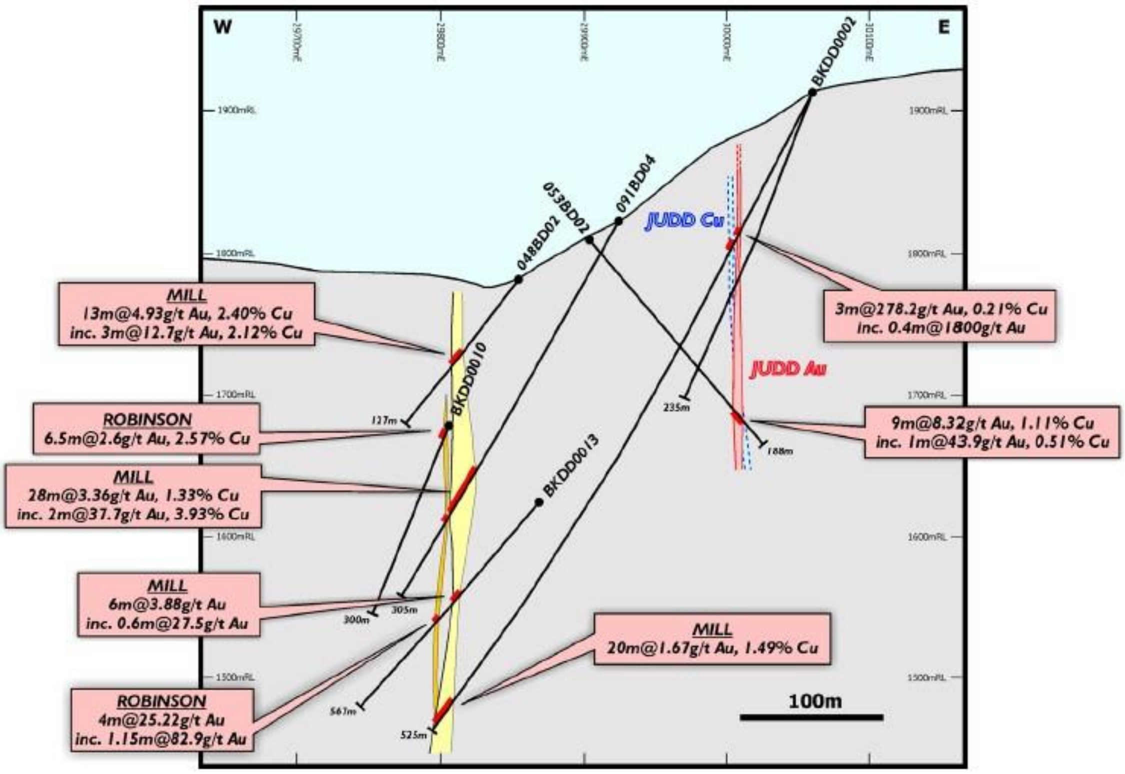


Figure 8. Cross section showing narrow mineralization intersected at Judd lode.

Pink colouring shows the Judd lode, yellow colouring the Mill lode and orange colouring the Robinson lode.

(Source Barrick 2014)

Prospect location in relation to property boundaries is shown in Figure 10

6.2 HISTORICAL EXPLORATION REVIEWS

Historical exploration reviews were described in detail in Section 6.2 of the “Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea” by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

6.3 HISTORICAL ESTIMATES

Historical resource estimates were described in Section 6.3 of the “Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea” by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

6.4 HISTORIC PRODUCTION

Historic production is not an indication of future production and is reported in Section 6.4 of the “Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea” by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

Nolidan noted in its report that the Kainantu operations experienced significant problems with reconciling resource estimates of the Irumafimpa lodes with head grades. Mine geologists found it difficult to identify continuous mineralized structures and consequently stope development between levels was frequently on splays off the main veins resulting in mining of waste when the vein splays died out. Irumafimpa stope mapping and sampling plans show significant grade variability along strike in the shrink stopes and skilled geological support will need to be maintained.

Selection of treatment plant feed from development headings will require more assay control and less reliance on visual assessment as it appears that development did not always mine to the limits of the mineralized structures.

A thorough understanding of the controls on gold mineralization and the gold distribution within the mineralized structures will help control mine dilution. Attention to detail in grade control sampling will be a necessity.

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 REGIONAL GEOLOGY

The Kainantu property is located within the New Guinea Thrust Belt, close to its northern contact with the Finisterre Terrane (Figure 9). The contact is marked by the northwest trending Ramu-Markham Fault, a major suture zone that marks the northern margin of the Australian Craton. The New Guinea Thrust Belt records an early Miocene or older ductile, tight folding event that was followed by middle Miocene intrusions. Late Miocene regional scale low-angle thrust faulting followed, associated with the collision of the Finisterre Terrane. The belt is characterised by a number of north-northeast trending fault zones that commonly host major ore deposits.

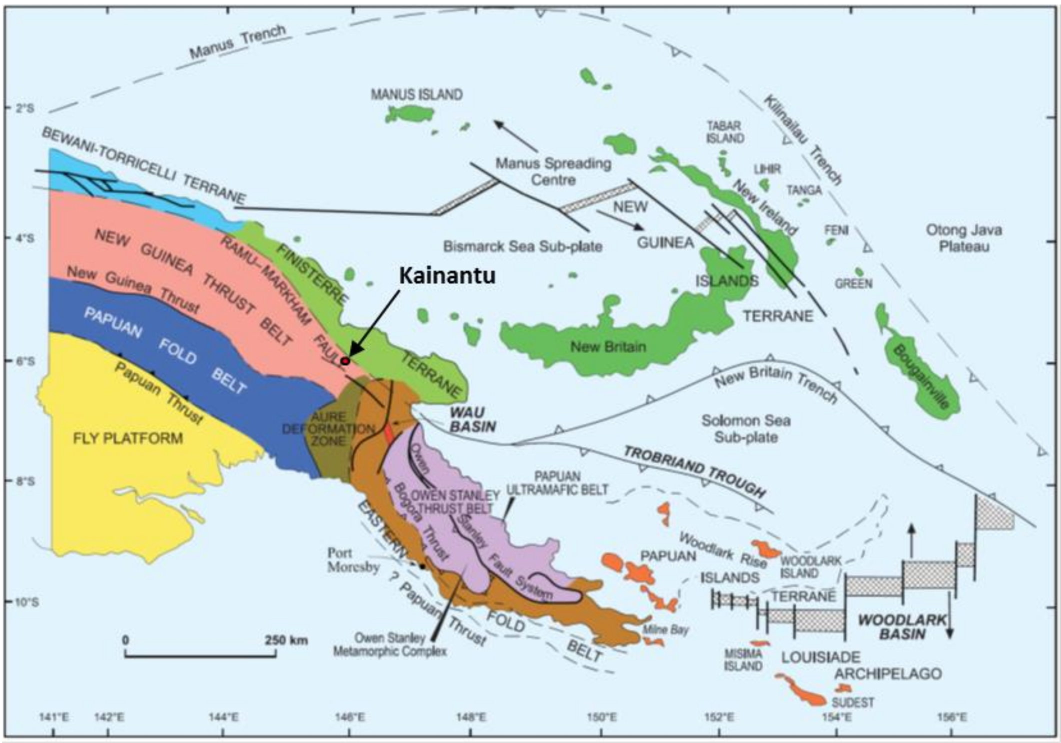


Figure 9. Tectonic Framework of Papua New Guinea, Showing Location of Kainantu Property.
Source: Williamson & Hancock (2005).

7.2 PROPERTY GEOLOGY

The Kainantu area is underlain by rocks of the Early Miocene Bena Bena Formation, comprising pelite, psammite, conglomerate and marl beds metamorphosed to greenschist to amphibolite grade. These are unconformably overlain by Miocene age Omaura Formation consisting of volcano-lithic sandstones and siltstones and numerous fossiliferous limestone lenses. The overlying Yaveufa Formation consists of basaltic and andesitic flows, agglomerates, volcanoclastic sandstone and limestone (Tingey and Grainger, 1976). The mid-Miocene Akuna Intrusive Complex consists of multiple phases ranging from olivine gabbros, dolerites, hornblende gabbros and biotite diorites to granodiorites. Late Miocene age Elandora Porphyry dykes form small high level crowded feldspar porphyry dykes and diatreme breccias associated with mineralization (Table 5). A north-northeast trending transfer structure transects the area, with associated mineralization, alteration and porphyry complexes aligned along it. Local deformation history as documented in the Irumafimpa-Kora mine area is shown in Table 6.

Table 5. Summary of main regional rock units identified within Kainantu area.

Age	Rock Units
Recent Quaternary	Kainantu Formation – basal fluvial conglomerate, sandstone and mudstone overlain by well bedded tephra.
~~Unconformity~~~	
Late Miocene	Elandora Porphyry – intermediate dykes sills and stocks.
Early Miocene	Akuna Intrusive Complex – range in composition from olivine gabbros through to granodiorites.
Early Miocene – Mid Miocene	Yaveufa Formation - basaltic and andesitic agglomerates, lithic tuffs, volcanoclastic sandstone and limestone.
Late Oligocene – Late Miocene	Omaura Formation – thin bedded to laminated calcareous siltstone and mudstone.
~~Unconformity~~~	
Early Mesozoic	Bena Bena Formation - pelite, psammite, conglomerate and marl metamorphosed to schist and phyllite.

Table 6. Local deformation history for the Kainantu area.

Source (Blenkinsop, 2005)

Deformation history

Event	Structures	Interpretations
D4	Chinook	Joint: open due to in situ stress orientation
D3	Faults with gouge	N-S shortening: faults along S1
	Mill lode style mineralization	Extension on Mill Lode: Reactivation of S1
D2	Crenulations: L_1^2 lineation, S2	NNE shortening
D1b	Shear zone network	Localisation into zones of intense deformation
D1aq	Main cleavage - S1 L1 lineation = L^1_0	N-NE shortening

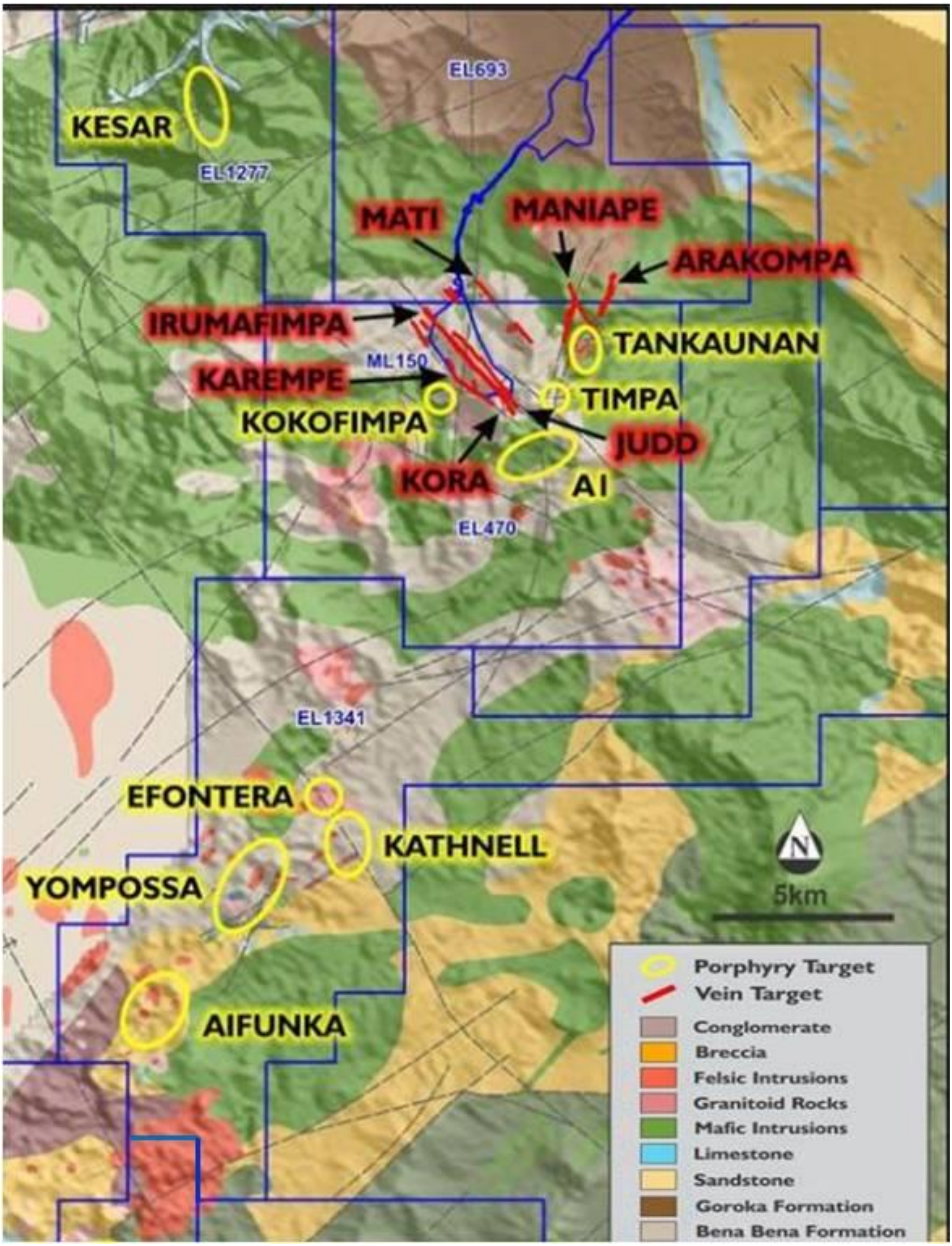


Figure 10. Kainantu property geology and known vein and porphyry deposits and prospects.
The prospects are summarised in Table 7.(Source: Barrick, 2014)

7.3 MINERALIZATION OVERVIEW

The descriptions in this section have been sourced from the summary provided in Barrick (2014).

Mineralization on the property includes gold, silver and copper occurring in epithermal Au telluride veins and Au Cu Ag sulphide veins of Intrusion Related Gold Copper ("IRGC") affinity and also less explored porphyry Cu Au systems; and alluvial gold.

The Irumafimpa-Kora vein deposit is the most advanced project at Kainantu with current defined resources and past modern mining activity in the Irumafimpa area. The deposit occurs in the centre of a large mineralized system approximately 5km x 5km in area that has been partly delineated by drilling and comprises several individual zones of IRGC and porphyry style mineralization. Peripherally exploration activities have identified further areas of vein and porphyry-style mineralization (Figure 10**Error! Reference source not found.**).

Other less advanced prospects on the property include epithermal Au veins similar to Irumafimpa, IRGC veins similar to Kora, porphyry Cu Au systems, skarn Cu, Pb and Zn mineralization and alluvial gold. A summary of the mineralization style, host rocks and dimensions and continuity for the Irumafimpa-Kora vein deposit and the other vein and porphyry prospects in the Kainantu Project is shown in Table 7 and described further below.

The location of the deposits and prospects in relation to the property boundaries is shown in Figure 10.

Table 7. Summary of mineralization, host rocks, dimensions and continuity for main Kainantu deposits and prospects

Deposit / Prospect	Mineralization	Host Rocks	Dimensions	Continuity
Irumafimpa-Kora (including Eutompi)	Vein Low sulphidation Au-Cu (described in Section 7.4) (Resources reported in Section 14)	Quartz veins in chlorite-sericite schist.	>2.5 km strike x 60 m wide System is open along strike and at depth	Drilling shows strike and depth continuity at a gross scale. Gold mineralization is discontinuous.
Judd	Vein Low sulphidation Au-Cu (Barrick drilling returned 3m @ 278g/t Au)	Quartz veins in chlorite-sericite schist.	2.5km strike x 1-4m wide Vein system as defined by surface mapping and sampling and sporadic drilling. Mineralization open along strike and to depth	Surface continuity along strike unknown due to poor outcrop exposure
Karempe	Vein Epithermal Au (rock chip average grades of 6.7 g/t Au, 16.8 g/t Au, 45.2 g/t Au and 50.8 g/t Au;)	Quartz veins in granodiorite and chlorite-sericite schist.	3km strike and 1-2m wide vein as defined by surface mapping and sampling. Mineralization open along strike and to depth	Discontinuous vein outcrops and no drilling
Arakompa	Vein Epithermal Au	Quartz veins in Akuna Diorite	3km strike and 1-2m wide vein system NNE trending No deep drilling.	Surface continuity along strike unknown due to poor outcrop exposure
Maniape	Vein Epithermal Au	Bena Bena Metamorphics, Akuna Diorite,	Strike length 1km Near surface zone of mineralization of 700m strike x 34m wide x 125m depth defined by surface sampling and diamond drilling	Continuity of near surface mineralization confirmed by drilling
Mati / Mesoan	Vein Epithermal Au (Rock chips average of 28g/t Au and a maximum of 131g/t Au)	Bena Bena Metamorphics, Akuna Diorite,	1 km strike mineralized zone defined No drilling	Surface continuity along strike unknown due to poor outcrop exposure No drilling

Deposit / Prospect	Mineralization	Host Rocks	Dimensions	Continuity
Kesar (reconnaissance stage)	Vein and Porphyry Au and Cu Vein rock chip grades up to 30g/t Au. Porphyry copper grades up to 0.5% Cu. Quartz-sulphide veins with pyrite ± chalcopyrite ± galena ± sphalerite ± molybdenite ± covellite also identified	Quartz veins. Dacitic porphyry dykes with potassic alteration contain Cu mineralization.	Undefined	Undefined
A1 (reconnaissance stage)	High-sulphidation and porphyry Cu-Au Brecciated vuggy silica-pyrite-enargite mineralization and anomalous molybdenum in soils Historic float sample of massive enargite-pyrite returned 16.6% Cu and 12g/t Au.	Bena Bena Metamorphics, Akuna Diorite, Feldspar porphyry and breccias	Undefined	Undefined
Kokofimpa	Porphyry Cu-Au	Akuna Intrusive Complex and Elandora porphyry intrusions within the Bena Bena Metamorphics	3 km x 3 km Defined porphyry system with multiple magmatic phases with minimal drilling in center of prospect.	Undefined
Tankaunan	Porphyry Cu-Au	Akuna Intrusive Complex and mid-late Miocene Elandora Porphyry intrusions within Bena Bena Metamorphics	Extent of systems needs to be defined by first pass 400x400m drilling.	Undefined
Timpa	Porphyry potential postulated Cu-Au-As in Soils Advanced argillic alteration Quartz Breccia (monomict, quartz cemented, with shallow quartz infill textures; soil sampling shows the breccia is anomalous in Au, As, Bi, Sb, W)	Bena Bena Metamorphics and breccia	Quartz breccia is 500 m by 100 m. Other mineralization Undefined	Undefined
Aifunka	Skarn (Porphyry-related) Cu and Au Au (Barda reefs)	Mineralization is hosted in calc-silicate bands spatially associated with the brecciated porphyry dyke contacts. Underlain by the Omaura Sediments and Akuna Intrusive Complex with Elandora Porphyry.	Undefined	Undefined
Yompossa	Porphyry Cu-Au (60m @ 0.3% Cu and 0.1g/t Au from 105m in BHP01)	Underlain by Bena Bena Formation and Omaura Formation. Contains feldspar porphyry intrusions interpreted to be associated with Elandora Porphyry	Anomaly is 500m x 600m and is open to the NE. Potential for mineralization below historic drilling.	Undefined
Kathnel	Base metal epithermal veins (Pb-Zn-Cu-Au)	-	Undefined	Undefined
Efontera	Porphyry Cu-Au	-	Undefined	Undefined

7.4 IRUMAFIMPA-KORA VEIN SYSTEM

The Irumafimpa-Kora vein system (comprising the Kora, Eutompi and Irumafimpa prospects) is interpreted to contain two stages of mineralization (Corbett, 2009). The earliest is a sulphide-rich Cu-dominant stage. This is overprinted by a quartz-rich Au-dominant crustiform quartz vein to breccia system with high grade gold associated with tellurides (e.g. Calaverite AuTe). The alteration and mineralization paragenesis recognised in the Irumafimpa-Kora vein system is summarised below in Table 8.

Table 8. Mineralization and alteration paragenesis in the Irumafimpa-Kora vein system.

Stage	Name	Description
Stage 1.	Silicification and fuchsite alteration	silica, fuchsite
Stage 2.	Sulphide-rich Cu-dominant	quartz, pyrite, chalcopyrite, bornite
Stage 3.	Quartz-rich Au-dominant	quartz, gold tellurides (calaverite and kostivite), native gold
Stage 4.	Quartz Cu	quartz, pyrite, chalcopyrite, bornite

Stage 1 is the earliest period of alteration and is characterised by silicification and fuchsite alteration of phyllitic wall rock.

Stage 2 mineralization comprises coarse-grained idiomorphic quartz and pyrite (typically euhedral) veins with base metals. Volumetrically this early mineralization appears to be the most abundant mineralization. At Kora the mineralization comprises massive pyrite veins to pyritic breccias, grading to pyrite-chalcopyrite-bornite veins characterised by elevated Zn, Pb, Sn, W, Bi, and Sb. High copper grades (average 2.2 % Cu) occur at Kora. There appears to be a lateral zonation northward to lower copper grades at Irumafimpa.

Stage 3 mineralization is the dominant gold-bearing stage and is characterised by crustiform, vughy and colloform quartz veins, quartz breccias, and xenomorphic pyrite. Most of the gold occurs as the gold tellurides calaverite and kostivite, which are concentrated at vein margins. Significant native gold has been locally observed and is probably a result of oxidation of tellurides at Irumafimpa, and as primary native gold at Kora.

Stage 4 is manifested as local brecciation and deposition of low temperature quartz along with minor copper mineralization.

At Irumafimpa, the abundant essentially barren mineralization (quartz and sulphide) is highly visible and voluminous whereas gold mineralization is more cryptic and occupies a minor volume within the earlier mineralization stages (Figure 11).

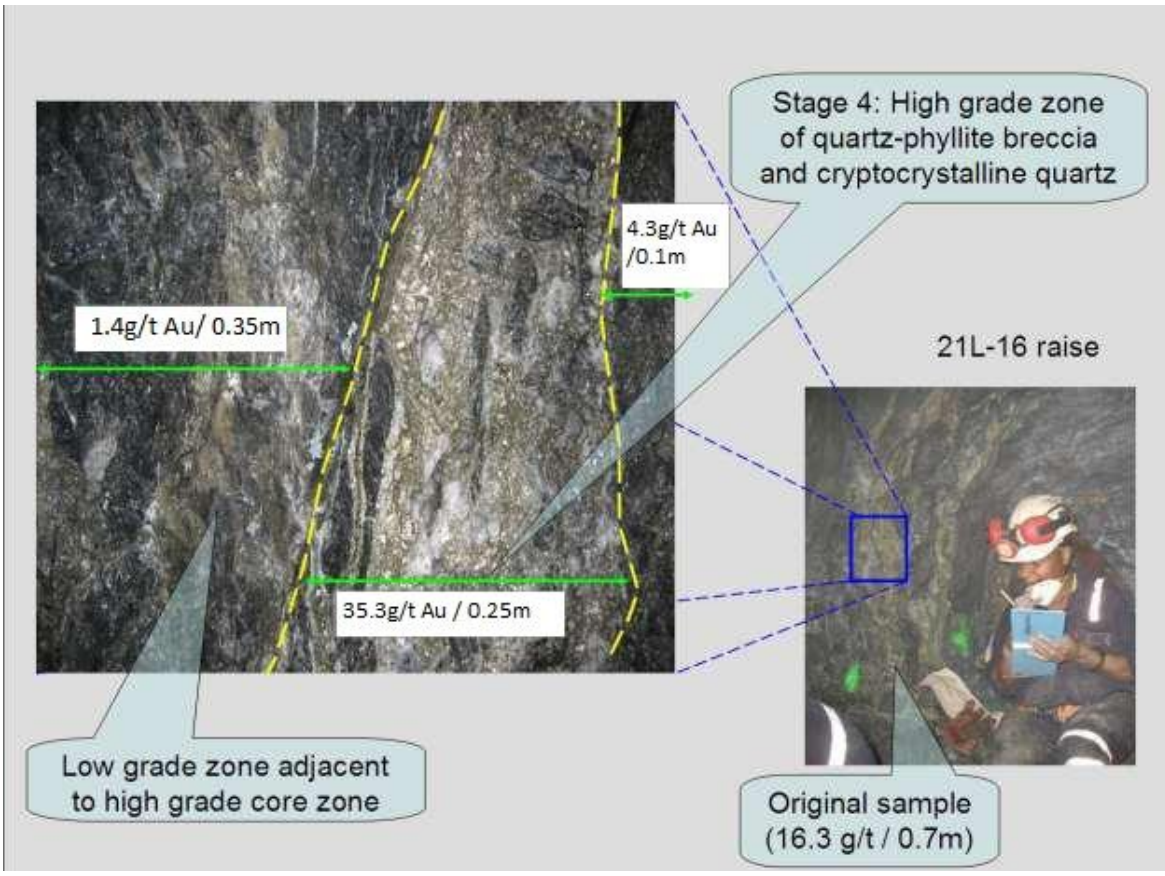


Figure 11. Diagram illustrating grade distribution within an original 0.7m sample.

(Source: Smith and Thomas, 2008)

7.4.1 Host rocks

Dominant host rock is highly sheared and deformed Bena Bena Formation low grade metamorphics intruded by Elandora porphyry at the Northern end of the Vein system.

7.4.2 Controls

The structural history of the Irumafimpa-Kora area has been documented by Blenkinsop (2005). The Irumafimpa-Kora vein system follows the main NW shear zones of the contiguous Irumafimpa and Kora structures. Veins are breccia veins with abundant clasts of both altered wall rock and earlier stages of vein mineralization. Vein formation was multistage, with at least four identifiable episodes of alteration and mineralization (Table 8).

At Kora both the sulphide-rich Cu-dominant and quartz-rich Au-dominant mineralization occur along the same NW trending sub-vertical structure. This is likely a long lived structure, which was reactivated at several different stages. The quartz-rich Au-dominant mineralization shows variations in dip (from sub-vertical to locally -60° dip) and strike, which define larger high grade shoots.

Late stage faults with gouge postdate the mineralization (Table 6). These usually occur on the vein margins but can cause local disruption of the veins.

7.4.3 Dimensions and Continuity

The current resources occupy a broad northwest trending mineralized zone more than 2.5 km long and up to 60m wide in which individual veins vary from less than one metre wide that pinch and swell over short distances (Au telluride lodes) to more continuous veins up to several metres wide (Au Cu Ag sulphide lodes).

Historical exploration has identified and subdivided several shoots within the lodes, defining the Kora, Eutompi and Irumafimpa Prospects. The vertical extent in outcrop is also significant, with Kora identified for at least 200m vertical extent (1750-1950m RL) and Irumafimpa outcropping at 1300m RL.

At Kora, drilling has confirmed that the overall system has a vertical extent greater than 800m. Mineralization is open in all directions. Wider mineralized zones (up to 6m) contain multiple high grade veins which may be splays. The Kora veins average 3.1m true width; which is the entire extent of the known veins before cut-off grades are applied. The Kora veins range from 1.6m (Kora No. 3 vein) up to 4.2m true width (Kora No. 1 vein). The Mill veins at Irumafimpa average 1.2m true width, which is the minimum width used during resource estimation.

Eutompi is the area of mineralized lode between Kora and Irumafimpa, extending from around 58,900mN to 59,400mN. Limited drilling has been conducted in this region and only at high levels. Drill density is insufficient to generate a constrained resource. The drilling indicates this area may be more structurally complex than at other locations, but has confirmed that the intermediate and low sulphidation styles of mineralization continue throughout. Results include 25m @ 2.0 g/t Au, 4.2% Cu, 88 g/t Ag (including 1m @ 22.6 g/t Au, 17% Cu, 1000 g/t Ag) in hole 107BD06 and 2.3m @ 13.39 g/t Au (108BD06).

7.5 OTHER VEIN SYSTEMS

7.5.1 Judd

A narrow intermediate and low sulphidation vein system located 200m east of and parallel to Kora which was partially tested by Barrick holes drilled to test the Kora lode at depth. This sporadic drill testing on the Judd lode returned a maximum intersection of 3m @ 278g/t Au. Surface mapping and sampling has indicated a mineralized strike length of over 2.5 km. Judd is located 200m east of Kora on ML150. Holes designed to specifically target the Judd lode have the potential to yield resources within close proximity to the immediate mine environment and have been allocated a high priority by K92ML.

7.5.2 Karempe

Karempe is a high grade vein system of over 3km strike extent (Figure 12, Figure 13) immediately west of Irumafimpa-Kora with only one drillhole testing the system to date. Epithermal boiling textures, strike continuity, an associated VTEM anomaly and high grade surface results (e.g. 156g/t returned from colloform banded epithermal quartz veins) define this target. Rock chip characterization sampling at four locations along the length of the vein system indicate a 1m to 2m width, and returned average grades of 6.7 g/t Au, 16.8 g/t Au, 45.2 g/t Au and 50.8 g/t Au.

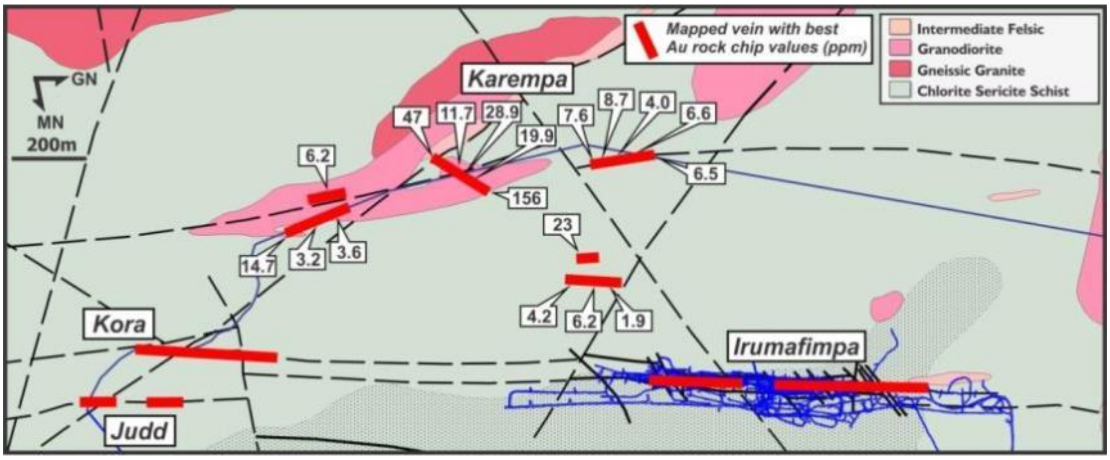


Figure 12. Karempe location plan showing mapped veins and rock chip results.

(Source Barrick 2014)

Prospect location in relation to property boundaries is shown in Figure 10

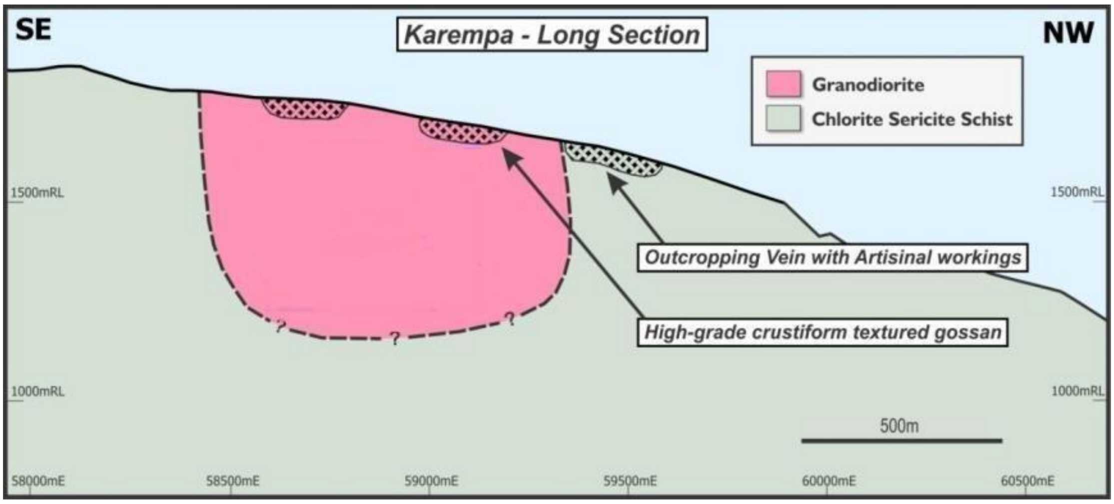


Figure 13. Karempe long section showing strike extent of known surface footprint.

(Source Barrick 2014)

Prospect location in relation to property boundaries is shown in Figure 10

Vein systems other than the Judd and Karempe veins are described in more detail in Section 7.5 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

7.6 PORPHYRY SYSTEMS

Prospects containing porphyry mineralization and high-sulphidation mineralization at Kainantu occur within an eight kilometre zone surrounding the Irumafimpa-Kora vein system and stretching to the east, south and west of the veins (Figure 10). Many of the porphyry targets that have been delineated in the Kainantu project area are early stage (reconnaissance) and have not been drill tested.

These prospects have not shown economic mineralization to-date and are not considered high priority targets as the current focus of exploration will remain on vein mineralization. They are summarised in Table 7 and described further in Section 7.6 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

8 DEPOSIT TYPES

Deposit types within the South-West Pacific Magmatic Arcs are described in detail in Section 8 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

9 EXPLORATION

K92ML has recently commenced underground exploration at the Irumafimpa gold mine.

Historic exploration is reported in Section 6 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

10 DRILLING

In September 2016 two diamond drill rigs commenced work underground at the Irumafimpa gold mine. One rig was focused on drilling out the Irumafimpa deposit for grade control and mine planning purposes on a 15m by 15m pattern from 1235mRL and 1247mRL and another drill rig was targeting the Judd vein system from 950mRL.

Historic drilling data is reported in Section 6 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

Procedures for historical sampling, sample analysis, Quality Assurance and Quality control (QA/QC) and QC programs on drill core and mine grade control samples by HPL and drillcore samples by Barrick are described in Section 11 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

Procedures for K92ML drillcore sampling have been sighted by Nolidan and are similar to those used previously by HPL and Barrick.

12 DATA VERIFICATION

Details of the verification of the drill hole database and face sample database carried out by Nolidan were described in Section 12 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

Based on the data verification performed, it is Nolidan's opinion that the data available and reviewed is adequate for the purposes used in this technical report.

12.1 SITE VISITS

Mr Anthony Woodward visited Kainantu Gold Mine from 12th November to 13th November 2014. The project was on care and maintenance. In the course of the site visit, Mr Woodward examined the drill core processing and storage facilities. Discussions were held with Barrick's Exploration Manager and Mine Manager while on site.

Mr. Woodward again visited the Kainantu site from 22nd November to 25th November, 2016. The three day site visit included a visit to the rehabilitated underground workings, current underground diamond drilling sites at 1247mRL and 950mRL, inspection of the treatment plant, and discussions with company site management. Development activities were occurring on 1205, 1220 and 1235 Levels.

12.2 LIMITATIONS

No surface outcrops or surface drill pads or holes were inspected during the site visits. No independent samples were collected during the site visits.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

This section refers to both historical information derived prior to commencement of Irumafimpa-Kora operations and subsequent reviews of operations and metallurgical performance which were used as the basis for the planning of the refurbishment of the mill by K92ML.

13.1 MINERALIZATION CHARACTERISTICS

The main Irumafimpa-Kora lode of the Kainantu Project is sulphide-rich Cu-dominant mineralization overprinted by a quartz-rich Au-dominant crustiform quartz vein to breccia system with high gold associated with tellurides (Calaverite AuTe).

There is currently no geometallurgical model for Irumafimpa or Kora. Assessment of the previous mining operation shows that the inability to inform the plant metallurgists of impending feed characteristics often resulted in dramatic consequences and inefficiencies in the operation of the plant.

13.2 NATURE OF TESTING AND RESULTS

13.2.1 Samples 2000

Initial metallurgical testwork on Kainantu diamond drill core samples was conducted by Metcon Laboratories (Sydney) in 2000. Only a limited amount of testwork was conducted, which included gravity recovery and flotation testing. Leach and Carbon-In-Leach of the whole ore and the flotation concentrate was also conducted.

13.2.2 Irumafimpa Samples - March 2002

Two samples were provided by the Highlands Pacific Group for metallurgical testing. The sample used for testwork is cited in the HRL report as being from the Mill Vein. The quartz lode was originally classified as the Mill Lode, though it was later reclassified as probably being the Puma lode.

The sample tested at HRL was taken from a quartz lode that intersected the main adit drive at 29,934mE 60,060mN (local Irumafimpa Grid). The quartz lode was approximately 1.0 m true width. The sample was recovered from a blast across the full width of the lode, and as such the lode sampled at this point would represent close to a full mining width.

The sample sent to AMDEL for comminution testing was taken from the same location as the sample used for metallurgical testwork at HRL, and would have consisted largely of quartz.

Data from these tests were used for project feasibility studies and plant design.

13.2.3 Kora Testwork 2009

In 2009, test work was completed by AMMTEC on two composite samples from Kora. Composite 1 was described as “High Au Intervals” and Composite 2 was described as “High Cu Intervals”. The test work was divided into two stages, the first to determine the grind size and the second to optimise float and gravity recovery at that grind size.

The conclusions were:

- Composite 1 – The test work indicates a recovery of 91.9% of the gold, via gravity (66%) and copper mineral flotation (25.8%) with a concentrate gold content of 200–300 g/t. On the same sample, the copper recovery into the float concentrate is 91.3% with a copper concentrate grade of 20-30% copper. The flotation mass recovery is in the region of 30%.
- Composite 2 - The test work indicates a recovery of 90.3% of the gold, via gravity (61.6%) and copper mineral flotation (28.7%) with a flotation concentrate gold content of 6-7 g/t. On the same sample, the copper recovery into the float concentrate is 90.8% with a copper concentrate grade of 20-25% copper. The flotation mass recovery is in the region of 12%.
- Pyrite Flotation – The gold recovery from the pyrite flotation is relatively low with Composite 1 recovering 2-6% gold and Composite 2 about 5% recovery. The economics of installing a dedicated pyrite flotation plant would have to be closely evaluated before including these recoveries in the overall recovery.

No additional metallurgical work has been undertaken since the testwork was completed by Ammtec in May 2009.

Table 9: Kora recoveries adjusted for saleable concentrate.

Method	Element	Composite 1 High Au Interval	Composite 2 High Cu Interval
Gravity Recovery	Au	66.04%	61.62%
Copper Mineral Flotation Recovery	Au Cu	25.86% 91.29%	28.71% 90.80%
Overall Recovery	Au	91.90%	90.33%

	Cu	91.29%	90.80%

13.3 ORIGINAL PROCESS SELECTION AND DESIGN

Test work was conducted for a number of process options including combinations of flotation and leaching. The final process selection was based on bulk flotation to a saleable high gold content concentrate.

The original plant design, engineering and construction were undertaken by Ausenco in 2005.

The plant design criteria were based on test work, owner's information, engineers experience and industry practise. The basic design was:

- Primary jaw crusher;
- Double deck screen with recycle crushers;
- Ball mill with cyclone;
- Flash flotation in the milling circuit;
- Rougher and cleaner flotation;
- Concentrate filtering;
- Tailings disposal dam.

There was initial consideration to install a gravity recovery plant, but this was subsequently removed from the design.

The test work conducted identified a suitable depressant to produce an acceptable level of fluorine in the concentrate.

Mass and solution balances were developed for 170,000 dry tonnes per year.

Equipment selection and sizing followed accepted industry practice and the plant was constructed to a sound quality for a minimum 10 year mine life.

13.4 OVERVIEW OF ORIGINAL PROCESS PLANT

The Kainantu processing plant is located approximately 7 km from the opening of the 800 portal which accesses the Irumafimpa Mine. The plant was on care and maintenance from December 2008 to September 2016. Simple processing technology was used. Following crushing, screening and grinding the sulphide bearing material was separated from the non-mineralized host rock by flotation. The design throughput of the plant was 21 tonnes per hour (170,000 tpa) and approximately 10% of the ore was recovered as a high-grade gold bearing concentrate with the waste material pumped to an engineered tailings storage facility. The gold bearing concentrate was packed in containers and trucked to Lae from where it was shipped to a smelter/refinery for the recovery of the gold.

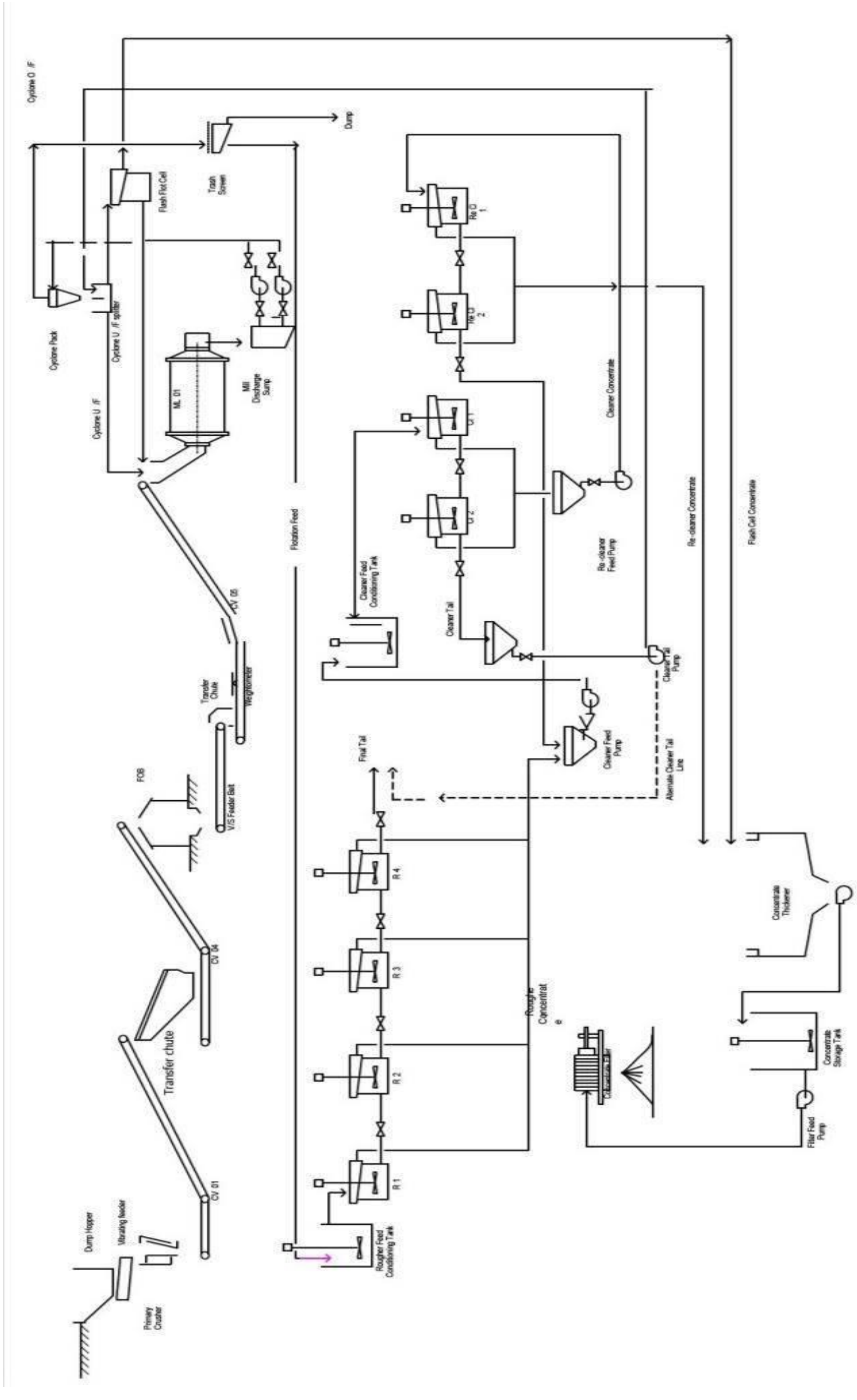


Figure 14: Process Plant Flowsheet 2014

Source: Barrick (2014)

Figure 15: Photograph of the processing plant (2008)

Figure 16: Photograph of the Crushing Circuit (2012)

The Process Plant consisted of the following unit processes:

- Ore Receiving and Crushing; to reduce the ROM sizing prior to reclamation for grinding. Screening and recycling was found to be problematical in previous operation and may be removed and replaced with a more suitable crusher operating in open circuit.
- Grinding and Classification; in which the crushed ore is reclaimed and ground to the required size for flotation.
- Differential Flotation; commencing with an Outokumpu Skimair Flash Flotation unit in the classification circuit, combined with Outokumpu tank cells treating grinding product, to recover a gold bearing sulphide concentrate for export.
- Flotation tailings deposition in the tailings storage facility.
- On-site reagent storage and mixing facilities.
- Services for plant air and water distribution.

13.5 RECOVERY ASSUMPTIONS

In operation, gold recovery varied considerably since commissioning the plant. It was not possible to consistently realize the recoveries that were achieved with laboratory test work on the ore.

Test work was conducted on site during October-November 2006 by JK Tech. Based on recommendations from this work, operations improved.

Data between January 2007 and November 2007 were reviewed by Barrick to establish a reasonable estimate going forward. During this period, 125,341 tonnes of ore were treated to produce 8,178 tonnes of concentrate, equating to a mass pull of 6.5%. It was noted that mass pull in October and November was approximately 4.5%, which is believed to be due to the addition of lime as a pH modifier to suppress pyrite flotation and increase concentrate grade. However, for the purposes of the study it is assumed that this may not be a sustainable practice, and the average mass pull over the whole time period was used.

The average gold recovery over the same time period was 85% into a copper-gold sulphide concentrate. It should be noted that HPL was able to achieve weekly recoveries of up to 95% on a regular basis.

13.6 REPRESENTIVITY

To the extent known, it is understood the test samples were representative of the various types and styles of mineralization and the mineral deposit as a whole. Added to this is the fact that this was an operational plant processing material directly from the mine.

13.7 FACTORS AFFECTING POTENTIAL ECONOMIC EXTRACTION

Previous operation of the process plant on ore from the Irumafimpa resource provides confidence in the ability to operate and the base assumptions for economic evaluation of future operations – throughput, gold recovery and concentrate grade. The identified issues from testing and early operations (high fluorine in concentrate and low concentrate gold grade) were successfully mitigated through the use of specific gangue depressant and general pyrite depression with lime addition.

The previous operations were able to achieve concentrate sales at satisfactory terms to traditional markets for copper sulphide concentrates and there is every likelihood that a new operation would be able to do the same.

14 MINERAL RESOURCE ESTIMATE

A resource estimate was completed in 2014 for the Irumafimpa-Kora vein systems based on the historical surface and underground drilling conducted by previous owners, Barrick and HPL. Face channel and grade control samples collected during previous mining operations were also used but have only a local influence.

Comparison of grade control face sampling at Irumafimpa and drilling in the same mineralized zones shows a significant bias towards lower average grades in drilling compared with the average grade of the face samples. For all veins the highest recorded values for gold (outliers) occurred in drillhole samples and grade capping was therefore used. Face samples are however concentrated in the higher grade mining areas, so were included in resource estimation.

The classification of the current resource was restricted to Indicated and Inferred due to the current drill spacing at Kora and limited confidence in underground sampling information from Irumafimpa.

Details of the resource estimate methodology are described in Section 14 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

14.1 VEIN INTERPRETATION

The Irumafimpa-Eutompi-Kora vein system is a 3 km long, 300m wide, northwest trending continuous lode structure with veins across three distinct mineralizing events. As modelled, veins at Kora are between 58100mN and 58950mN, and veins at Irumafimpa are between 59400mN and 61000mN. Between the Irumafimpa and Kora vein systems is the Eutompi area. Only one vein (E4) lies in this area and overlaps the Kora area from 58600 mN to 58950 mN.

The Kora deposit consists of a series of sub-parallel, north-south striking veins. From west to east these veins are called K3, K2, K5, K1 and, E4. Further to the east are the J4, J3, J2 and J1 veins. The two figures below (Figure 17**Error! Reference source not found.**; Figure 18**Error! Reference source not found.**) show a typical arrangement of the veins at Kora in plan view and cross section.

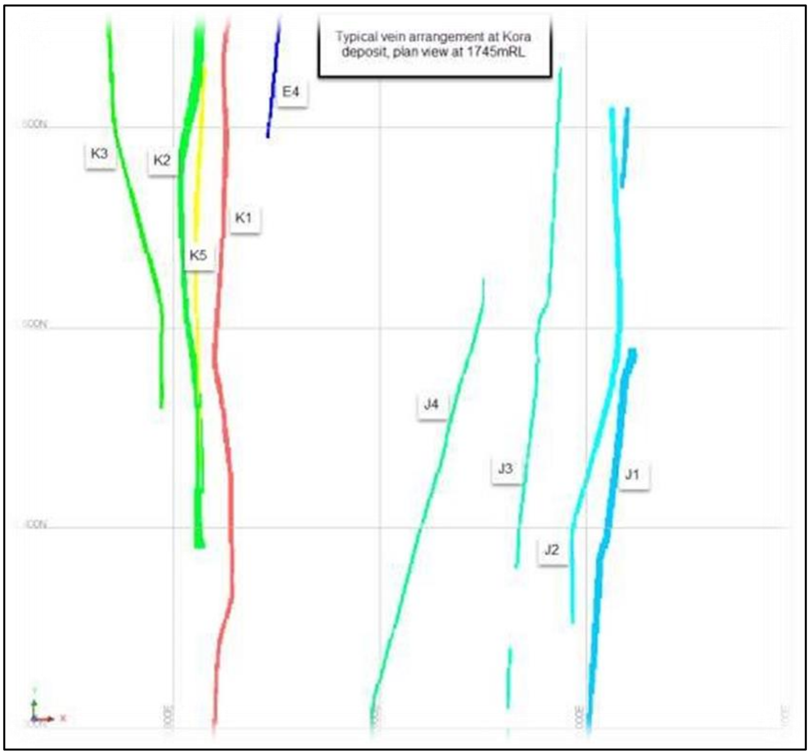


Figure 17: Vein arrangement at Kora, plan view at 1745mRL

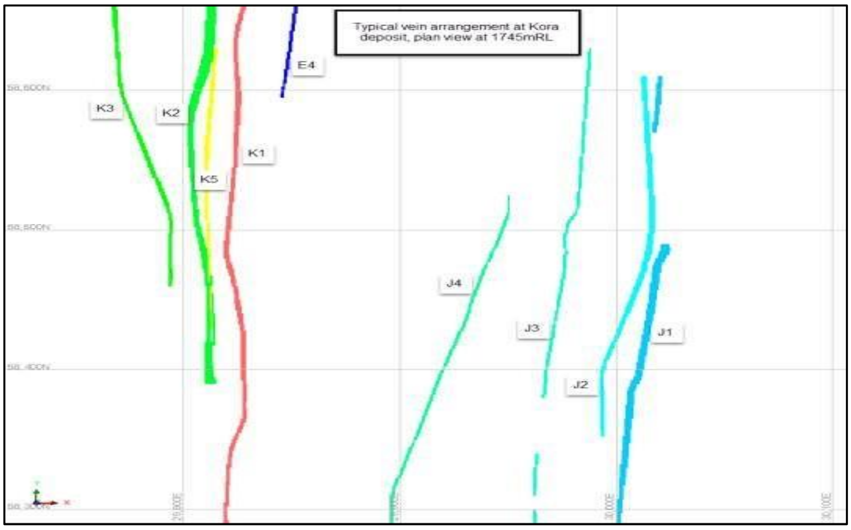


Figure 18: Vein arrangement at Kora, section view at 58600N, looking north

14.1.1 Drillhole Spacing

Drillhole data spacing is variable. At Kora, from surface to about 300m-500m below surface, there is an average spacing between drillhole intercepts at Irumafimpa-Kora of about 50m-70m. Vein intersections below this depth are sparser. Irumafimpa is much more densely sampled because of underground development. Spacing between vein intercepts is on the order of 20m-50m.

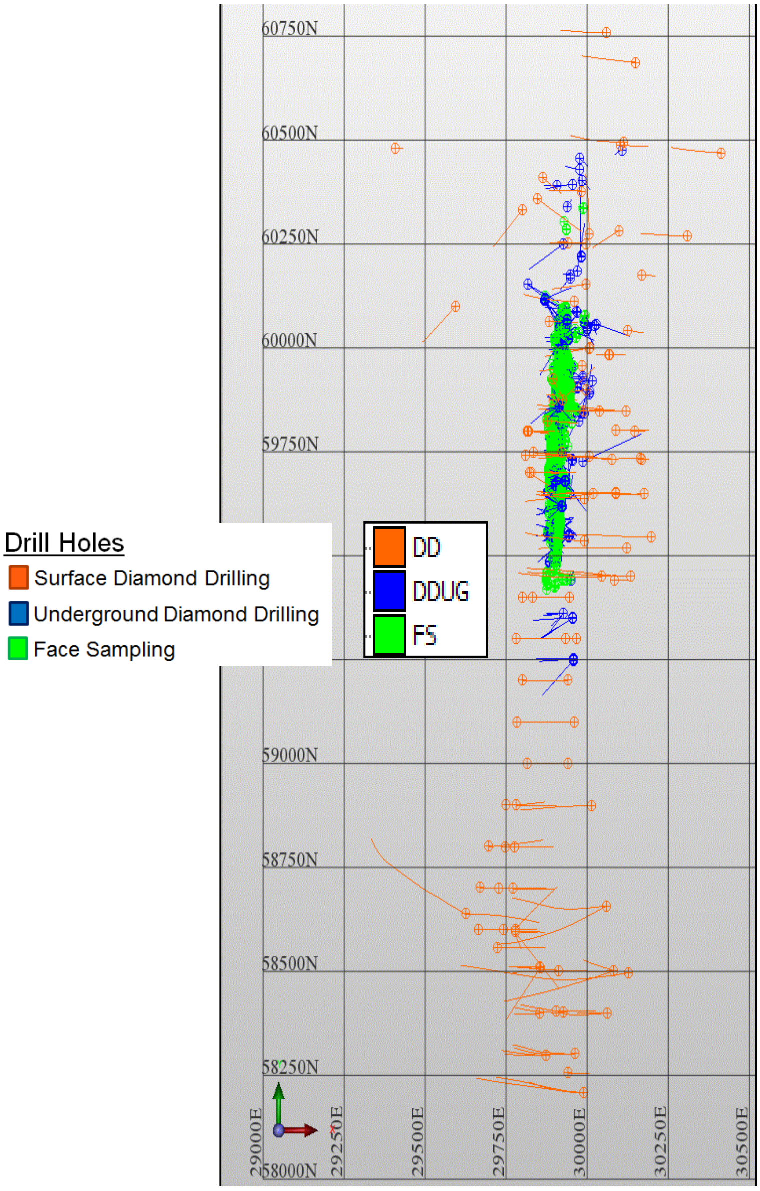


Figure 19: Plan view of the Irumafimpa-Kora Resource drilling, coloured by drillhole type.

14.1.2 Domains

Kora and Irumafimpa veins have the same strike and dip, and appear to line up on the same structural trend. To determine if the veins could be considered the same domains, and so be reinterpreted and possibly joined into a single large vein system, existing vein composites were extracted and the vein chemistries were inspected (Figure 20).

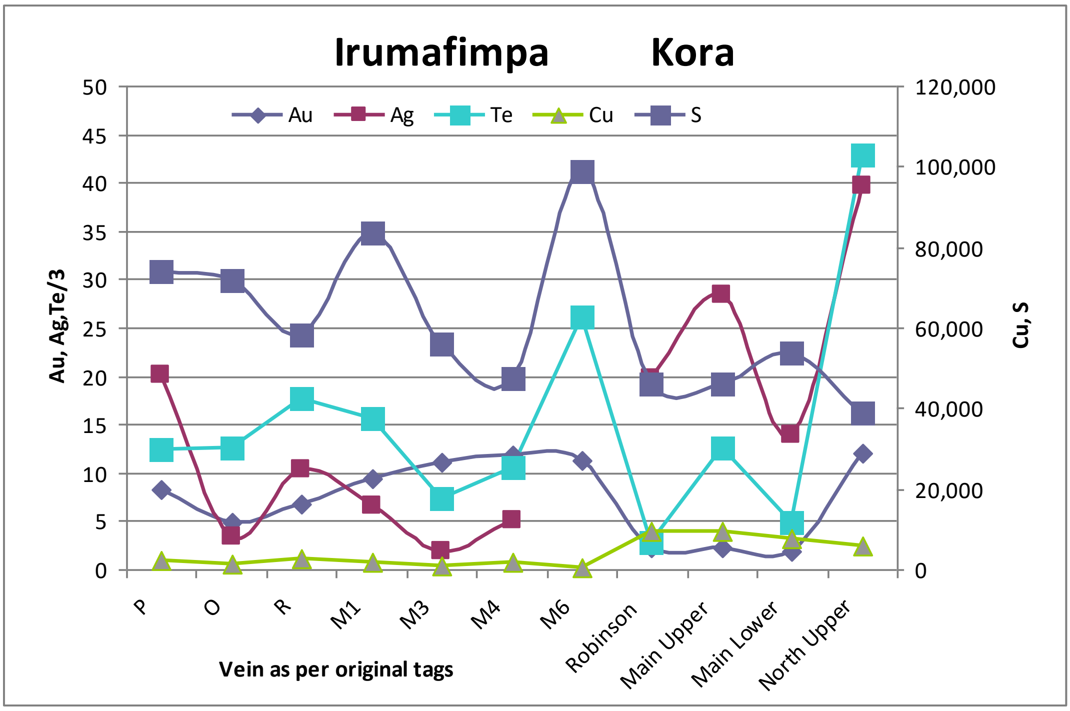


Figure 20: Comparison of Vein Chemistries

Kora veins were found to have relatively higher copper and silver grades and lower tellurium and sulphur grades than Irumafimpa veins, suggesting that they are part of a different phase of mineralization. Grades at Eutompi were too low to allow interpretation of any continuous vein mineralization from Kora to Irumafimpa.

Kora and Irumafimpa veins remain separate domains in this resource. However Nolidan believes that with additional drilling the two deposits may join or at least overlap at depth below current Eutompi drilling. In addition Nolidan believes that there has been insufficient drilling to confirm or disprove whether the "IJ" (Irumafimpa Judd) and "J" (Judd) veins are continuous between prospects.

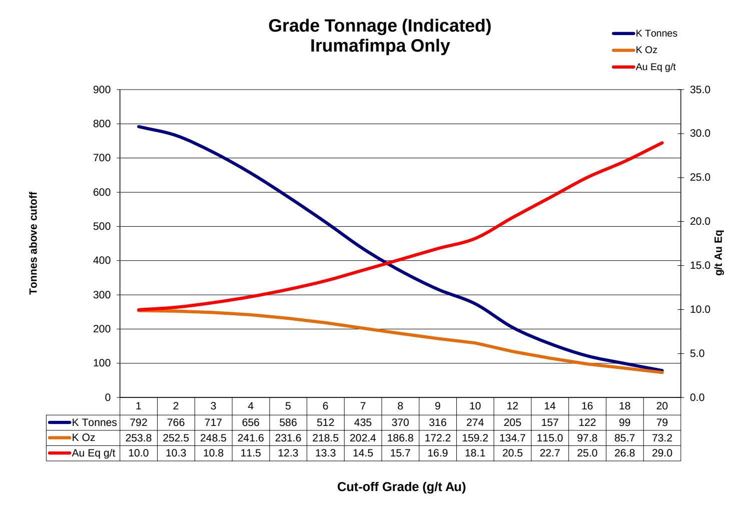
14.2 ECONOMIC CUT-OFF PARAMETERS

All resources have been stated above a combination gold equivalent and thickness cut-off. The model has been diluted to 1.2m thickness, so technically there are no resource blocks less than 1.2 m thick. However blocks still need to be above the grade cut-off. The two mutually exclusive cut-offs used (which took mining method, metallurgical recoveries, and royalties into consideration) were:

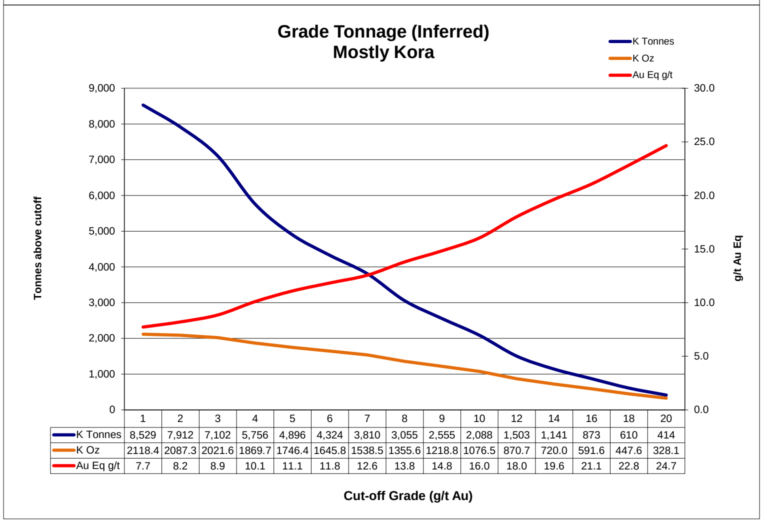
1. Narrow Vein -Shrink Stopes - 1.2m – 3m thick and >=6g/t AuEq
2. Wide Vein – Mechanised Stopes - >3m thick and >= 5g/t AuEq

These parameters are based on the different mining methods that would be used depending on the width of the vein. Parts of the vein between 1.2m and 3m thick could be most efficiently mined using a method such as shrink stoping, which typically has a higher cost than methods used in larger stopes such as cut and fill. Veins greater than 3m thick are typically mined using cheaper mechanised mining techniques; hence the lower gold equivalent cut-off grades used in the thicker parts of veins. This combination of different mining methods matched with cut-offs is to ensure that all material reported in the resource has a reasonable prospect of extraction.

Grade tonnage charts (Figure 21) are reported above 0 g/t AuEq (irrespective of vein thickness, but with 1.2m width applied) in 1 g/t increments. The charts indicate the current indicated resource has only a slightly higher grade than the inferred resource, and similar charts. The resource is expected to be mined by different mining methods depending on vein thickness and geological complexity; both vein thickness and grade need to be considered when defining a resource cut-off.



	1	2	3	4	5	6	7	8	9	10	12	14	16	18	20
K Tonnes	792	766	717	656	586	512	435	370	316	274	205	157	122	99	79
K Oz	253.8	252.5	248.5	241.6	231.6	218.5	202.4	186.8	172.2	159.2	134.7	115.0	97.8	85.7	73.2
Au Eq g/t	10.0	10.3	10.8	11.5	12.3	13.3	14.5	15.7	16.9	18.1	20.5	22.7	25.0	26.8	29.0



	1	2	3	4	5	6	7	8	9	10	12	14	16	18	20
K Tonnes	8,529	7,912	7,102	5,756	4,896	4,324	3,810	3,055	2,555	2,088	1,503	1,141	873	610	414
K Oz	2118.4	2087.3	2021.6	1869.7	1746.4	1645.8	1538.5	1355.6	1218.8	1076.5	870.7	720.0	591.6	447.6	328.1
Au Eq g/t	7.7	8.2	8.9	10.1	11.1	11.8	12.6	13.8	14.8	16.0	18.0	19.6	21.1	22.8	24.7

Figure 21: Irumafimpa-Kora Grade Tonnage Charts

14.3 BULK DENSITY

All vein blocks were assigned a density of 2.75 g/cm^3. This is the average dry bulk density value determined by Barrick for Kora vein material . The average density was based on 428 measurements of mineralized drillcore from 7 drillholes through the Kora lode (Bond et al., 2009).

14.4 MINING & METALLURGICAL FACTORS

The tonnes and grade of the mineral resource estimates are reported in situ.

14.5 ASSUMPTIONS FOR 'REASONABLE PROSPECTS FOR EVENTUAL ECONOMIC EXTRACTION'

Assumptions for reasonable prospects for eventual economic extraction applied to this deposit include but may not be limited to the following:

- Underground mining by either shrink stoping or mechanised mining depending on vein width.
- Copper price at US$3.03/lb (12 month average to June 2014 ($3.13))
- Gold price at US$1200/Oz (12 month average to June 2014 ($1296); discounted due to apparent falling trend)
- Silver price at US$22.26/Oz (12 month average to June 2014 ($20.63); silver is a minor economic contributor)

- Assumed Mill Recoveries of 85% for all metals (and is therefore not a factor in the equivalence formula).

Gold equivalent values were generated in the database using the following formula:

*AuEq = (Gold ppm) + (Ag ppm*0.0185) + (Cu % * 1.7308)*

**Metal prices were obtained from www.kitco.com and www.kitcometals.com*

Therefore cut-off grades for reporting were a combination of thickness and grade reflecting mining methods:

a. Narrow Vein - Shrink Stopes - 1.2m – 3m thick and >=6g/t AuEq
b. Wide Vein – Mechanised Stopes - >3m thick and >= 5g/t AuEq

14.6 RESOURCE CLASSIFICATION

Based on the study herein reported, delineated mineralization of the Irumafimpa-Kora deposit are classified as a mineral resources according to the JORC Code 2012 Edition definitions which are considered as being not materially different from how those terms are defined under CIM Definition Standards.

Reporting of tonnages and grade figures reflects the relative uncertainty of the estimate, and rounding to the appropriately significant figures have been reported. Some discrepancy in the addition of rounded figures may occur. Mined blocks have been removed prior to reporting.

For the classification of Mineral Resources for the Project, a block had to pass the reasonable prospects for extraction criteria based on an assumed mining method, that is;

1.2m to 3m thick and >= 6g/t AuEq, (assumed appropriate for hand held mining equipment)

or

>3m thick and >= 5g/t AuEq (assumed appropriate for mechanical mining).

Table 10: Kora Mineral Resource by Deposit, Category and Mining Method Deposit, Category and Mining Method

Deposit	Resource	Mining	Tonnes	Gold		Silver		Copper		Gold Equivalent	
	Category	Method	Mt	g/t	MOz	g/t	MOz	%	Mlb	g/t	MOz
Kora/Eutompi	Inferred	Mechanical	3.36	7.1	0.77	32.9	3.55	2.2	161	11.5	1.24
		Hand	1.06	7.2	0.25	40.0	1.37	2.3	55	12.0	0.41
		Total	4.42	7.1	1.02	34.6	4.92	2.2	216	11.6	1.65
Irumafimpa	Indicated	Mechanical	0.01	11.5	0.00	2.2	0.00	0.3	0	12.1	0.00
		Hand	0.56	12.6	0.23	8.9	0.16	0.3	3	13.3	0.24
		Total	0.57	12.6	0.23	8.8	0.16	2.2	3	13.3	0.24
	Inferred	Mechanical	0.07	7.2	0.02	7.4	0.02	0.2	0	7.7	0.02
		Hand	0.45	11.3	0.16	9.6	0.14	0.3	3	12.0	0.17
		Total	0.52	10.7	0.18	9.3	0.16	2.2	3	11.4	0.19
Total All Deposits	Indicated		0.56	12.6	0.23	9	0.2	0.3	3	13.3	0.24
	Inferred		4.94	7.5	1.20	32	5.1	2.0	219	11.6	1.84

*M in Table is millions. Reported tonnage and grade figures have been rounded from raw estimates to reflect the order of accuracy of the estimate. Minor variations may occur during the addition of rounded numbers. Gold equivalents are calculated as AuEq = Au g/t + Ag g/t*0.0185 + Cu%*1.7308*

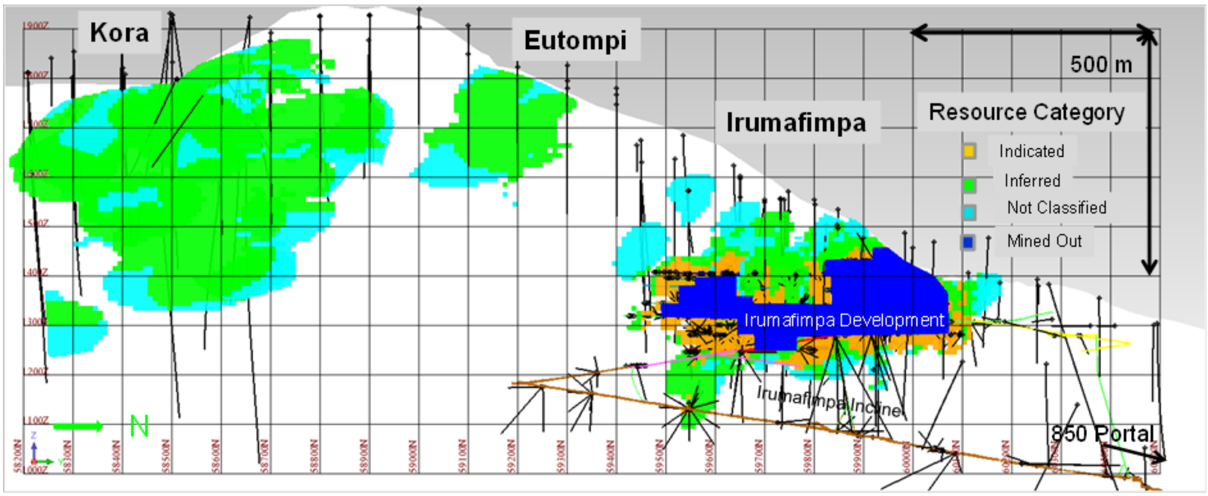


Figure 22: ML150 Long Section with blocks coloured by resource category (looking west)

In addition to passing the criteria listed above, the following definitions were adopted and applied to each domain separately;

14.6.1 Indicated Mineral Resource

- Defined as those portions of the deposit estimated with a drill spacing of 25m x 25m that demonstrates a high level of confidence in the geological continuity of the mineralization.
- Must have at least 8 informing samples

14.6.2 Inferred Mineral Resource

- Defined as those portions of the deposit with a smaller number of intersections but demonstrating a reasonable level of geological confidence.
- Must have at least 2 informing samples (i.e. drillholes).
- Maximum projection is half the drill spacing (50m).

14.7 DISCUSSION ON FACTORS POTENTIALLY AFFECTING MATERIALITY OF RESOURCES

The following factors could potentially impact on the materiality of the mineral resource estimate:

- An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- The mineral resource is based on historical information generated by HPL and Barrick.
- Insufficient density measurements. Only 428 measurements for Kora were reported by Barrick. Densities reported by HPL for Irumafimpa were higher but based on only 35 measurements.
- Potential underestimation or overestimation of gold grade due to poor core recovery in mineralized zones.
- The vein systems are structurally complex and this complexity may lead to problems with correct interpretation of vein continuity.
- A resource is an estimate of quantity and grade; the reported figures are rounded to reflect the uncertainty associated with such an approximation.
- Fluctuation in metal or commodity prices, 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.

- Nolidan has considered the Mineral Resource estimates in light of known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, and other relevant issues and has no reason to believe at this time that the Mineral Resources will be materially affected by these items.

14.8 MINERAL RESOURCE ESTIMATE STATEMENT

Mineral Resources for ML150 deposits have been classified in accordance with NI 43-101 as Indicated and Inferred confidence categories on a spatial, areal and zone basis and are listed in Table 11.

Table 11: ML150 resources by category

Resource by category									
Resource	Tonnes	Gold		Silver		Copper		Gold Equivalent	
Category	Mt	g/t	MOz	g/t	MOz	%	Mlb	g/t	MOz
Indicated	0.56	12.6	0.23	9	0.2	0.3	3	13.3	0.24
Inferred	4.94	7.5	1.20	32	5.1	2.0	219	11.6	1.84

*M in Table is millions. Reported tonnage and grade figures have been rounded from raw estimates to reflect the order of accuracy of the estimate. Minor variations may occur during the addition of rounded numbers. Gold equivalents are calculated as AuEq = Au g/t + Cu%*1.7308 + Ag g/t*0.0185.*

14.8.1 Notes to accompany resource statement:

1. The current sample exploration database was supplied by Barrick in MS Access format.
2. Estimation undertaken in Surpac™, using ordinary kriging ("OK") in unfolded space.
3. The estimation block size was 10m in Y and 10m in Z with width estimated in unfolded space as a variable. Grade was interpolated by domain using OK estimation with parameters based on directional variography by domain. Thickness of the vein was also estimated by OK estimation.
4. Results validated against drill data and Inverse Distance Squared, Nearest Neighbour, Gram M Accumulation estimates and Ordinary Krige uncapped estimates.
5. Minimum mining width of 1.2m horizontal. Grade was diluted to account for minimum width.
6. This mineral resource estimate is based on 78,935 metres of drilling from 767 holes, and 18,312 metres of assayed intervals across all lodes. A single vein composite was used for each drill intercept on each lode – cut-off for selection was 3 m-gms Au Equivalent. There are a total of 2,003 vein composites across 19 veins, including 349 face composites.
7. A mined out area representing the extent of current mining projected across all lodes were removed from the final model as the exact location of individual stopes is not clear.
8. Top caps were applied to the composites for each vein. Grade caps were selected to restrict the influence of outliers where drilling was sparse, and varied by vein.
9. A minimum of 2 samples and maximum of 12 samples were used for each block. Search distances varied by lode and reflect the variogram ranges of 100-200m, maximum projection beyond last drill-hole is 50m.
10. The volume for each vein was defined by a wireframe in 3D space and is used to constrain the resource blocks.
11. Lower cut-off grades for reporting were a combination of thickness and grade reflecting mining methods, metallurgical recovery, and royalties:
    a. Narrow Vein - Shrink Stopes - 1.2m – 3m thick and >=6g/t AuEq
    b. Wide Vein – Mechanised Stopes - >3m thick and >= 5g/t AuEq
12. Resource categories are based on estimation confidence and number of informing samples as a guide. Resource categories are based on estimation confidence and number of informing samples as a guide. Blocks with only one sample supporting them are not included in the resource estimate and are considered Unclassified (Figure 22).
13. Density of 2.75 t/m3 was used for every vein block.

Further details of the mineral resource estimates are described in Section 14 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New

Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

15 MINERAL RESERVE ESTIMATES

This item is not applicable for this report.

16 MINING METHODS

During the mining operation at Irumafimpa between 2006 and 2009, mining was predominantly shrink stoping with some bench (longhole) stoping. The method applied was based on the geological structure and varying vein widths. Multiple independent reviews have shown that previous operators had considerable difficulty with dilution issues during mining which has been mainly attributed to the geological complexity of the veins and a poor understanding of grade distribution within the veins.

Remedial work by K92ML on the main mine access from the 800 Portal at Irumafimpa commenced in May 2016 and access to the upper working levels is now available. Ventilation has been re-established and development to access Irumafimpa veins has commenced.

16.1 IRUMAFIMPA

16.1.1 Irumafimpa Scoping Study Inputs

In April 2016 AMDAD prepared a 3 Year Mine Plan for the Irumafimpa deposit in consultation with K92ML (AMDAD, 2016a). AMDAD anticipated that the 3 Year Mine Plan would commence effective 1 July 2016. A conceptual LOM Plan was also prepared.

As part of the mine plan AMDAD applied financial and processing parameters to determine cut off grades for stope design, generated 3-D stope shapes and mining inventory using the CAE Mineable Shape Optimiser (MSO) program, and created a conceptual development layout to suit the MSO inventory. AMDAD also produced a simple mining schedule as input for a simple project cashflow model.

Key project assumptions for determining the gold stoping cut-off grade for the Mineable Shape Optimiser ("MSO") modelling are summarised in Table 12 below. The inputs were based on data provided by or confirmed by K92ML. Notional dilution and mining recovery factors were nominated by AMDAD after discussion and agreement with K92ML.

Table 12: Key project assumptions for Irumafimpa stope cut-off grade

PHYSICAL INPUTS	Unit	Assumption
Mining Dilution	%	35.8
Mining Recovery	%	87.8
Process Rate	ktpa	200
Process Recoveries		
Gold	%	94.0
Silver	%	50.0
FINANCIAL INPUTS (USD $)	**Unit**	**Assumption**
Base Mining Cost	$/t	77.79
Processing	$/t ore	18.03
General and Administration	$/t ore	24.61
Metal Price		
Gold	$/oz	1200
Silver	$/oz	15.00
Realisation Costs (Selling Costs) Payable:		

Gold	%	92
Silver	%	90
Royalty	%	2.25

AMDAD built up the base mining cost from the following unit costs provided by K92ML. These costs are based on extraction by longhole benching using the Avoca method (Table 13).

Table 13: Base mining cost allowances, $/t, by activity

Mining Activity (USD $)	Unit	Allowance
Fixed Operating Labour	$/t	28.79
Plant & Equipment	$/t	8.71
Fixed Capital	$/t	7.84
Sub-total	$/t	45.34
Variable Operating		
Development	$/t	15.20
Production	$/t	17.25
Sub-total	$/t	32.45
TOTAL	$/t	77.79

16.1.2 Irumafimpa Cutoff Grades

A cutoff grade was estimated using the mining, processing and economic assumptions listed above. The cutoff grade (applied in the MSO program), was estimated using a mining cost that covers all costs (downstream from establishment of the stope) which would be incurred by each potential incremental tonne of ore that could be included within the stope shape. This is the "incremental economic cutoff grade", which will maximise the undiscounted cash value of the operation when it is applied at the point for which the downstream mining costs have been determined (Table 14).

The cutoff grade calculation also makes allowance for dilution. The applied dilution of 35.8% was based on 0.5m external dilution skins on the hangingwall and footwall of an average 1.8m stope design width, for an overall 2.8m wide stope including the dilution. A further 5% dilution is planned due to the requirement to backfill as the bench is progressed. This dilution allowance was intended as an average based on AMDAD's understanding that the stope hangingwalls and footwalls are in variable ground conditions, from poor to moderate, and strongly influenced by the existence of sub-parallel shear zones.

Table 14: Irumafimpa Cutoff grades

Parameter	Unit	Value
Net value of Au in ore (USD $)	$/g	32.61
Cut-off head grade, Au	g/t	3.69
Cut-off resource grade, Au	g/t	5.20
Cut-off resource grade, Au post development *	g/t	2.00

*This is the marginal economic cutoff grade for development waste

AMDAD also assigned gold equivalent (AuEq) grades using the gold and silver grades and associated parameters. As the difference between the Au and AuEq grade was typically very small it was decided that further analysis of the resource would be undertaken using gold grades only, with silver and copper grades reported as well as gold.

16.1.3 Irumafimpa Mining Method

The 3 Year Mine Plan by AMDAD is based on longhole benching, a form of longhole open stope mining, as the main extraction method. This is similar to the method proposed for the Irumafimpa deposit by

AMC Consultants Pty Ltd ("AMC") in its 2015 mine plan. It is a selective mining method which allows extraction of high grade, yet relatively narrow, ore zones. The proposed benching method for Irumafimpa is based on drilling and blasting ore in vertical rings from drives spaced 15m apart vertically, forming stopes 18m high. Stope widths will range from 2m to 8m and strike lengths will vary, depending on ground conditions. Stopes will be extracted along strike and in a bottom-up sequence, with each stope progressively backfilled for stability and to provide a working base for the next stope above.

16.1.4 Irumafimpa Development Concept

The mine plan makes use of existing development, and in particular the existing decline, to provide access to the orebody for stope production activities. However, stope production is also dependent on excavation of the following new development:

- Cross cuts from the existing decline to levels, spaced at 15 metres vertically
- Orebody drives
- Access drives adjacent to orebodies along adjacent veins where available.
- Miscellaneous development including recesses for stockpiling, sumps, and drill cuddies.

16.1.5 Irumafimpa Backfill Strategy

Waste rock from Irumafimpa development mining will be the primary backfill material when available. Exploration development or surface waste rock will be alternative fill sources when local development waste is unavailable.

As depicted in the following figure, Waste rock backfill will closely follow the bench blasting face to reduce the strike length of hanging wall and footwall left open at any one time (Figure 23). The void is filled from one end of the stope with dumped waste rock while ore is being extracted at the other end. A gap is maintained between the filling and extraction fronts to minimise dilution.

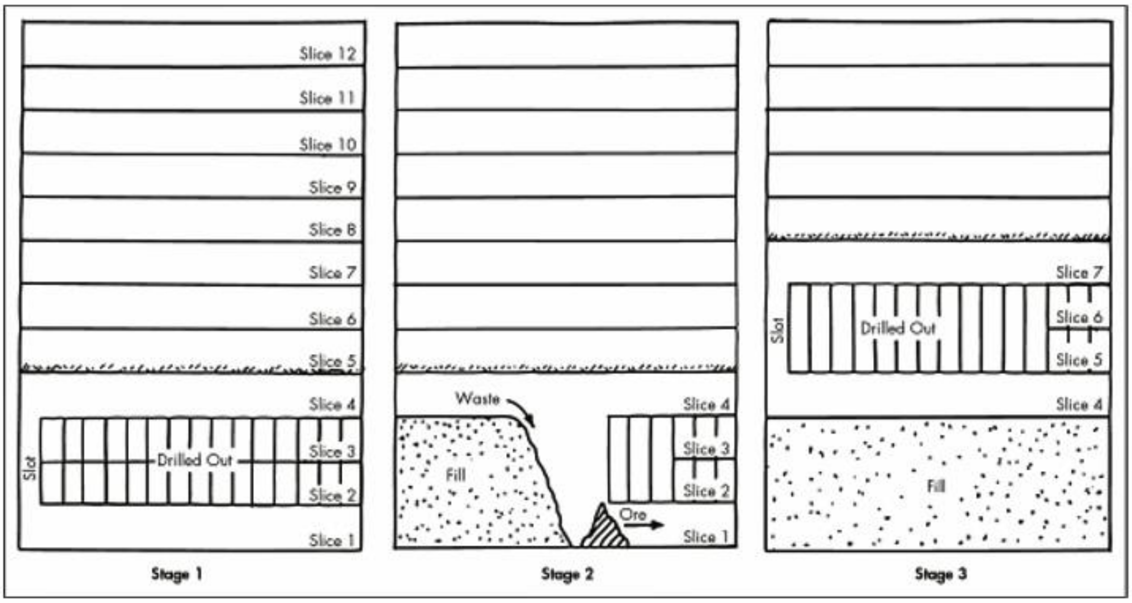


Figure 23: Avoca Benching method

(Bullock and Hustrulid 2001)

16.1.6 Irumafimpa Ventilation

AMDAD used the ventilation plan as proposed by AMC Consultants in the 2015 Irumafimpa mine plan. The key aspects of this plan are:

- Underground access at Irumafimpa is via three existing portals; a lower portal at 842RL (known as the 800 Portal) and upper portals at 1300RL and 1325RL (Puma Portal). The existing development connects between these portals. Previously the mine relied on natural ventilation and secondary ventilation for development and stoping using small fans.
- To accommodate a more mechanised mining operation, a primary extraction fan needs be located at the Puma Portal (1325RL) with fresh air intake at the lower portal and the 1300RL portal.
- Several vent doors and barricades will be required to prevent recirculation and leakage of air.
- 20 Level (1300RL) would be the main return air way for the mine. As AMDAD has not included this level in planned mining activities during the 3 Year Mine Plan the level is available for use as a return airway.

The AMC proposed ventilation plan defines an airflow of approximately 120 m^3/s, based on a requirement for 0.05 m^3/s per kW of diesel power. AMDAD considers this appropriate for the proposed mine plan and its general understanding of proposed mine equipment.

AMC nominated a fan power of 150kW for the main exhaust fan at the Puma portal based on its initial mine design. AMDAD recommended an update of ventilation analysis using Ventsim or similar software once the 3 Year Mine Plan and equipment fleet are finalised and survey confirms current natural airflows. This data will then be used to confirm airflow and fan power requirements, and locations for vent doors and barricades.

16.1.7 Irumafimpa Stope Design

AMDAD used the MSO module in CAE Studio 3 for stope design. MSO automatically produces stope shapes from the resource block model that are economically optimised within specified geometrical and design constraints. For extensive multiple orebody deposits such as Irumafimpa the MSO program represents a powerful tool, generating several hundred stope shapes in a relatively short amount of time compared with manual design.

Table 15: MSO Parameters

Parameter	Value	Units
Optimisation Field	AuEq	
Default (waste) density	2.90	t/m3
Sub-level Spacing	15	m (vertical)
Section Spacing (min)	10	m (horizontal)
Section Spacing (max)	30	m (horizontal)
Minimum Stope Width	2.0	m
Maximum Stope Width	8.0	m
Minimum Waste Pillar Width	8.0	m
Hangingwall Dilution	0.5	m
Footwall Dilution	0.5	m

MSO generated 710 individual stopes shapes ranging from 416t to 10,700t in size. The results, by vein, are summarised below in Table 16.

Table 16: Irumafimpa MSO stope shape quantities

Vein	Tonnes kt	AuEq g/t	Au g/t	Ag g/t	Cu %

R3	443	6.9	6.8	9.3	0.4
M1	264	8.3	8.3	1.9	0.1
M0	57	7.8	7.8	1.8	0.0
M3	17	6.4	6.3	10.2	0.1
M4	252	9.3	9.3	2.4	0.1
M5	462	10.9	10.9	7.4	0.1
M6	91	9.3	9.3	0.9	0.1
P2	114	7.6	7.6	2.0	0.1
Total	1700	8.8	8.7	5.4	0.2

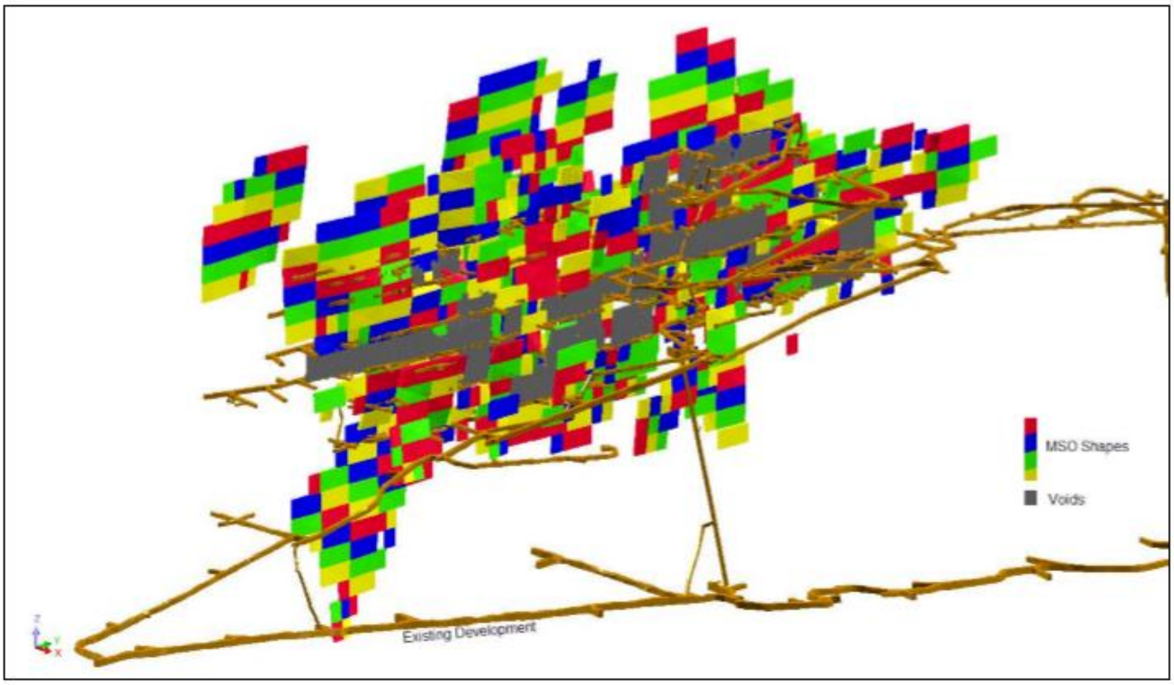


Figure 24: MSO shapes at Irumafimpa with current voids and existing development

The stope shapes created using the MSO program represent approximately 1.7 Mt of production. For the purpose of the 3 Year Mine Plan AMDAD subsequently selected a subset of these stopes, providing approximately 500,000t of production. The process to define these stopes was manual and subjective, taking into consideration the following criteria:

- Preference to stopes needing minimal vertical development (i.e. requiring limited extension of the decline above and below its current position)
- Minimizing the number of new levels needing to be developed
- Avoiding stopes where access around existing voids is problematic
- Ensuring a minimum 8m pillar along strike between stope and voids
- Targeting stopes/lifts with higher gold grades and ounces within the general sequencing constraints for the benching extraction

- Excluding stopes in locations where access and extraction was considered to be difficult due to potential stability problems associated with existing development, previously mined stopes, or proximity to the ground surface
- Consideration of infill diamond drilling and/or stope definition drilling requirements according to resource confidence level, available access for drill rigs, and drill hole coverage

The full set of stopes has a vertical extent from 1100RL to 1520RL. However, AMDAD disregarded the uppermost stopes (from 1505RL to 1520RL) due to their proximity to the ground surface.

Stopes were then excluded where existing shrinkage stoping voids prevent access. For example, Level 1310RL has extensive existing development but the existing voids appear to cut off access and often lie too close to the proposed new stopes to allow their extraction (Figure 25).

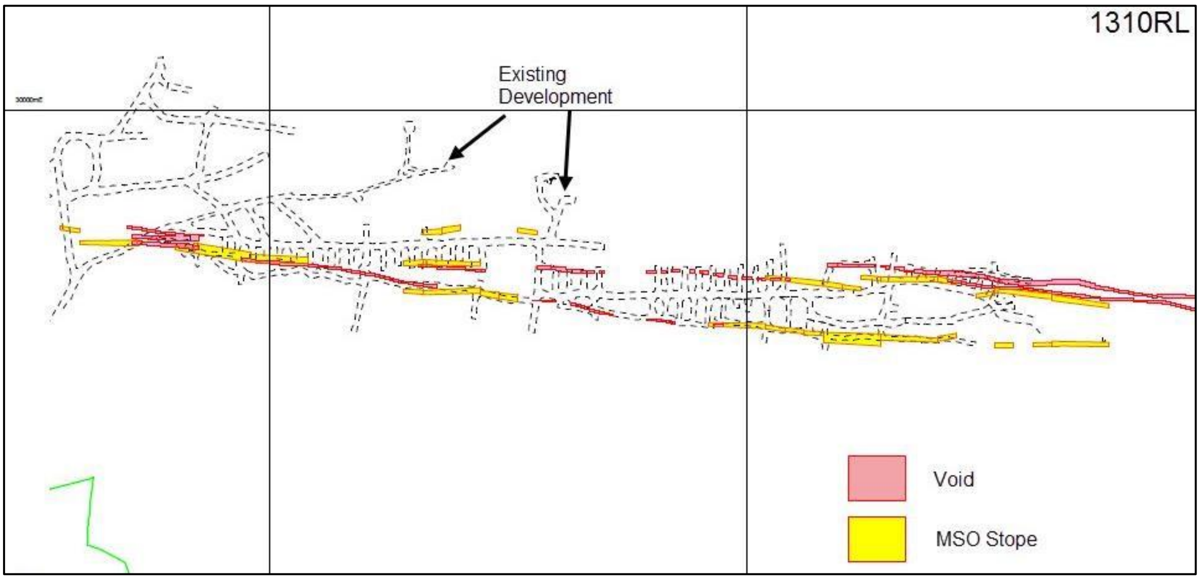


Figure 25: Level 1310RL showing voids and MSO stopes

The MSO shapes selected for the 3 Year Mine Plan are shown in Figure 26 below.

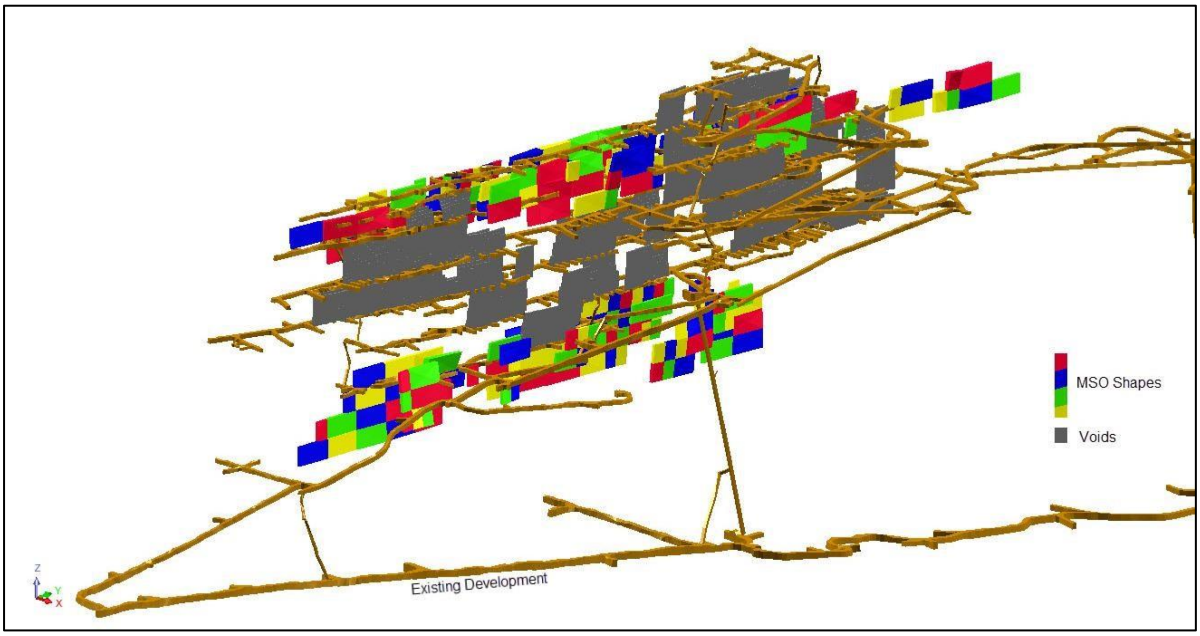


Figure 26: MSO shapes selected for the 3 Year Mine Plan schedule.

These stopes lie in two panels vertically; 1205RL to 1265RL and 1355RL to 1400RL.

These stopes generally offer efficiency of access from existing development and the lower panel should be amenable to infill diamond drilling from drill cuddies located off the existing Main Decline.

The mine design is based on assumptions regarding availability of safe access via existing development that will require verification once rehabilitation and new survey pickups are completed, and following inspections of existing stoping areas. The plan assumes that the existing ore pass system can be utilised.

The 15m level intervals and corresponding RLs were applied in the MSO process to the entire model. However, for stope lifts in the southern third of the deposit above 1370RL and 1385RL there is a mismatch between the MSO levels and the existing development, due to the gradients of the existing development that was mined southward from the level accesses. It will be necessary to redesign the proposed orebody drives, and corresponding stope bottoms and tops to fit with the existing development in this area. In the 3 Year Mine Plan, production for these stope lifts is currently scheduled from Month 26. Development mining is scheduled to commence in Month 13 for 1370RL and Month 17 for 1385RL.

16.1.8 Irumafimpa Design Quantities

Individual stope tonnes selected for the 3 Year plan are listed in Table 17.

Table 17: Irumafimpa MSO stope shape quantities

Vein	Tonnes kt	Au g/t	Ag g/t	Cu %
R3	118	7.2	6.7	0.1
M1	97	8.4	3.0	0.1
M0	11	6.9	3.5	0.1
M3	4	6.5	15.8	0.1
M4	71	12.7	0.8	0.0
M5	101	8.4	14.0	0.2
M6	33	9.3	1.0	0.2
P2	47	7.7	1.3	0.1
Total	484	8.7	5.7	0.1

In addition to production from the selected stopes described above, there is potential to enhance early production by mining broken stocks from existing stopes or drilling and blasting stopes with existing development. This potential cannot be assessed with any confidence until the relevant areas can be re-accessed and inspected. Various records indicate that at least four stopes, listed in the table below, were in production during December 2008. The four stopes that were active when mining ceased may contain approximately 1,500t of broken stocks.

Table 18: Irumafimpa Possible active stopes

Stope	Level (mRL)	Vein	Comment
21L-17/18ShrM3	1285	M3	Commenced Dec 2008
22L-20/21ShrM5	1250	M5	Commenced Nov 2008

22L-21 StopeM4	1250	M4	Commenced Nov 2008 suspended after 2 lifts
22L-22 StopeM4	1250	M4	Mining during Dec 2008

Records also indicate that several stopes had either been developed or access to the stope developed when mining ceased in December 2008. This suggests that roughly 50,000 to 60,000 stope tonnes had been accessed when mining ceased. This potential for additional early production can only be assessed once those stope locations can be safely accessed and inspected. It is possible that deterioration in ground conditions in the intervening years has made early access to many of these tonnes physically or financially difficult.

16.1.9 Irumafimpa Mine Schedule

Due to the many complexities associated with this multi-vein and multi-level deposit AMDAD used the Minesched program to generate a detailed monthly mine schedule for the 3 Year Mine Plan.

The tonnes and grades for the MSO stope shapes were adjusted to allow for a mining recovery factor of 87.8%. Dilution of 5.0% at zero grade was added to the stope tonnes to allow for inclusion of fill material during tight firing against fill and mucking on top of fill. This fill dilution adjustment was only applied to the stope tonnes and grade and not to the development tonnes and grade. The stope tonnes reported within the MSO shapes already incorporate substantial dilution from application of the stope design parameters, including minimum width, as well as the allowance for an additional 0.5m thick dilution skin on the footwall and hangingwall.

Monthly scheduled Development and Production tonnes and Development metres are shown in the following table and charts for the 3 Year Mine Plan.

Table 19 Schedule quantities by month for Irumafimpa 3 Year Mine Plan.

Development	MONTH:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Total	m	186	252	279	270	279	270	279	434	420	434	420	434	434	392	434	270	279	270
Waste	m	177	155	144	153	91	51	54	168	158	171	213	229	126	174	162	70	147	120
	Kt	6.8	6.0	5.5	5.9	3.5	1.9	2.1	6.1	5.8	6.6	8.2	8.8	4.8	6.7	5.8	2.8	5.7	4.6
Dev Mill Feed	m	9	97	135	117	188	219	225	266	262	263	207	205	308	218	272	200	132	150
	Kt	0.3	3.0	4.1	3.8	5.7	6.9	7.5	8.3	7.6	7.8	6.4	6.5	9.5	7.2	9.9	6.4	4.2	4.7
	au g/t	8.76	7.27	6.49	6.06	6.84	8.85	13.72	8.43	7.58	6.54	6.75	6.08	9.35	10.10	9.16	8.94	7.57	9.02
	ag g/t	0.32	0.77	5.18	10.44	9.17	5.18	1.83	5.41	5.14	2.91	4.48	8.87	4.61	4.14	16.23	4.43	5.62	12.45
	cu g/t	0.02	0.05	0.12	0.19	0.14	0.09	0.04	0.10	0.06	0.05	0.05	0.13	0.12	0.10	0.21	0.12	0.17	0.17
Stope Production																			
Mill Feed	Kt	0.0	0.0	0.0	0.0	0.0	0.0	2.1	5.2	9.4	9.1	9.9	10.0	7.4	9.6	7.0	10.0	12.2	11.9
	au g/t	0.00	0.00	0.00	0.00	0.00	0.00	6.94	10.35	9.86	11.55	8.06	5.99	6.71	8.24	17.54	6.30	7.16	8.72
	ag g/t	0.00	0.00	0.00	0.00	0.00	0.00	14.70	7.52	6.02	5.09	6.51	4.11	4.64	7.85	0.19	7.35	7.39	2.75
	cu g/t	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.15	0.08	0.04	0.12	0.13	0.07	0.05	0.00	0.09	0.09	0.04
Total UG mining Inventory (Dev + Stp)																			
Mill Feed	Kt	0.3	3.0	4.1	3.8	5.7	6.9	9.6	13.5	17.0	16.9	16.3	16.5	16.9	16.9	17.0	16.4	16.3	16.6
	au g/t	8.76	7.27	6.49	6.06	6.84	8.85	12.22	9.17	8.84	9.23	7.55	6.03	8.20	9.04	12.64	7.33	7.26	8.81
	ag g/t	0.32	0.77	5.18	10.44	9.17	5.18	4.69	6.23	5.62	4.08	5.72	5.99	4.62	6.26	9.58	6.21	6.94	5.51
	cu g/t	0.02	0.05	0.12	0.19	0.14	0.09	0.10	0.12	0.07	0.04	0.09	0.13	0.10	0.07	0.12	0.10	0.11	0.08

Development	MONTH:	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	Total
Total	m	279	279	270	279	270	279	279	252	279	173	172	70	0	0	0	0	0	0	8,918
Waste	m	138	196	131	118	103	69	102	130	85	79	98	19	0	0	0	0	0	0	3,834
	Kt	5.3	7.5	5.0	4.5	3.9	2.5	3.9	5.0	3.3	3.0	3.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	146.1
Dev Mill Feed	m	141	83	139	161	167	210	177	122	194	94	75	51	0	0	0	0	0	0	5,083
	Kt	4.4	2.6	4.0	4.9	5.2	6.2	5.7	4.1	5.8	3.0	2.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	159.0
	au g/t	7.59	8.98	10.44	9.37	8.49	8.96	8.18	8.45	8.48	8.08	11.65	13.98	0.00	0.00	0.00	0.00	0.00	0.00	8.57
	ag g/t	11.70	10.97	7.60	4.68	2.04	2.44	4.35	11.20	3.65	10.49	0.00	2.63	0.00	0.00	0.00	0.00	0.00	0.00	6.22
	cu g/t	0.22	0.19	0.17	0.14	0.11	0.13	0.15	0.22	0.12	0.23	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.12
Stope Production																				
Mill Feed	Kt	12.2	14.0	12.4	11.5	11.7	10.7	10.8	12.8	11.0	13.6	14.5	15.1	16.4	16.4	15.9	16.0	14.1	0.0	332.8
	au g/t	7.82	6.05	7.10	7.81	6.95	9.56	8.74	8.14	9.03	8.33	8.38	8.95	8.54	7.37	8.53	8.27	8.56	0.00	8.32
	ag g/t	1.73	5.90	7.86	1.41	1.84	4.90	3.01	9.28	29.42	6.89	6.27	3.57	4.86	3.13	3.36	3.51	1.69	0.00	5.57
	cu g/t	0.07	0.11	0.10	0.07	0.07	0.13	0.08	0.14	0.28	0.12	0.08	0.11	0.19	0.17	0.14	0.11	0.07	0.00	0.11
Total UG mining Inventory (Dev + Stp)																				
Mill Feed	Kt	16.6	16.5	16.4	16.4	16.9	16.9	16.4	16.9	16.8	16.6	16.5	16.5	16.4	16.4	15.9	16.0	14.1	0.0	491.8
	au g/t	7.76	6.51	7.92	8.28	7.43	9.34	8.54	8.21	8.84	8.28	8.78	9.39	8.54	7.37	8.53	8.27	8.56	0.00	8.40
	ag g/t	4.38	6.68	7.80	2.38	1.90	3.99	3.47	9.74	20.54	7.53	5.51	3.49	4.86	3.13	3.36	3.51	1.69	0.00	5.78
	cu g/t	0.11	0.12	0.12	0.09	0.08	0.13	0.11	0.16	0.22	0.14	0.07	0.11	0.19	0.17	0.14	0.11	0.07	0.00	0.11

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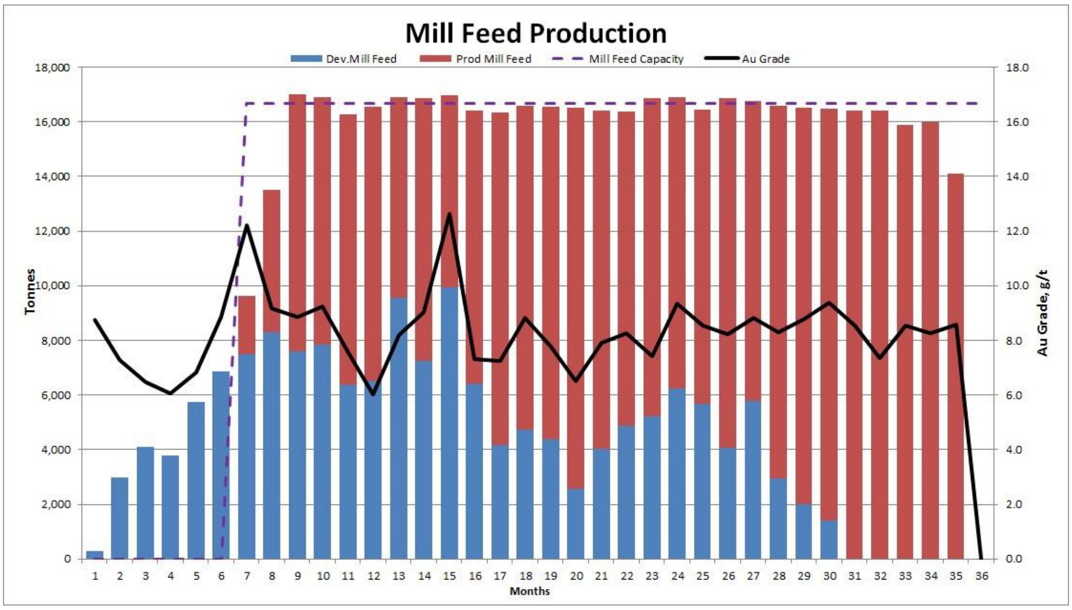

Figure 27: Monthly production from development and stopes for 3 Year Mine Plan

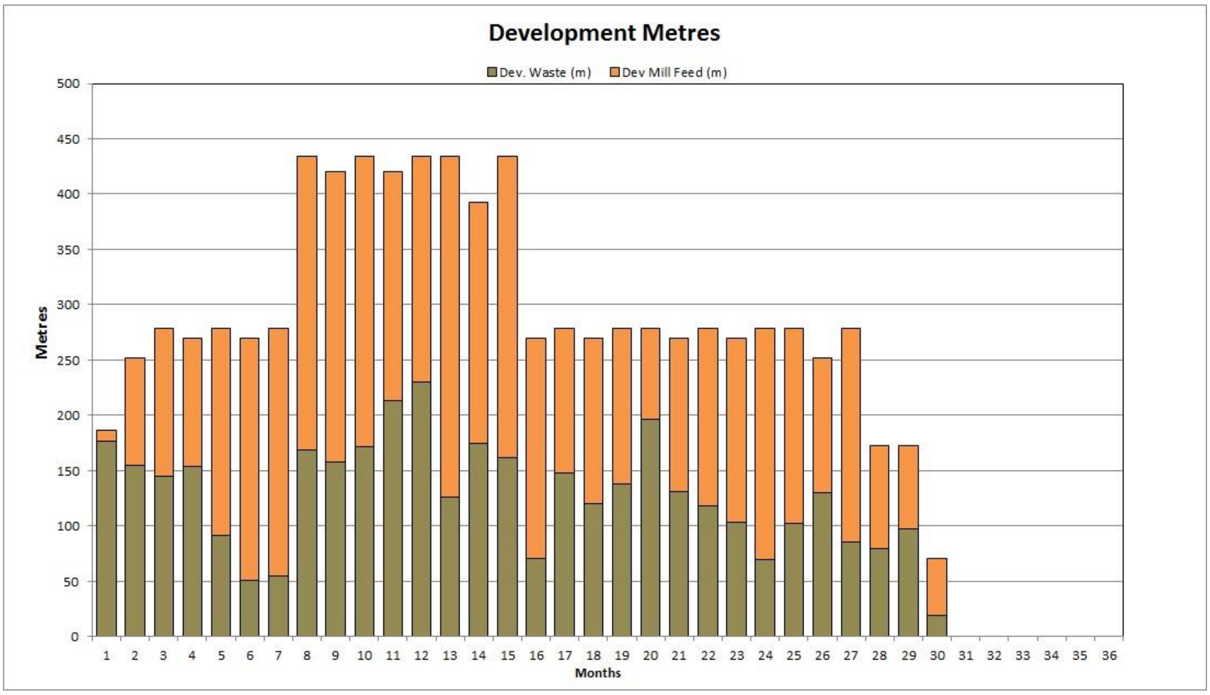

Figure 28 Monthly development metres for 3 Year Mine Plan

AMDAD also prepared a conceptual Life of Mine (LOM) Schedule made up of the 3 Year Mine Plan as described above, and including the remaining mining inventory defined by the MSO stopes generated (Table 20). AMDAD excluded some MSO stopes from the LOM Schedule according to the stope's proximity to either the ground surface or existing voids. The LOM stope layout extends from the 1100mRL Level to the 1505mRL Level. The LOM Schedule targets annual mill production of 200,000 tpa using underground production constraints of load haul capacity of 750t per day and face advance of 9m per day.

Table 20: Annual Irumafima LOM Schedule quantities

Development	YEAR:	1	2	3	4	5	6	7	8	Total
Total	m	3,957	3,735	2,183	2,473	3,216	3,294	1,814	0	20,672
Waste	m	1,765	1,556	870	1,032	1,566	1,962	889	0	9,639
	Kt	67	59	33	37	54	75	34	0	359
Dev Mill Feed	m	2,192	2,179	1,314	1,441	1,650	1,332	925	0	11,033
	Kt	68	69	45	55.6	63.7	51.4	35.7	0.0	389
	au g/t	7.93	9.07	7.93	6.53	6.92	7.64	8.07	0.00	7.74
	ag g/t	5.28	7.28	3.89	4.82	3.32	6.92	14.04	0.00	6.11
	cu g/t	0.09	0.15	0.11	0.11	0.17	0.45	0.61	0.00	0.21
Stope Production										
Mill Feed	Kt	46	130	169	149	162	172	149	37	1,015
	au g/t	8.88	8.02	8.22	7.86	7.85	8.61	9.10	9.22	8.35
	ag g/t	6.10	4.58	6.31	2.05	6.36	3.00	8.73	20.28	5.76
	cu g/t	0.11	0.08	0.13	0.05	0.12	0.17	0.40	0.87	0.18
Total UG mining Inventory (Dev + Stp)										
Mill Feed	Kt	114	200	214	205	226	224	185	37	1,403
	au g/t	8.31	8.39	8.16	7.50	7.59	8.39	8.91	9.22	8.18
	ag g/t	5.61	5.52	5.80	2.80	5.50	3.90	9.75	20.28	5.85
	cu g/t	0.10	0.10	0.13	0.07	0.14	0.23	0.44	0.87	0.19

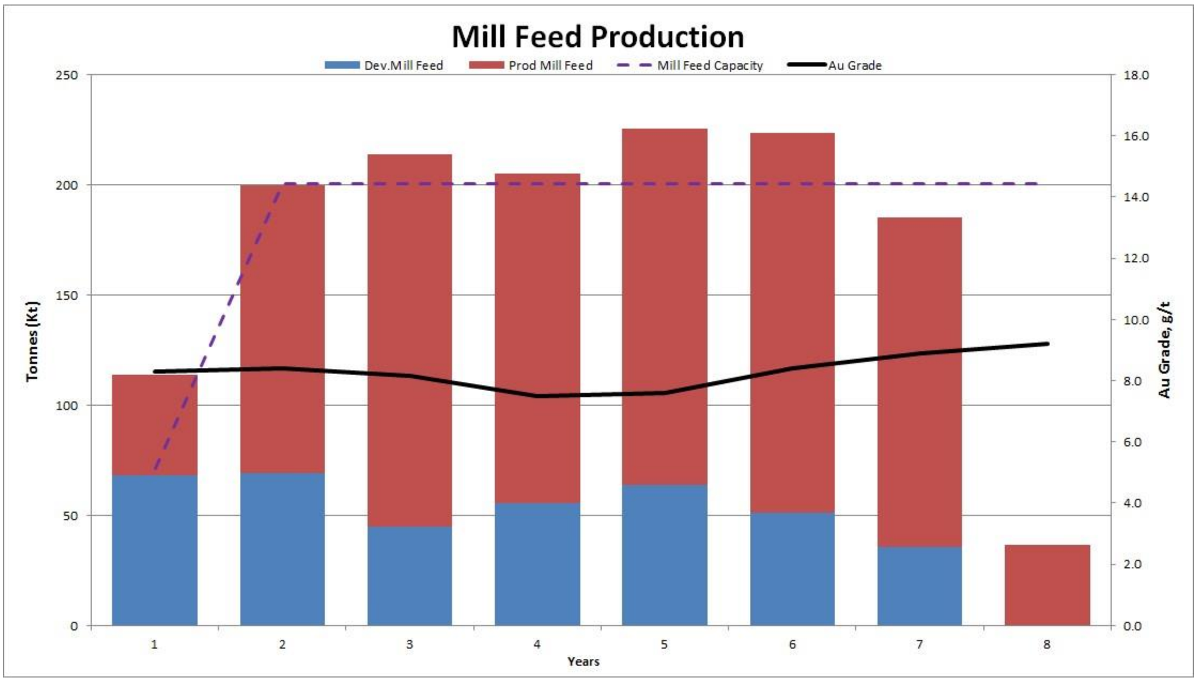

Figure 29 Annual LOM Irumafimpa production from development and stopes

16.2 KORA

16.2.1 Kora Scoping Study Inputs

In September2016 AMDAD prepared a conceptual Mine Plan or Scoping Study for the Kora deposit in consultation with K92ML. A conceptual LOM Plan was also prepared (AMDAD, 2016b).

As part of the scoping study AMDAD applied financial and processing parameters to determine cut off grades for stope design, generated 3-D stope shapes and mining inventory using the CAE Mineable Shape Optimiser (MSO) program, and created a conceptual development layout to suit the MSO inventory. AMDAD also produced a simple mining schedule as input for a simple project cashflow model.

The conceptual mine plan prepared by AMDAD makes use of the two proposed exploration inclines to be mined to the south from Irumafimpa. The mine plan assumes that these drives have been completed and are a "sunk" cost. The mine plan also does not incorporate the proposed exploration drilling that will be undertaken from these exploration inclines.

Key project assumptions for determining the gold equivalent stoping cutoff grade for the MSO modelling are summarised below. The inputs were based on data provided by or confirmed by K92ML. Notional dilution and mining recovery factors were nominated by AMDAD after discussion and agreement with K92ML.

Table 21: Key project assumptions for Kora stope cutoff grade

PHYSICAL INPUTS	Unit	Assumption
Mining Dilution	%	22.4
Mining Recovery	%	90.0
Process Rate	ktpa	400
Process Recoveries		
Gold	%	91.5
Copper	%	91.5
Silver	%	90.0
FINANCIAL INPUTS (USD $)	**Unit**	**Assumption**
Base Mining Cost	$/t	87.7
Processing	$/t ore	17.7
General and Administration	$/t ore	30.0
Metal Price Gold		
	$/oz	1300
Copper	$/t	4800
Silver	$/oz	18
Realisation Costs (Selling Costs) Payable:		
Gold		
	%	97.7
Copper	%	97.0
Silver	%	90.0
Total concentrate costs	$/dmt	270
Royalty	%	2.25

It should be noted that the total operating costs shown in Table 21 were revised from the previous mine planning work that AMDAD completed for the Irumafimpa mining study in April 2016 due to:

- Addition of an allowance for cemented backfill
- Removal of the sunk cost of existing plant and equipment, and
- Revision of the G&A cost (as advised by K92ML).

Whereas the parameters above were adopted to determine the cutoff grade for the MSO program, the final economic analysis of the Kora deposit described in Section 22 Economic Analysis incorporates a further revision to Processing and G&A costs, as advised to AMDAD by K92ML.

16.2.2 Kora Cutoff Grades

A cutoff grade was estimated using the mining, processing and economic assumptions listed in Table 21. This cutoff grade (applied in the MSO program) was estimated using a mining cost that covers all costs (downstream from establishment of the stope) which would be incurred by each potential incremental tonne of ore that could be included within the stope shape. This is the "incremental economic cutoff grade" which will maximise the undiscounted cash value of the operation when it is applied at the point for which the downstream mining costs have been determined (Table **22**).

The cutoff grade calculation also makes allowance for dilution. The applied dilution of 22% was based on the same 0.5m allowance for falloff on the stope hangingwall and footwall, as used for the Irumafimpa mine planning work. This equates to 20% dilution for an average 5m stope design width, resulting in an overall 6m wide stope including the dilution. A further 2% dilution was added to account for fall off of cemented fill and loading out on backfilled floors.

Table 22: Kora AuEq Cutoff grades

Parameter	Unit	Value
Net value of Au in ore (USD)	$/g	36.52
Cut-off head grade, AuEq	g/t	3.71
Cut-off resource grade, AuEq	g/t	4.52
Au equivalent factor for Ag		0.0125
Au equivalent factor for Cu		0.8959

AMDAD assigned gold equivalent (AuEq) grades using the gold, copper and silver grades and associated parameters.

16.2.3 Kora Mining Method

The Scoping Study for Kora is based on open stoping by longhole benching, similar to the method proposed by AMDAD for the Irumafimpa deposit. This is a relatively selective mining method which allows extraction of high-grade, yet relatively narrow, ore zones. Production drilling and blasting of ore would be undertaken with vertical rings drilled from drives spaced 15m apart vertically, forming stopes 19m high. Stope widths will range from 2m to 8m and strike lengths will vary depending on ground conditions. Stopes will be extracted along strike and in a bottom-up sequence, with each stope progressively backfilled for stability and to provide a working base for the next stope above. The use of cemented fill will maximise recovery of the high grade ore.

AMDAD also prepared a mine plan for 25m level intervals to compare against the 15m level interval base case.

No geotechnical information is available for the Kora deposit at present, and AMDAD adopted dilution and recovery assumptions from the Irumafimpa mine plan. AMDAD concluded that longhole benching is likely to be an appropriate extraction method for Kora, provided that stope wall stability can be achieved by:

- Limiting stope strike span
- Use of cemented backfill for increased recovery and wall stability
- Use of cable bolting where required
- Attention to sub-parallel shears in stope walls
- Taking care not to undercut stope walls
- Careful management of drill and blast practices

16.2.4 Kora Development Concept

The conceptual mine plan for the Kora deposit proposed by AMDAD incorporates the existing decline development at Irumafimpa and two proposed exploration inclines that K92ML is planning to develop. The Kora exploration inclines would be the main access and, initially, the intake air sources. From the Kora exploration incline, the Kora mine plan consists of:

- A centrally located incline commencing from both Kora exploration inclines at 1270mRL and 1510mRL, and mined to the top of the resource at 1825mRL.
- Access development to the orebody at 15m level intervals.
- Footwall drives extending to the northern and southern ends of the deposit, providing flexibility of access for multiple concurrent ore sources on each level.
- Orebody drives at the base of each stope on each level
- Loading and stockpile bay development on each level.

Ventilation requirements would include a central fresh air rise (FAR), collared at surface, which would also provide a secondary means of egress to the surface. Fresh air would be supplied via the lower Kora exploration incline and the proposed FAR. Two return air rise systems, would need to be established between levels using the longhole rise method (LHR). These will remove exhaust air from Kora via the upper Kora exploration incline, or alternatively via an exhaust adit or rise collar at Kora.

AMDAD propose that two ore passes be established up through the Kora deposit, with the base and loading point at 1270mRL. All ore would be loaded into trucks at the base of the ore passes and hauled down to the Irumafimpa portal. Haulage distance is approximately 3.1 km from the 1270mRL loading area to the Portal. The Kora development concept is shown schematically in longitudinal section in Figure 30 and Figure 31 below.

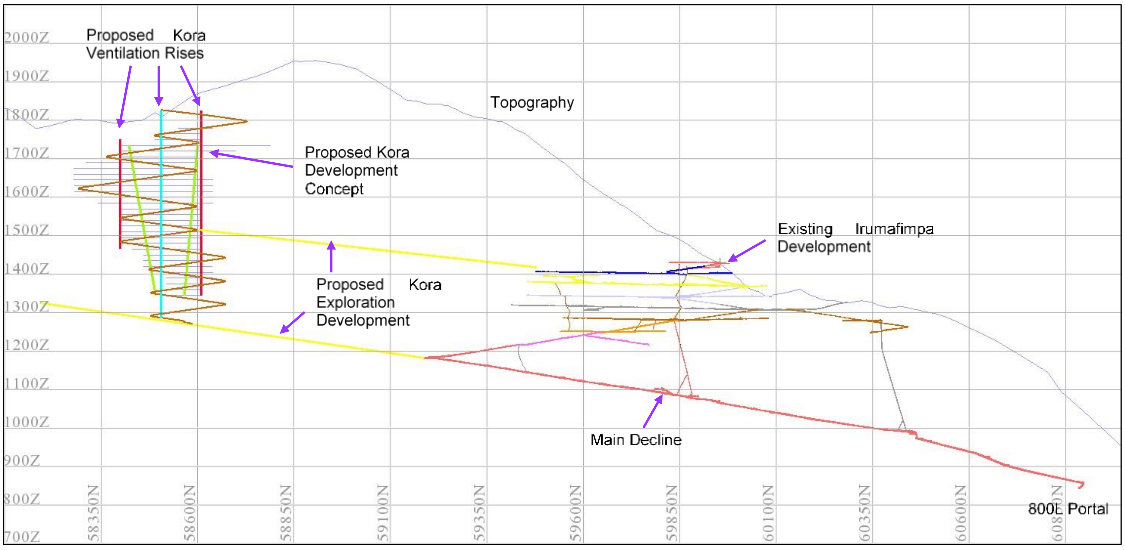

Figure 30: Longitudinal projection looking west showing proposed Kora development in relation to existing Irumafimpa development.

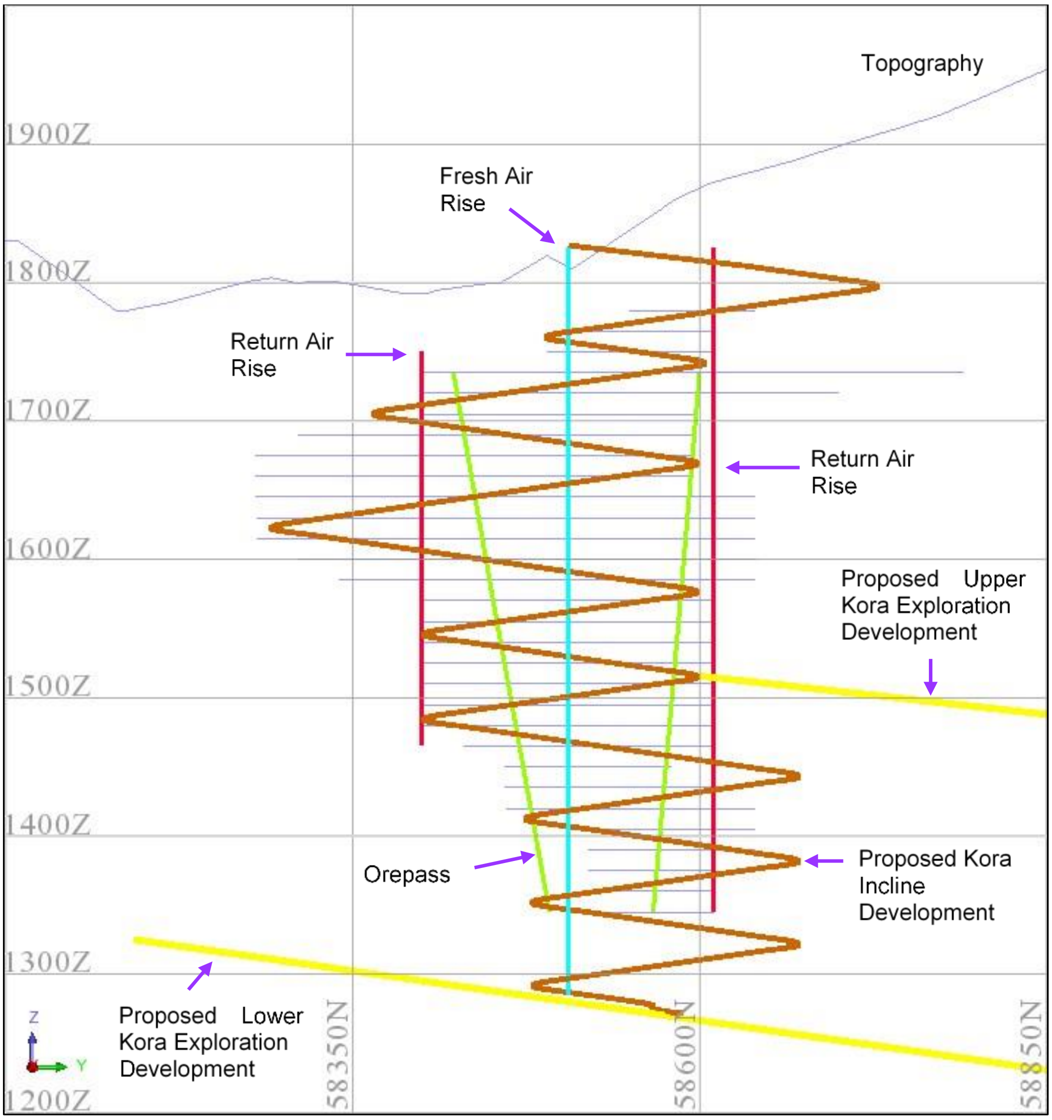

Figure 31: Kora development concept, longitudinal projection looking west

16.2.5 Kora Backfill Strategy

Waste rock from development mining will be the main source of backfill material. External sources such as quarried surface waste rock will be the alternative fill source when local development waste is unavailable. AMDAD has assumed use of cemented backfill where appropriate to increase the mining recovery of the Kora resource. Cemented backfill will reduce the requirement for in-situ rib pillars and regional pillars.

A second stoping panel will be required to increase the Kora production capacity. AMDAD has proposed the 1645mRL level as the base of this second panel. The backfill in stopes on 1645mRL will require a higher cement content compared to other benches so as to enable the mining of stopes immediately below on 1630mRL.

Analysis of cement content will be required for different stoping areas and a materials balance of waste rock mined to determine the quantity of external rock required as backfill. A simple cement addition system is proposed in which haul trucks loaded with waste rock would reverse underneath a cement slurry tank or hopper that would supply the required dosage of cement. Issues that will need to be resolved for such a system include tipping arrangements at the stope, stope drive height required to accommodate truck tipping, and homogeneity of cemented rock fill mix.

16.2.6 Kora Ventilation

The ventilation system for Kora will initially use the existing infrastructure of the Irumafimpa development until the Kora primary ventilation system is established.

The proposed Kora exploration incline from the 1180mRL "switchback" corner of the existing Irumafimpa decline, will have forced ventilation via a low-friction vent duct along its length. Development fan(s) will be installed in the existing Irumafimpa decline to ventilate the Kora exploration incline as it is mined to the south. Additional forced ventilation is required in the upper exploration incline to facilitate mining of the Kora incline from 1510mRL upwards (Figure 32).

The proposed start of the Kora operations incline at 1250mRL is approximately 615m from the 1180mRL "switchback" and initially the incline will use this forced ventilation system. Mining of the upper Kora operations incline at 1510mRL is approximately 890m from existing Irumafimpa development at the 1415mRL. The Kora operations incline development may require upgrade of the fan and vent duct in use in both Kora exploration inclines.

A raise bored rise or Alimak rise would need to be developed at Kora between 1250mRL and 1510mRL to establish the primary ventilation system (i.e. intake air along the lower exploration incline and return air out the upper exploration incline). An additional vent rise will need to be developed as soon as practical from the surface to the base of the Kora operations incline, approximately 540m in length. This would also provide a secondary means of egress from the mine. All development and benching at Kora will be able to be serviced by this primary system.

Fresh air would enter Kora via the lower Kora exploration incline and FAR and be directed into level development by forced ventilation with secondary fans and ventilation ducting. Exhaust air would exit level development into the Northern and Southern RARs, and exhaust air would exit Kora via the upper Kora exploration incline or alternative exhaust routes to the surface.

AMDAD believes that it may be necessary to strip the existing Irumafimpa 1415 Level to a larger profile for the primary vent system at Kora to operate with an effective pressure and airflow.

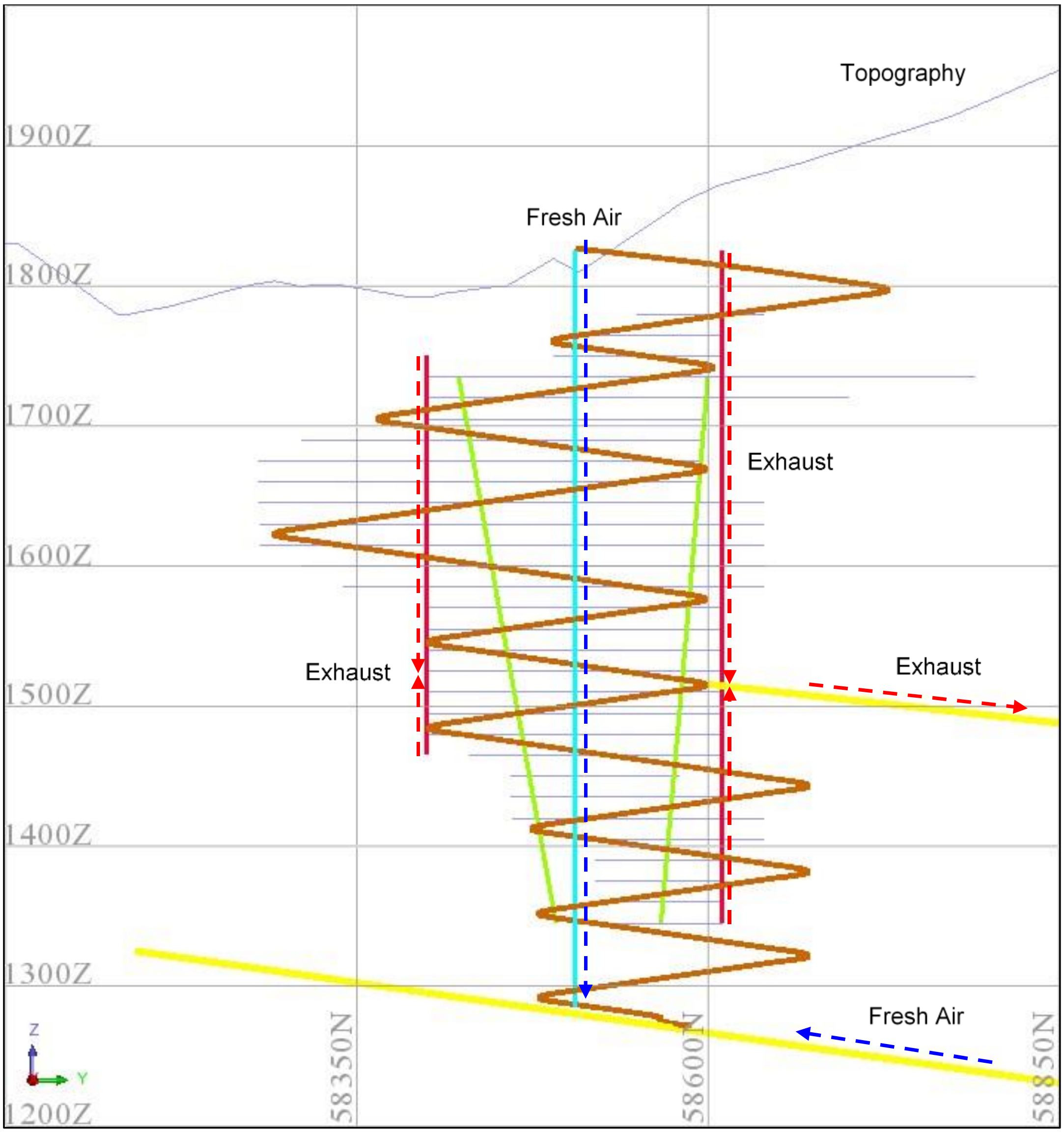

Figure 32: Ventilation concept for Kora development

16.2.7 Kora Stope Design

AMDAD used the MSO module in CAE Studio 3 for stope design. MSO automatically produces stope shapes from the resource block model that are economically optimised within specified geometrical and design constraints. For extensive multiple orebody deposits such as Kora the MSO program represents a powerful tool, generating several hundred stope shapes in a relatively short amount of time compared with manual design.

The stope parameters applied in the MSO modelling are tabulated below.

Table 23: MSO Parameters

Parameter	Units	Value
Optimization Field		AuEq
Cut off grade	g/t	4.5
Default density	t/m3	2.80

Level Spacing	m (vertical)	15 (base case) 25 (alt case)
Section Spacing	m (horizontal)	30
Minimum Stope Width	m	2.0
Maximum Stope Width	m	8.0
Minimum Waste Pillar Width	m	8.0
Hanging Wall Dilution	m	0.5
Footwall Dilution	m	0.5

The MSO generated 556 individual stope shapes for the 15m level case ranging from 3,755t to 6,822t in size. The results, by vein, are summarised below.

Table 24: MSO stope shape quantities – 15m level case

Vein	Tonnes kt	AuEq g/t	Au g/t	Ag g/t	Cu %
K1	2,298	9.2	7.1	26	2.0
K2	883	9.8	8.3	26	1.2
K5	9	5.3	2.2	53	2.7
J1	169	6.5	5.9	13	0.5
E4	145	6.2	4.6	22	1.5
Total	3,504	9.1	7.2	25	1.7

The MSO generated 318 individual stopes shapes for the 25m level case ranging from 6,250t to 19,100t in size. The results, by vein, are summarised below.

Table 25: Kora MSO stope shape quantities – 25m level case

Vein	Tonnes kt	AuEq g/t	Au g/t	Ag g/t	Cu %
K1	2,285	9.1	7.1	25	1.9
K2	868	9.6	8.2	26	1.2
K5	13	5.5	3.4	44	1.6
J1	150	6.5	6.0	13	0.4
E4	133	6.3	4.6	24	1.6
Total	3,449	9.0	7.2	25	1.7

Figure 33 below shows the MSO stope shapes for the 15m level MSO run and Figure 34 shows a plan view of stope shapes and mineralized veins.

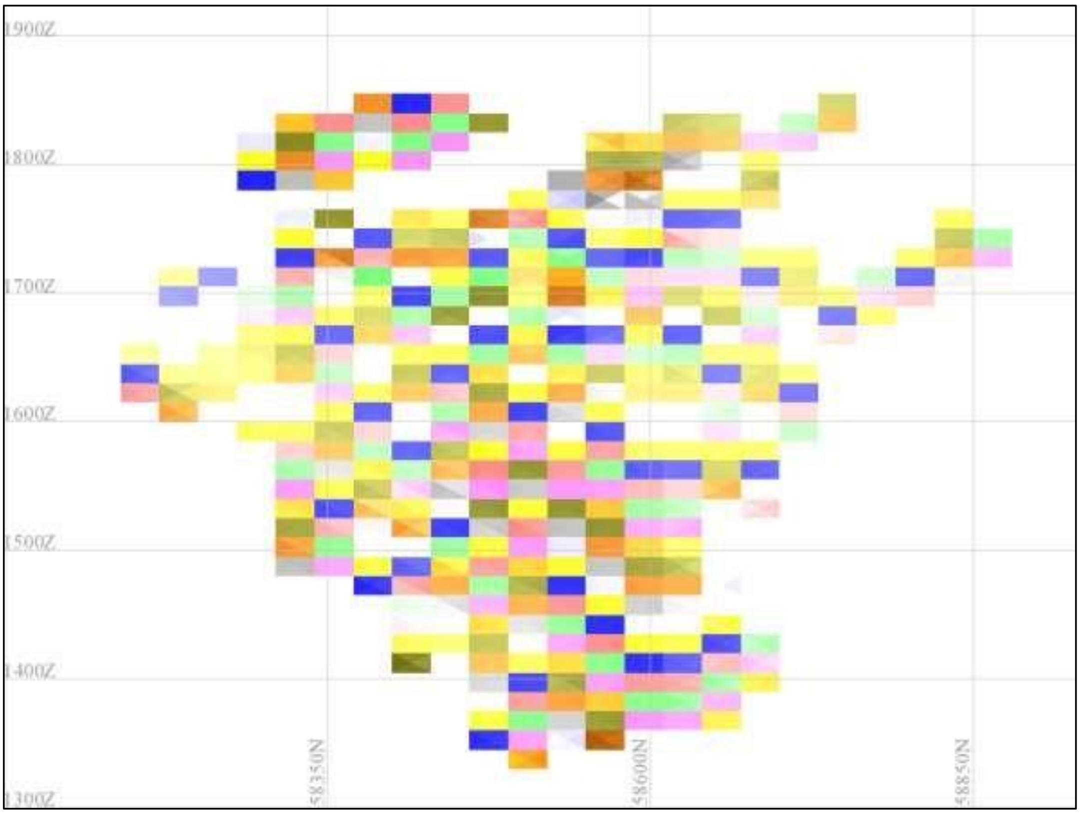

Figure 33: Kora MSO shapes, 15m levels (longitudinal projection looking west)

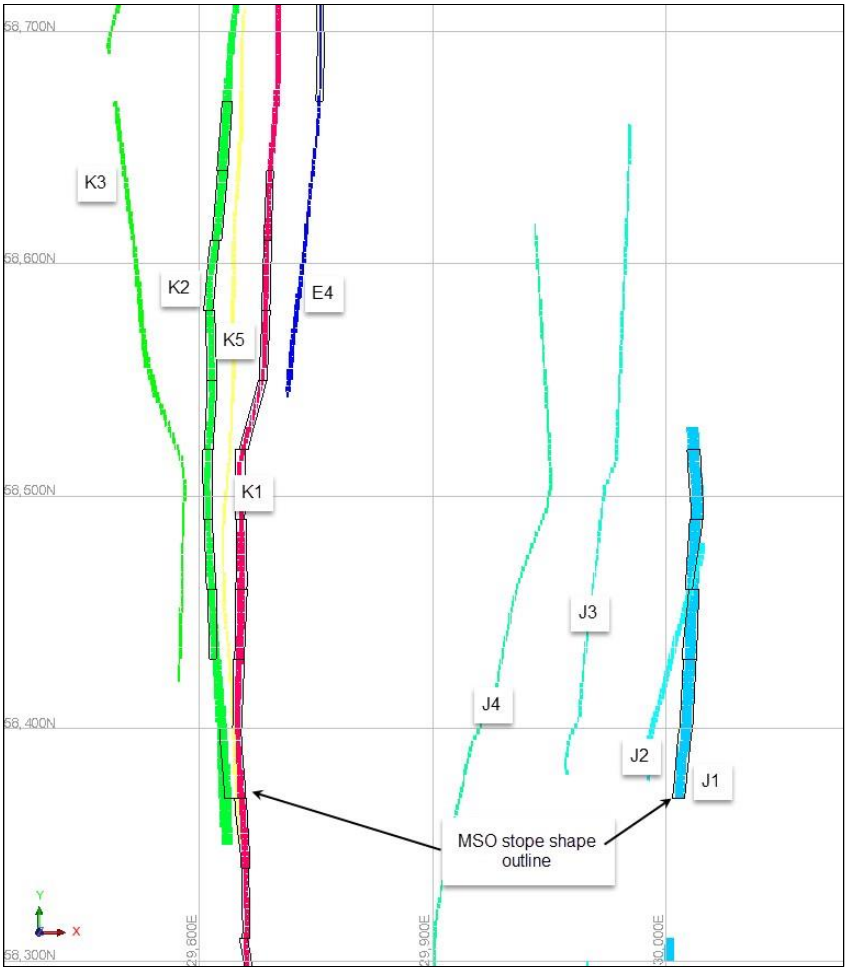

Figure 34: Kora MSO stope shapes with mineralised veins, typical plan view at 1700mRL

16.2.8 Mine Design Quantities

The stope shapes created using the MSO program for both the 15m and 25 level cases represent approximately 3.2Mt of mill feed, after mining recovery is applied. The access for these stopes will be from the base up, with a centralised incline developed from the Kora exploration drive spiralling upwards to the top of the Kora deposit, as described in Section 16.2.8.

AMDAD created a simple centreline development design in Surpac for the 15m level case only and generated development quantities.

Table 26: Development quantities for 15m levels

Development type	Units	Quantity
Kora Incline	m	4,212
Stockpile Bays	m	720
Level Access	m	3,567
Loading Bays/sumps/Cuddies	m	1,650
Footwall drive	m	6,463
Orebody access	m	1,627

Orebody drive	m	15,904
FAR access	m	80
FAR rise	m	540
RAR access	m	1,334
RAR rise	m	750
Orepass access	m	642
Orepass rise	m	788
Total Lateral Development	m	36,108
Total Vertical Development	m	2,078

16.2.9 Kora Mine Schedule

The schedules prepared by AMDAD for the Kora stoping and development concepts used the following parameters.

Table 27: Schedule Parameters

Parameter	Value	Units
Incline Development	150	metres adv. /month
Maximum Development	800	metres adv. /month
Raise Construction		
Site Preparation and Rig Setup	60	Days
Drill Pilot Hole	10	m/day
Raise Reaming	3	m/day
Stoping Rates – applied to upper and lower horizons		
First Quarter	20	Kt/qtr
Second Quarter	40	Kt/qtr
Maximum Production Rate	60	Kt/qtr

The maximum development rate assumes that two additional development jumbos would be mobilised in addition to the existing K92 Kora Incline jumbo to complete waste development early in the project, with each jumbo boring three faces per day at 85% availability.

The schedule prepared for the Scoping Study does not include the pre-development exploration period which involves the establishment of the two exploration inclines from Irumafimpa.

Year 1 will involve:-

- Development of the lower and upper sections of the Kora operations incline from the two exploration inclines
- Establishment of a ventilation circuit following the completion of the FAR and establishment of the Northern and Southern RAR using between sub-levels

- Establishment of initial stoping horizons in the lower levels above 1345RL and upper levels, above 1615RL

Year 2 will involve:-

- Continued development of the Kora operation incline
- Completion of the ventilation circuit as the lower portion of the Kora operations incline connects to the upper incline, with exhaust via the upper exploration incline
- Stoping rates increasing up to 100,000t per quarter

Production rates of approximately 50,000t per quarter are scheduled on both the upper and lower stoping horizons. Steady production is scheduled thereafter until production ends in Year 10.

Development is scheduled to establish ventilation early in the project, with the bulk of waste development completed by the end of Year 3. Ore development then continues with stopes established on each level as the upper and lower stoping horizons advance upwards. Future evaluation work will optimise development sequencing by delaying waste development, and deferring waste development costs wherever possible.

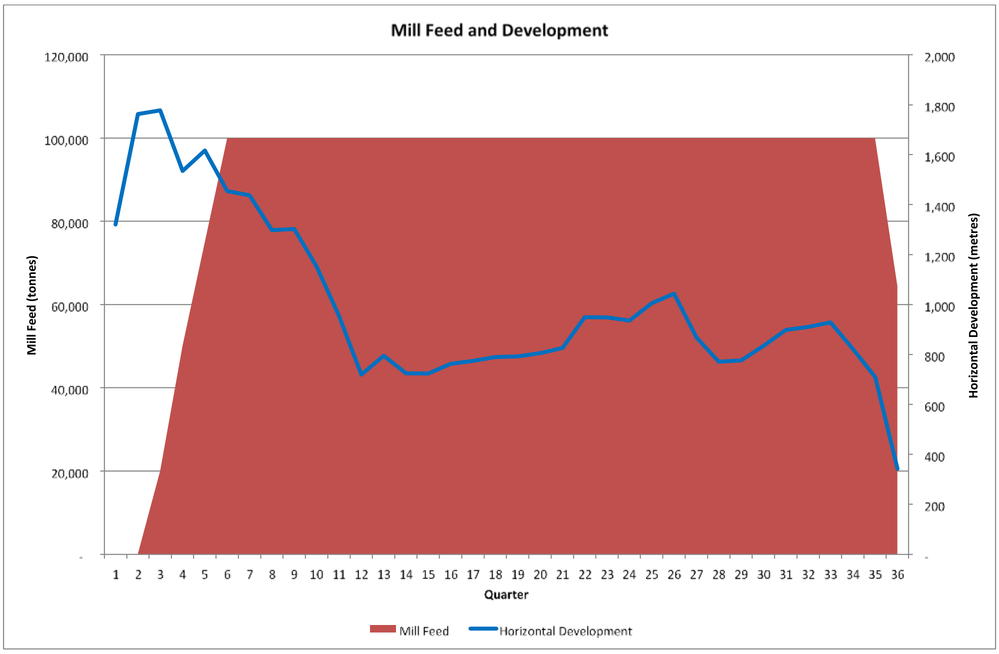

Figure 35: Mill feed tonnes and development metres

Production from stopes commences in Quarter 3. Production on the upper and lower stoping horizons gradually increases until the target production rate of 400,000 tpa is achieved in Quarter 7.

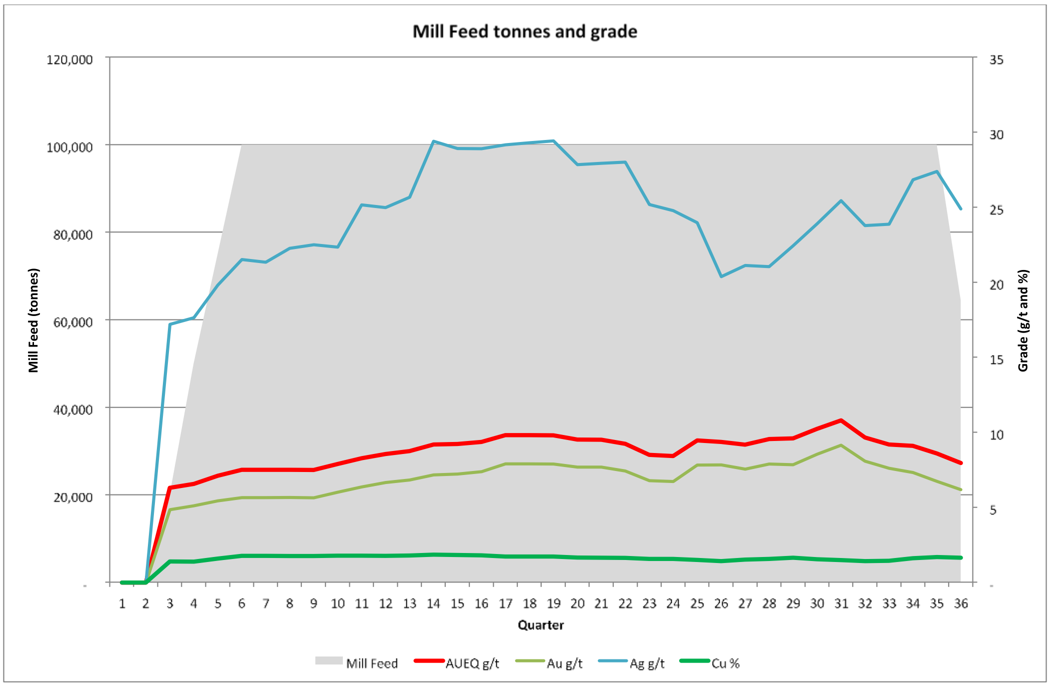

Figure 36: Mill feed tonnes and grade

17 RECOVERY METHODS

The Kainantu processing plant is located approximately 7km from the opening of the 800 portal which accesses the Irumafimpa Mine. Simple processing technology was used to treat Irumafimpa ore. Following crushing, screening and grinding the sulphide bearing material was separated from the non-mineralized host rock by flotation. The design throughput of the plant was 21 tonnes per hour (170,000tpa) and approximately 10% of the ore was recovered as a high-grade gold bearing flotation concentrate with the waste material pumped to an engineered tailings storage facility. The gold bearing concentrate was packed in containers and trucked to Lae from where it was shipped to a smelter/refinery for the recovery of the gold.

The plant was designed and constructed in 2005 and treated ore from the Irumafimpa lodes over two separate periods between 2006 and 2008 HPL and Barrick). Concentrate from the Kainantu Mine was sold to a number of smelters including Japanese smelters. The specification generally fell into that acceptable to copper smelters seeking high gold and high sulphur feedstock although it did not contain significant copper.

17.1 CURRENT PLANT CONDITION

The processing plant has been idle, but under care and maintenance since processing ceased in December 2008.

Following completion of studies on the redesign of the crushing circuit to handle wet clay rich mill feed Mincore was engaged by K92ML to undertake the plant refurbishment and the installation of a drum scrubber (Mincore, 2015). Refurbishment and repair of the process plant by Mincore Pty Ltd ("Mincore") commenced in March 2016.

A new main 415v switchboard has been installed as part of the refurbishment of the plant. In addition to general rehabilitation of existing equipment the process plant was enhanced by the addition of a Drum Scrubber which was commissioned in October 2016. The assay laboratory has been recommissioned under the control of Intertek, an internationally recognized assaying company. Equipment to allow on-site fire assaying of mine samples is currently being installed.

17.2 PLANT UPGRADE SCOPING STUDY

In August 2016 Mincore completed a scoping study on the requirements for an upgrade of the existing plant to allow treatment of Kora ore at a proposed rate of 400,000 tpa (Mincore, 2016). Mincore concluded that:

- There is sufficient crushing and milling (comminution) power in the current plant to grind 50tph to the required grind size of P80 of 106 µm. The current two stage crushing circuit is rated at 68tph producing a product size P80 of 10-12mm.
- Additional flotation capacity is required to achieve acceptable residence times for each cell. There is sufficient space to install additional cells if future testwork identifies a requirement for longer residence time.
- The existing concentrate thickener and filter is adequate for 400,000tpa of Kora feed averaging 1.7% copper.
- The existing tailings line is adequate but a full pump upgrade will be required.

Mincore suggested the following circuit modifications (Figure 37):

- Liner wear should be optimized by installation of a twin deck grizzly cassette in the ROM bin feeder to bypass -50mm fines from the jaw crusher. Additionally a standard short head concave profile is needed in the secondary crusher to optimize available crushing area and product size distribution in the 10-15mm range.
- Virtually full utilisation of installed milling power will be required to meet the expansion criteria. Mincore believe that by increasing the media charge (possibly with the addition of a trunnion insert or discharge grate to retain the charge) the ball mill will draw full installed power and achieve 106 microns grind size.
- The existing 150CVX cyclones will have to be upgraded to meet the higher feed rate and recirculating load. For optimum feed into the unit cell (flash flotation) the cyclone tower will need to be raised and a distribution box installed.
- A gravity concentrator has to be included in the milling circuit for recovery of any gravity gold. The gravity concentrate would be treated using a Gemini table and direct smelted in an electric furnace.
- Reconfiguration of the current flotation circuit is based on the preliminary test results generated by Barrick Gold which indicated that the Kora mineralization can produce a single high copper with gold concentrate. The existing rougher and cleaner circuits are proposed to be used for the new rougher duty since the current cleaner circuit comprises four cells which are exact duplicate of the four cells which make up the current rougher circuit. This will effectively double the capacity and provide satisfactory retention time and requires minimal modification. A new bank of Cleaner and Recleaner cells will need to be added and connected to the existing concentrate thickener and filter.

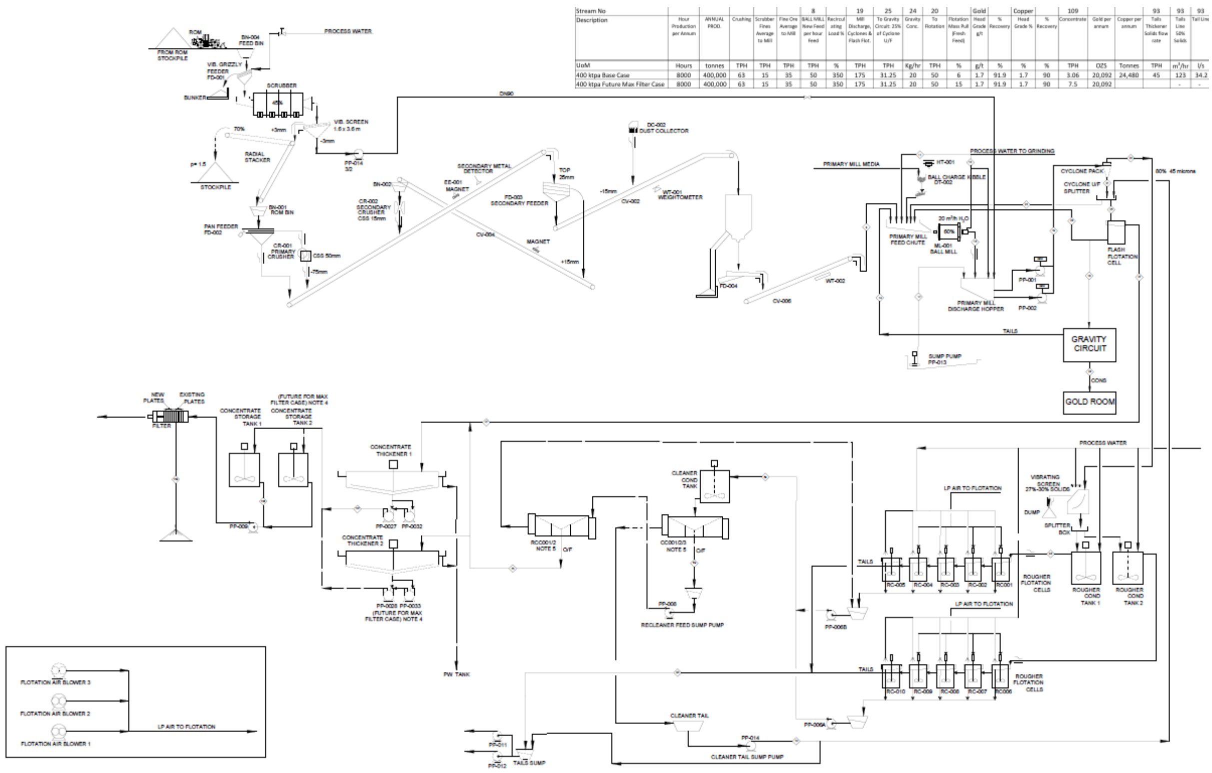

Figure 37: Upgraded Process Plant Flowsheet

Mincore considered that testwork was warranted on a number of metallurgical issues. These issues include:

- Increasing grinding capacity by reduction of the feed size to the ball mill should be investigated. This could be accomplished by creation of a midsize stockpile by removing product at the scrubber situated below the crusher discharge size. This ore would be fed to the belt after the Fine Ore Bin but before the Weightometer.
- Further work to establish the most suitable grind size to achieve balanced liberation, recovery, concentrate grade and production rate.
- Investigation of reagent type, addition rate and addition point, including use of new reagents (all at variable pH).
- Investigation of ore blending procedures by use of laboratory flotation tests at various grind sizes to facilitate processing in the grinding, flotation and filtering circuits.
- Further detailed mineralogy on more representative samples of mineralization than those examined to date.
- Barrick 2009 test work suggests that Rougher Cell Mass pull balancing with cleaner-cells will require consideration as a matter of urgency, particularly for high copper feed. Mincore suggested configuration of the 3rd and 4th Rougher Cells as Scavenger cells returning Scavenger cell concentrate to the Roughers.
- Flash flotation optimization including forwarding of concentrate from the Concentrate Thickener and Cleaners.
- Investigate reducing reagent consumption, particularly lime and caustic soda, by installation of a tailings thickener. Pumping power costs, water consumption and time would also be saved.

- Investigate the effect of acid mine water on alkali consumption, suspended solids, and TDS precipitation (including copper and gold).

18 PROJECT INFRASTRUCTURE

The Kainantu mine is located within ML150 and the main Kainantu exploration camp and processing plant are located within LMP78 which is located within EL693. The Property includes all mine infrastructure, exploration camps, exploration data and diamond drill core.

The property is well supported by regional infrastructure, and contains all the necessary site infrastructure for mining operations. The following descriptions are summarised from Barrick (2014).

18.1 POWER AND WATER

18.1.1 Power

Power is supplied to the Property from two sources. The primary source is the PNG Power national grid from the Ramu sub-station, located 20 km from the processing plant site. The electrical energy for Kainantu operations is delivered by PNG Power from the nearby Yonki Dam Hydroelectric Plant. In early 2010, back-up power capacity was reduced to one 530 kVa containerised 415V generator at the plant site. Power from the national grid services both the plant area and is available up to the lower portal of the underground mine. Power reticulation is 11kV.

Current back-up power is supplied by a 530 kVa generator at the 800RL Mine Portal, a 600 kVa generator for the Treatment Plant and Offices and a 200 kVa generator for the accommodation camp. K92ML are planning to install 4MW of stand-by diesel generated power which will be sufficient to run the mine and treatment plant.

18.1.2 Water

Water for potable use is drawn from two bore wells and treated at an on-site treatment plant. Raw water for use in the process plant is provided primarily from diverted discharge from the underground mine, backed up by additional capacity from bore wells and the option to draw water from Baupa Creek. Make-up water can also be supplemented by decant water from the TSF.

18.2 MINE

Underground mining at Kainantu operated from 2004 to 2008. The majority of the mining infrastructure remains in place and is summarised below:

18.2.1 Lower 800 Portal And Workshop

The Lower 800 Portal area encompasses infrastructure for utilisation and security of the Irumafimpa Mine. Key elements of the infrastructure are:

- Power generation platform; This raised concrete platform formerly housed and sheltered five generator units and power regulation infrastructure providing underground back-up power
- Workshop and secure store rooms; a facility comprising four containers stacked two high and roofed with sheeting iron. The facility provides secure storage for cap lamp recharging station, re-breather units, small equipment and general consumables. A covered work deck provides shelter from weather during maintenance and servicing of underground plant. The underground tag-board and mine entry log is also housed here.
- Reinforced underground portal including security gates.
- Washdown bay, ablutions hut, laydown area.

The lower portal facility is located less than three hundred meters from a local settlement named Kokomo, comprised of Pomasi residents and Billimoian settlers. There have been no security issues for the portal from the settlement.

18.2.2 Underground Mine

The Irumafimpa Underground Mine comprises:

- Lower 800 Portal, Upper 1300 Portal, Puma manway Portal (1325RL), and various escape ways.
- 6 km incline to working levels. The incline is 5m x 5m, from the 840 portal to the switchback at the Kora turnoff, where breakthrough of the decline from the working levels occurred. The upper section of the incline from the switchback is 4m x 4m.
- Working levels 16 to 23, each developed with footwall drive, ore development drives, and ancillary crosscuts and stoping development. The working levels are constructed at 3m x 3.5m.
- Two ore passes dropping from the upper levels to the lower section of the incline.

18.2.3 Upper 1300 Portal

Most of the infrastructure at the Upper 1300 Portal which had been used during mine operations has been removed from the site. The site is currently not accessible from the underground mine due to a collapse along the internal access route.

18.2.4 1400 Level Camp

Following closure of the underground mine in 2009, the majority of the 250 man 1400 Level Camp was decommissioned and removed from the site. One building remains which facilitates security services for the upper mine openings and prevention of illegal mining.

18.3 PROCESSING PLANT

The Kainantu processing plant (Figure 38**Error! Reference source not found.**) is located approximately 7 km from the opening of the 800 portal which accesses the Irumafimpa Mine. The plant was on care and maintenance between December 2008 and September 2016. Simple processing technology was used and following crushing, screening and grinding, sulphide bearing material was separated from non-mineralized host rock by flotation and a gold-rich flotation concentrate sold. Further details of the processing plant are in Section 13 Mineral Processing and Metallurgical Testing.

Figure 38. Oblique view of Process Plant and office infrastructure area *(circa 2012)*
Source: Barrick 2012

18.4 OFFICE

Additional infrastructure at the property includes an accommodation camp at Kunian, administration offices, warehouses, equipment workshops, exploration area and an assay laboratory.

18.5 EXPLORATION AREA

An office facility measuring 16m x 11m provides facility for an exploration team to operate at the site. The office is accompanied by a 23m x 21m core processing shed with extensive roller-racking for core logging (Figure 39). A warehouse facility of 7m x 22m provides secure locked storage for all exploration equipment and consumables, and a container laydown provides further storage for equipment and sulfidic core which would otherwise be susceptible to weather. A palletised core farm contains all available core from the history of the Project. A separate ablutions building is also located at the site.

Figure 39. Profile view of Exploration Coreshed (left foreground), warehouse (left background) and offices (right foreground) *(circa 2014)*

18.6 ACCOMMODATION CAMP

Accommodation at Kumian Camp (Figure 40) consists of a series of single person/shared ablution type facilities, as well as fully ensuited rooms for senior personnel. The current optimum capacity of the camp is 365 personnel. This can be expanded by refurbishment of existing (closed) accommodation in the camp to accommodate a further 203 personnel (568 personnel in total). The primary security post and gate house is located in a 6m x 4½m building at the entrance to the site on the access road.

Figure 40 Aerial and Ground view of Kumian Accommodation Camp (circa 2009)

Mess/catering facilities for 116 persons provide three meals a day for site personnel in accordance with required health standards. These facilities are officially inspected monthly and are randomly monitored by site OH&S staff on a weekly basis. Grounds and surrounds will continue to be maintained by a contract company, but Mess buildings and infrastructure will be maintained by K92ML.

The camp also contains a health/first aid clinic for the benefit of K92ML's employees. The clinic is sufficiently furnished to stabilise injured personnel prior to transport. It contains a paramedic's office, treatment couch, emergency treatment room, bathroom, dispensary, records storage and a waiting area. The clinic is supported by a mobile ambulance for paramedics and clinic staff.

Figure 41. Aerial view of Process Plant, Tailings Storage Facility and Accommodation Camp *(circa 2009)*
Source: Barrick 2012

19 MARKET STUDIES AND CONTRACTS

K92 signed an offtake agreement in June 2016 with Interalloys Trading Limited ("ITL") covering the first three years of concentrate production from the Kainantu mine. The terms provide for payment of gold, silver and copper contained in the concentrate.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

This Item is not applicable for this report.

21 CAPITAL AND OPERATING COSTS

21.1 KORA CAPITAL EXPENDITURE EQUIPMENT AND FACILITIES

Capital expenditure allowances in the cashflow model prepared by AMDAD are summarised in Table 28. In addition to mining equipment and infrastructure an estimate is included for expansion of the existing process plant to 400,000 tpa capacity. This estimate was provided to K92ML by Mincore in its report on the Process Plant upgrade (Mincore, 2016).

Table 28: Capital Expenditure – Equipment and Facilities

Item	Cost $M (USD)	Source
Ventilation Fans	1.0	Infomine & AMDAD allowance
Ventilation Civils	1.0	AMDAD allowance
Electrical Infrastructure	2.0	AMDAD allowance
Portal (1825mRL)	1.0	AMDAD allowance
Mobile Equipment	5.0	AMDAD allowance
Cement Backfill Infrastructure	1.0	AMDAD allowance
Kora Mine Facilities	2.5	AMDAD allowance. Provision for construction of any additional underground facilities.
Processing Plant Expansion	3.3	Mincore report September 2016
Total	16.8	

Kora Mine Facilities consist of any infrastructure development, and infrastructure items to be constructed underground at Kora instead of being shared with Irumafimpa. These include:

- Offices and pre-start facilities
- Workshop, refuelling and equipment parking bays
- Magazine
- Ladderways

21.2 KORA CAPITALISED DEVELOPMENT COSTS

All waste development (lateral and vertical), except crosscuts from footwall drives to the orebody drives, is treated as a capital cost. Table **29** is a summary of quantities and costs for capitalised development as estimated by AMDAD.

Table 29: Capital Expenditure - Development

Item	Quantity (m)	Cost (USD) $M
Decline Development	4,841	21.8
Lateral Waste Development	13,737	48.1
Vertical Waste Development	2,078	10.1

21.3 MOBILE FLEET

Table 30 summarises the mobile fleet requirements for the LOM schedule.

Table 30: Capital Expenditure – Mobile Plant

Mobile Fleet	Number	Note
Development Jumbo	1	Twin-boom jumbo suitable for rockbolting and face boring. Sandvik DD420 onsite is intended for Kora exploration drive.
LHD Unit	1	~6m^3 LHD unit. Toro 1400 (5.4m^3) onsite is intended for Kora exploration drive.
Haul Truck	2	~35 tonnes ADT. Used Volvo A25D sourced for Kora exploration drive. Komatsu HM350 and Atlas Copco MT2010 ADTs onsite for Irumafimpa ore haulage.
Development Jumbo - Contractor	2	Contractor units for waste development. Twin-boom jumbo suitable for rockbolting and face boring.
LHD Unit – Contractor	1	Contractor units for waste development. ~6m^3 LHD unit.
Articulated Haul Truck - Contractor	2	Contractor units for waste development. ~35 tonnes articulated dump trucks.
Production Drill Rig	1	Suitable for 64-89mm upholes. Boart StopeMate to be purchased for Irumafimpa.
Cable Bolt Rig	1	Compact mechanised cable bolt rig (e.g. Sandvik DS421)
Shotcrete Rig	1	Compact mobile shotcrete rig (e.g. Jacon Maxijet)
Integrated Tool carrier	1	CAT 924IT has been purchased for Irumafimpa. Will also be used for chargeup.
Telehandler/Manitou	1	Backup for integrated tool carrier. JCB Telehandler onsite at Irumafimpa.
Grader	1	CAT 12G onsite at Irumafimpa may be suitable if access is suitable.

22 ECONOMIC ANALYSIS

22.1 IRUMAFIMPA MINE PLAN

In addition to producing schedules with production tonnes and grades and development metres (Section 16.1), AMDAD also prepared a conceptual cashflow and discounted cashflow (DCF) derived from these quantities, with allowances for mine capital expenditure.

When reviewing these figures it should be noted that:-

- Non-mining economic and processing parameters assumed and referred to in the study are conceptual. They were applied for the purpose of identifying the part of the Inferred Resource that notionally may be economic, in order to prepare conceptual extraction designs.
- Schedules are based on conceptual development and stoping quantities and not practical designs.

- Where cashflow schedules are provided based on these assumed parameters they should be treated with caution, and they should not be interpreted as a measure of the value of the deposit.

The 3 Year Mine Plan includes a simplistic cashflow model based on the preliminary unit costs and revenue assumptions that were adopted to define the cutoff grade for the MSO modelling. These cost and revenue parameters were applied to the scheduled mining activity and production.

Table 31: Simplistic Cashflow Model for 3 Year Mine Plan

		Month	1	2	3	4	5	6	7	8	9	10	11	12
Production (mill feed)		Total	0	0	0	0	0	0	16,667	16,667	16,667	16,667	16,667	16,667
Prod. & Dev. Ore	tonnes	491,834	280	2,985	4,107	3,789	5,749	6,859	9,625	13,516	17,000	16,899	16,270	16,550
	au g/t	8.40	8.76	7.27	6.49	6.06	6.84	8.85	12.22	9.17	8.84	9.23	7.55	6.03
	ag g/t	5.78	0.32	0.77	5.18	10.44	9.17	5.18	4.69	6.23	5.62	4.08	5.72	5.99
	cu g/t	0.11	0.02	0.05	0.12	0.19	0.14	0.09	0.10	0.12	0.07	0.04	0.09	0.13
	Au oz.	132,895	79	697	857	738	1,265	1,951	3,782	3,987	4,832	5,015	3,950	3,206
Development (waste)	m	3,834	176.6	154.6	144.4	153.3	91.1	50.8	54.2	168.2	157.8	171.3	213.4	229.5
Development (ore)	m	5,083	9.4	97.4	134.6	116.7	187.9	219.2	224.8	265.8	262.2	262.7	206.6	204.5
Cost														
dev.	$M	5.8	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.3	0.2	0.3	0.3	0.3
prod.	$M	64.6	0.0	0.4	0.5	0.5	0.8	0.9	1.3	1.8	2.2	2.2	2.1	2.2
Net revenue	$M	126.7	0.1	0.7	0.8	0.7	1.2	1.9	3.6	3.8	4.6	4.8	3.8	3.1
Net cashflow	$M	56.4	-0.2	0.0	0.1	0.0	0.3	0.9	2.3	1.8	2.1	2.3	1.3	0.5
DCF, $M	8%	$49.2												

		Month	13	14	15	16	17	18	19	20	21	22	23	24
Production (mill feed)		Total	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667
Prod. & Dev. Ore	tonnes	491,834	16,908	16,871	16,964	16,416	16,322	16,599	16,555	16,521	16,422	16,377	16,866	16,902
	au g/t	8.40	8.20	9.04	12.64	7.33	7.26	8.81	7.76	6.51	7.92	8.28	7.43	9.34
	ag g/t	5.78	4.62	6.26	9.58	6.21	6.94	5.51	4.38	6.68	7.80	2.38	1.90	3.99
	cu g/t	0.11	0.10	0.07	0.12	0.10	0.11	0.08	0.11	0.12	0.12	0.09	0.08	0.13
	Au oz.	132,895	4,459	4,901	6,892	3,869	3,811	4,699	4,131	3,456	4,183	4,358	4,027	5,074
Development (waste)	m	3,834	126.4	174.3	161.9	70.5	147.2	119.9	138.0	195.9	130.6	118.4	103.4	69.3
Development (ore)	m	5,083	307.6	217.7	272.1	199.5	131.8	150.1	141.0	83.1	139.4	160.6	166.6	209.7
Cost														
dev.	$M	5.8	0.2	0.3	0.2	0.1	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.1
prod.	$M	64.6	2.2	2.2	2.2	2.2	2.1	2.2	2.2	2.2	2.2	2.1	2.2	2.2
Net revenue	$M	126.7	4.3	4.7	6.6	3.7	3.6	4.5	3.9	3.3	4.0	4.2	3.8	4.8
Net cashflow	$M	56.4	1.8	2.2	4.1	1.4	1.3	2.1	1.6	0.8	1.6	1.8	1.5	2.5
DCF, $M	8%	$49.2												

		Month	25	26	27	28	29	30	31	32	33	34	35	36
Production (mill feed)		Total	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667
Prod. & Dev. Ore	tonnes	491,834	16,435	16,865	16,757	16,577	16,499	16,494	16,424	16,424	15,894	15,997	14,115	0
	au g/t	8.40	8.54	8.21	8.84	8.28	8.78	9.39	8.54	7.37	8.53	8.27	8.56	0.00
	ag g/t	5.78	3.47	9.74	20.54	7.53	5.51	3.49	4.86	3.13	3.36	3.51	1.69	0.00
	cu g/t	0.11	0.11	0.16	0.22	0.14	0.07	0.11	0.19	0.17	0.14	0.11	0.07	0.00
	Au oz.	132,895	4,514	4,453	4,762	4,415	4,655	4,977	4,508	3,891	4,361	4,252	3,886	0
Development (waste)	m	3,834	102.1	130.3	85.0	78.9	97.6	19.3	0.0	0.0	0.0	0.0	0.0	0.0
Development (ore)	m	5,083	176.9	121.7	194.0	94.1	74.5	51.1	0.0	0.0	0.0	0.0	0.0	0.0
Cost														
dev.	$M	5.8	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
prod.	$M	64.6	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	1.9	0.0
Net revenue	$M	126.7	4.3	4.2	4.5	4.2	4.4	4.7	4.3	3.7	4.2	4.1	3.7	0.0
Net cashflow	$M	56.4	2.0	1.8	2.2	1.9	2.1	2.6	2.1	1.6	2.1	2.0	1.9	0.0
DCF, $M	8%	$49.2												

The cashflow model is simplistic in that the revenues are "instantaneous", and attributed directly to the ore production from the mine without any time lag for stockpiling and processing. It is only for operating costs and revenue, and does not incorporate any deduction for project capital costs and it does not incorporate taxation and detailed financial and accounting factors.

AMDAD also prepared a conceptual Life of Mine (LOM) Schedule made up of the 3 Year Mine Plan as described above in Section 16.1, and including the remaining mining inventory defined by the MSO stopes generated. Some MSO stopes were excluded from the LOM Schedule according to the stope's proximity to either the ground surface or existing voids. The LOM stope layout extends from the 1100mRL Level to the 1505mRL Level.

The LOM Schedule targets annual mill production of 200,000tpa using underground production constraints of load haul capacity of 750t per day and face advance of 9m per day.

AMDAD also generated a simplistic cashflow model for the LOM Schedule, based on the preliminary unit costs and revenue assumptions as for the 3 Year Mine Plan. The resultant cashflow is summarised below.

Table 32: Simplistic Irumafimpa LOM cashflow model

		Year	1	2	3	4	5	6	7	8
Production (mill feed)		Total	100,000	200,000	200,000	200,000	200,000	200,000	200,000	114,364
Prod. & Dev. Ore	Kt	1,403.3	113.6	199.7	214.0	205.0	225.6	223.7	185.1	36.6
	au g/t	8.18	8.31	8.39	8.16	7.50	7.59	8.39	8.91	9.22
	ag g/t	5.85	5.61	5.52	5.80	2.80	5.50	3.90	9.75	20.28
	cu g/t	0.19	0.10	0.10	0.13	0.07	0.14	0.23	0.44	0.87
	Au Koz.	369.0	30.4	53.9	56.1	49.4	55.0	60.3	53.0	10.9
Development (waste)	m	9,639	1,765	1,556	870	1,032	1,566	1,962	889	0
Development (ore)	m	11,033	2,192	2,179	1,314	1,441	1,650	1,332	925	0
Cost										
dev.	$M	14.5	2.6	2.3	1.3	1.5	2.3	2.9	1.3	0.0
prod.	$M	184.2	14.9	26.2	28.1	26.9	29.6	29.4	24.3	4.8
Net revenue	$M	351.9	28.9	51.4	53.5	47.1	52.5	57.5	50.5	10.4
Net cashflow	$M	153.2	11.4	22.8	24.1	18.7	20.5	25.2	24.9	5.5
DCF, $M	8%	$110.4								

Key results from the Irumafimpa Mine Plan prepared by AMDAD are:

- Planned treatment of 0.49Mt tonnes at 8.4 g/t Au, 5.8 g/t Ag, 0.11%Cu over the 3 years of the mine plan generating a net cashflow of USD $56 million.
- Planned treatment of 1.40Mt tonnes at 8.2 g/t Au, 5.8 g/t Ag, 0.19%Cu over 8 years generating a net cashflow of USD $153 million

22.2 KORA MINE PLAN

In addition to producing schedules with production tonnes and grades and development metres (Section 16.2), AMDAD also prepared a conceptual cashflow and discounted cashflow (DCF) derived from these quantities, with allowances for mine capital expenditure.

When reviewing these figures it should be noted that:-

- Non-mining economic and processing parameters assumed and referred to in the study are conceptual. They were applied for the purpose of identifying the part of the

Inferred Resource that notionally may be economic, in order to prepare conceptual extraction designs.

- Schedules are based on conceptual development and stoping quantities and not practical designs.
- Where cashflow schedules are provided based on these assumed parameters they should be treated with caution, and they should not be interpreted as a measure of the value of the deposit.
- Operating cost estimates by Mincore for the treatment of the Kora ore were based on current operating costs for the K92ML concentrator, reagent consumptions determined by historical production, and calculated power consumption of new and modified equipment.
- Subsequent to the preliminary $30/t G&A cost applied by AMDAD for the MSO work, K92ML advised a lower G&A cost of $20/t should be used for cashflow modelling. This cost decrease was based on the latest site costs and the proposed increase in throughput from 200,000tpa to 400,000tpa. In addition the processing cost in the AMC Kainantu Mine Plan report (AMC, 2015) has a fixed portion of approximately 35%, which is primarily labour costs. K92ML advised that based on the Mincore scoping study the processing cost should be reduced to $16/t. This means that the cutoff for MSO would be reduced, and that there may be some scope to further optimise the stope shapes with this lower cutoff. However AMDAD concluded that the nature of the grade distribution is such that the orebody is relatively insensitive to cutoff grade and the impact of any lower cutoff is likely to be minor.
- The estimates of tonnes and grade reported and scheduled in the Kora Scoping Study study do not constitute an Ore Reserve because:-

    a) The resource estimate on which the tonnes and grade are based on an Inferred Resource. Inferred Resources are at too low a level of confidence to allow conversion to Ore Reserves.

    b) There is insufficient geotechnical information to be confident in development and extraction design parameters and costs and the mine plan can only be considered conceptual.

    c) Limited metallurgical testwork has been completed for the copper-gold mineralization and further work will be required to confirm the processing cost and recovery assumptions.

- Any reference to “ore” in the Scoping Study is simply a reference to that part of the resource, with appropriate adjustment for dilution and loss, that would be intended as mill feed, rather than waste, and which would be an Ore Reserve if all requirements of the JORC Code were met.

The key results from the Kora Mine Scoping Study are:

- Treatment of 3.2 Million tonnes averaging 7.1 g/t Au, 25 g/t Ag and 1.7% Cu (9.3 g/t Au Eq*) over a 9 year operating life.
- An estimated positive cash flow of US$538 million using current metal prices if 15m levels are used in mining. If 25m mining levels are used then net cashflows are estimated as US$559 million.
- Production of an estimated average of 108,000 Au Eq* ozs per annum over an 8 year period from Year 2 through to Year 9.

- An estimated pre-tax NPV of US$415 Million using current metal prices, exchange rate and a 5% discount rate;
- Initial Capital Cost is estimated to be US$13.84 Million, including the US$3.3 million for the plant upgrade identified in the Mincore Scoping Study, but excluding the proposed Kora exploration inclines and diamond drilling. Sustaining Capital Cost is estimated to be a further US$64 million spent over the life of the Kora mining.
- Construction time for the plant upgrade was estimated as 10 months.
- Operating Cost per tonne is estimated to be US$125/tonne
- Cash Cost (excluding initial Capital Expenditure of US$14M) is estimated to be US$547/oz Au Eq (inclusive of a 2.5% NSR) and AISC of US$619/oz Au Eq.

Current Metal Prices used were: Au – US$1,300/oz; Ag – US$18/oz; Cu – US$4,800/tonne.

*Au Eq – calculated on above Metal Prices.

22.2.1 15m Level Case

Annual cashflows are presented in **Error! Reference source not found.** for the 15m Level scenario. Project payback, on an undiscounted basis, is achieved in Quarter 8 (Year 2). Positive cashflow is expected from Qtr 5 (Year 2) onwards.

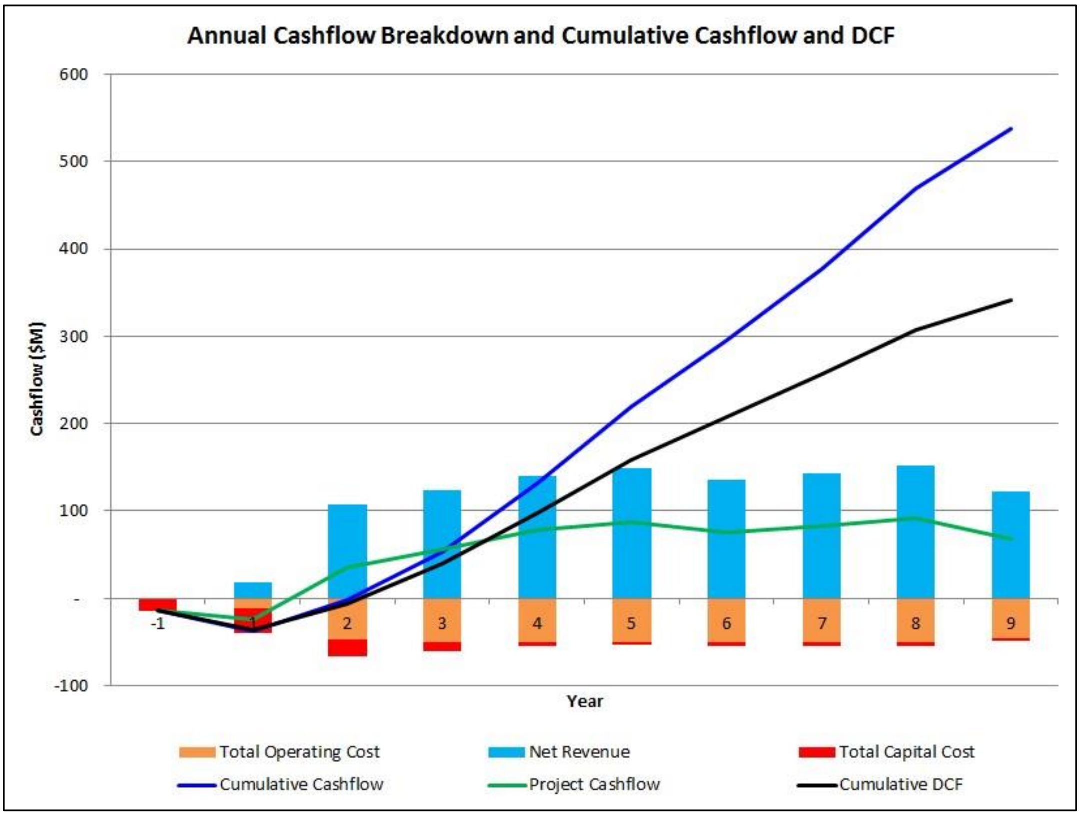

Figure 42: Annual cashflow, cumulative cashflow and DCF; 15m Levels

Table 33: Annual LOM Schedule; 15m Levels

Table 14 Annual LOM Schedule

Kora 15m Levels	unit cost	units	TOTAL	0	1	2	3	4	5	6	7	8	9
Horizontal		metres	36,088	-	6,398	5,809	4,130	3,009	3,165	3,662	3,690	3,421	2,806
Vertical		metres	2,078	-	1,066	349	438	30	60	30	45	30	30
Production													
Tonnes		kt	3,209	-	70	375	400	400	400	400	400	400	364
AUEQ		g/t	9.3		6.8	7.9	8.5	9.6	10.2	9.3	9.8	10.4	9.2
Au		g/t	7.1		5.0	5.6	6.2	7.1	7.8	7.1	7.8	8.4	7.0
Ag		g/t	25		18	21	24	28	29	26	22	24	26
Cu		%	1.7		1.4	1.7	1.8	1.8	1.7	1.6	1.5	1.5	1.6
Concentrate		kt dry	194	-	4	24	26	27	25	24	22	22	21
		kt wet	210	-	4	26	28	29	27	25	24	24	23
Economics													
General Capital Cost	$5.23/t	$M	17	14	1	2	-	-	-	-	-	-	-
Capitalised Waste Development Cost	$24.92/t	$M	80	-	28	17	11	4	4	5	5	4	3
Total Capital	$30.16/t	$M	97	14	29	19	11	4	4	5	5	4	3
Waste Development - Operating	$1.75/t	$M	6	-	2	1	1	0	0	0	0	0	0
Stoping Cost - incld ore dev't	$87.72/t	$M	282	-	6	33	35	35	35	35	35	35	32
Processing	$16.00/t	$M	51	-	1	6	6	6	6	6	6	6	6
G&A	$20.25/t	$M	65	-	2	8	8	8	8	8	8	8	7
Total Operating Cost	$125.72/t	$M	403	-	11	48	50	50	50	50	50	50	45
Gold Revenue	$259.57/t	$M	833	-	13	77	90	104	115	104	114	123	94
Silver Revenue	$11.39/t	$M	37	-	1	4	4	5	5	5	4	4	4
Copper Revenue	$68.90/t	$M	221	-	4	27	30	30	29	27	25	25	24
Total Revenue	$339.86/t	$M	1,091	-	17	108	124	140	148	136	143	153	122
Production Cashflow (excl Capital & cost of sales)	$214.14/t	$M	687	-	6	60	74	90	99	86	93	103	77
Cost of Sales	$16.35/t	$M	52	-	1	6	7	7	7	6	6	6	6
Operating Cashflow (excl Capital)	$197.79/t	$M	635	-	6	53	67	83	92	80	87	97	71
Project Cashflow (before tax), incl Capex	$167.63/t	**$M**	**538**	**-14**	**-24**	**35**	**56**	**79**	**88**	**75**	**82**	**92**	**68**
Cumulative Cashflow (before tax), incl Capex		**$M**		**-14**	**-37**	**-3**	**54**	**132**	**220**	**295**	**377**	**470**	**538**
DCF @ 8%, incl Capex	$106.33/t	**$M**	**341**	**-14**	**-23**	**30**	**45**	**59**	**61**	**48**	**49**	**51**	**35**

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22.2.2 25m Level Case

When horizontal development costs are adjusted to reflect 25m level intervals, rather than 15m, project payback on an undiscounted basis is achieved in Year 2. Positive cashflow is expected from Year 2 onwards. The overall undiscounted project cashflow increases by $22M compared to the base case with 15m levels, as shown in Figure 43**Error! Reference source not found.** below.

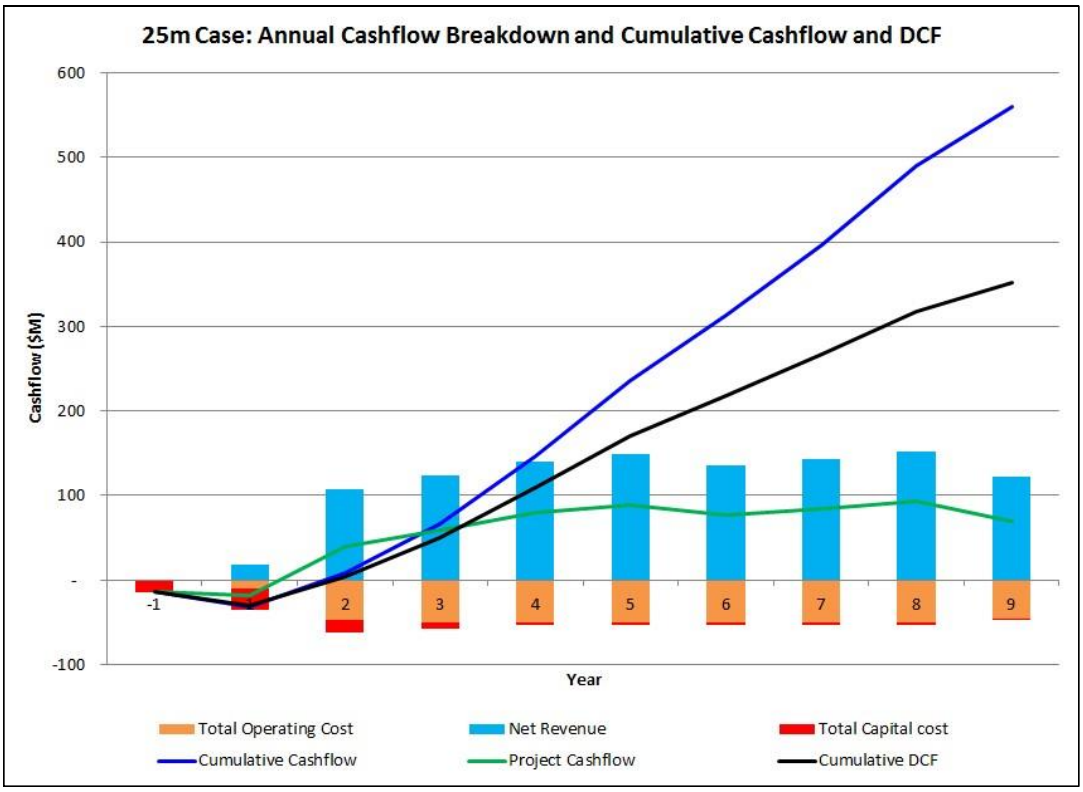

Figure 43: 25m Level Case Annual cashflow, cumulative cashflow and DCF

The detailed LOM Development, Production and Economic schedule for the 25m level interval case is shown in the following table.

Table 34: Annual LOM Schedule; 25m Levels

Table 15 25m level Case Detailed Annual LOM Schedule

Kora 25m Levels	unit cost	Units	TOTAL	0	1	2	3	4	5	6	7	8	9
Development													
Horizontal		metres	29,951	-	4,819	4,391	3,307	2,624	2,808	3,148	3,277	3,059	2,517
Vertical		metres	2,078	-	1,066	349	438	30	60	30	45	30	30
Production													
Tonnes		kt	3,209	-	70	375	400	400	400	400	400	400	364
AUEQ		g/t	9.3		6.8	7.9	8.5	9.6	10.2	9.3	9.8	10.4	9.2
Au		g/t	7.1		5.0	5.6	6.2	7.1	7.8	7.1	7.8	8.4	7.0
Ag		g/t	25		18	21	24	28	29	26	22	24	26
Cu		%	1.7		1.4	1.7	1.8	1.8	1.7	1.6	1.5	1.5	1.6
Concentrate		kt dry	194	-	4	24	26	27	25	24	22	22	21
		kt wet	210	-	4	26	28	29	27	25	24	24	23
Economics													
General Capital Cost	$5.23/t	$M	17	14	1	2	-	-	-	-	-	-	-
Capitalised Waste Development Cost	$18.93/t	$M	61	-	23	12	8	3	3	3	3	3	2
Total Capital	$24.17/t	$M	78	14	24	14	8	3	3	3	3	3	2
Waste Development - Operating	$1.05/t	$M	3	-	1	1	0	0	0	0	0	0	0
Stoping Cost - incld ore dev't	$87.72/t	$M	282	-	6	33	35	35	35	35	35	35	32
Processing	$16.00/t	$M	51	-	1	6	6	6	6	6	6	6	6
G&A	$20.25/t	$M	65	-	2	8	8	8	8	8	8	8	7
Total Operating Cost	$125.02/t	$M	401	-	10	47	50	50	50	50	50	50	45
Gold Revenue	$259.57/t	$M	833	-	13	77	90	104	115	104	114	123	94
Silver Revenue	$11.39/t	$M	37	-	1	4	4	5	5	5	4	4	4
Copper Revenue	$68.90/t	$M	221	-	4	27	30	30	29	27	25	25	24
Total Revenue	$339.86/t	$M	1,091	-	17	108	124	140	148	136	143	153	122
Production Cashflow (excl Capital & cost of sales)	$214.84/t	$M	690	-	7	60	74	90	99	86	93	103	77
Cost of Sales	$16.35/t	$M	52	-	1	6	7	7	7	6	6	6	6
Operating Cashflow (excl Capital)	$198.49/t	$M	637	-	6	54	67	83	92	80	87	97	71
Project Cashflow (before tax)	$174.32/t	**$M**	**559**	**-14**	**-18**	**40**	**59**	**80**	**89**	**77**	**84**	**94**	**69**
Cumulative Cashflow (before tax)		**$M**		**-14**	**-32**	**8**	**67**	**147**	**236**	**313**	**396**	**490**	**559**
DCF @ 8%	$109.80/t	**$M**	**352**	**-14**	**-17**	**34**	**47**	**59**	**61**	**48**	**49**	**51**	**35**

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23 ADJACENT PROPERTIES

Kainantu occurs within a well-endowed belt of epithermal and porphyry style mineralization that reportedly contains several major deposits (Figure 44). Nolidan is unable to verify this information and the information is not necessarily indicative of the mineralization on the property that is the subject of this technical report.

K92ML does not have any interest in any adjacent properties.

24 OTHER RELEVANT DATA AND INFORMATION

Rehabilitation of the mine workings by K92ML commenced in March 2016. Refurbishment of the treatment plant by Mincore and Sun Engineering commenced in May 2016 and the plant was re-commissioned in September 2016. In order to comply with the terms of the ML150 renewal K92ML was required to refurbish the mine and mill by December 31, 2016. Rehabilitation of the mine and mill as required by the terms of ML150 has now been completed.

The remaining capacity of the tailings facility (TSF) is approximately 280,000m^3. This equates to approximately 3 years at a planned tonnage of 180,000 tpa. Hence, additional geotechnical studies and approvals will be required prior to construction of a second lift to allow extra capacity to accommodate tailings for any future mine production.

25 INTERPRETATION AND CONCLUSIONS

25.1 EXPLORATION POTENTIAL

The Kainantu project is located in a recognized copper-gold province, as evidenced by the underlying geology and presence of nearby major projects operated by global majors Barrick, Newcrest and Harmony (Figure 44). There remain a significant number of major untested and early stage targets. Within ML150 are the Kora lodes which are strongly mineralized at the limit of drilling and open and in all directions, as well as the Judd, Karempe and other unnamed mineralized lodes parallel to defined resources which have economically attractive grade in surface and/or drill samples from very limited work to date.

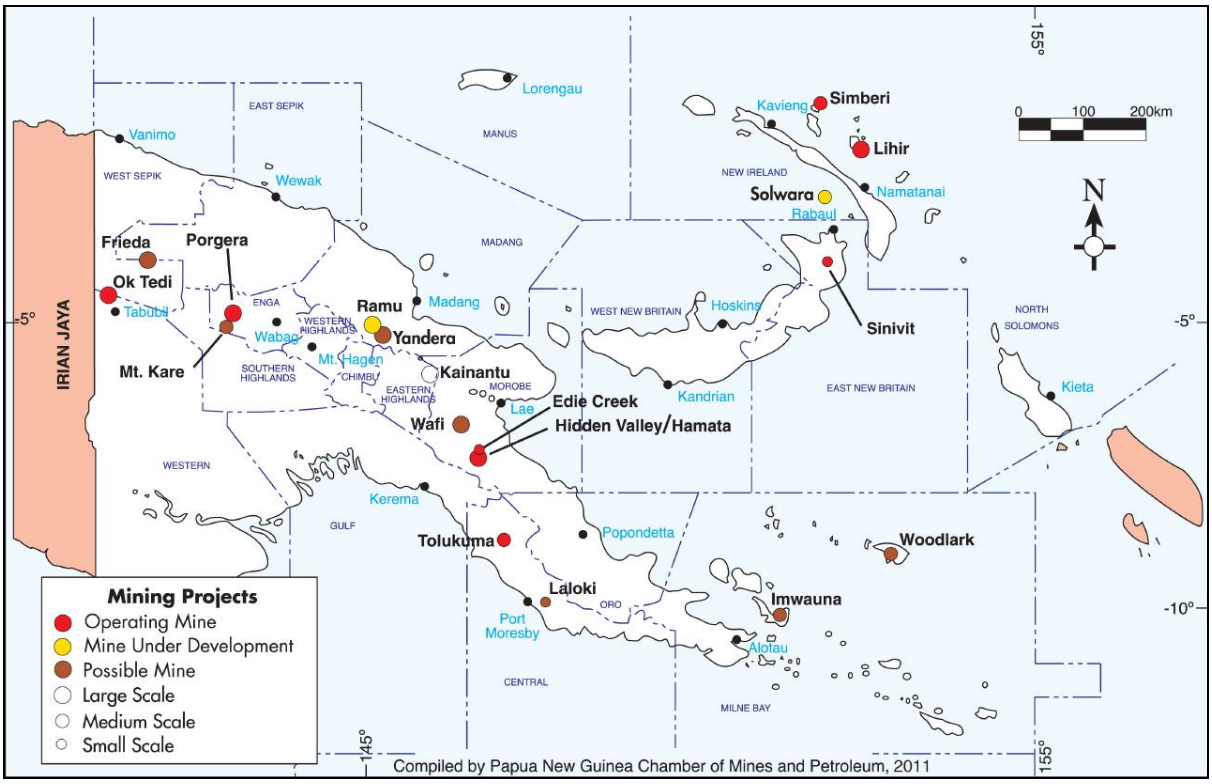

Figure 44. Location of Kainantu project and gold deposits within major mineralized province.
Source: PNG Chamber Mines and Petroleum 2011

25.1.1 ML150

Further investigation is required to understand the geological complexity of the veins at Kainantu and the controls on high grade shoots. This will require better resource definition. K92ML proposes close spaced drilling from existing underground workings to confirm indicated resources at Irumafimpa (**Error! Reference source not found.**). The mineral resource is summarized in Table 11 and detailed in Table 10 as well as in the 'Summary' chapter of this report. Significant opportunity remains for resource extension within the immediate mine environment, including:

- The Irumafimpa-Kora vein system is open at depth, in the central areas beneath the top of the mountain (Eutompi) and to the South (Kora) beyond the ML150 boundary.
- Blocks shown in the Longitudinal Section in the resource section of this summary have been coloured by resource category. Turquoise blocks are blocks with only one sample supporting them and are not included in the resource estimate. These unclassified areas are extensive and represent obvious targets for immediate drillhole targeting with significant upside to possible production and mine life. AMDAD estimated there are approximately 1Mt of

unclassified material above 4.5 g/t Aueq. However the width of some of these veins may not be sufficient for economic mining. (**Error! Reference source not found.**).

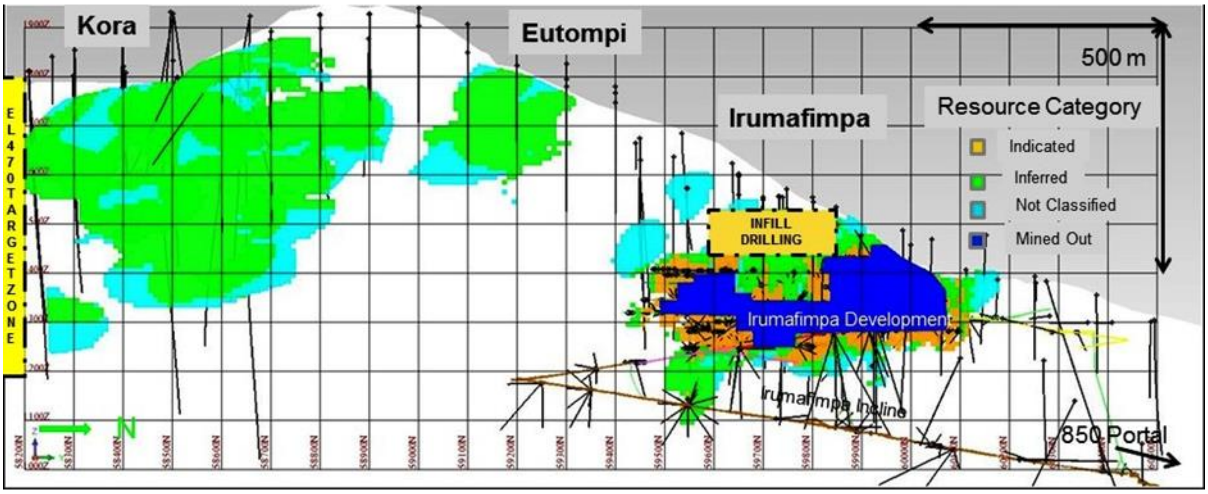

Figure 45: Kainantu Exploration Targets

- The parallel lodes on ML150, the Judd and Karempe in particular, have been outlined at surface showing similar widths and grades but have had little drill testing. The Judd vein is located 200m east of Kora on ML150. Holes designed to specifically target the Judd lode have the potential to yield resources within close proximity to the immediate mine environment. Diamond drilling has now commenced to test the Judd veins from underground.

A preliminary ranking and prioritisation allocation for vein targets within ML150 is shown in Table 35. A more comprehensive listing including both vein and porphyry targets is presented in Section 25 of the "Independent Technical Report, Resource Estimate and Summary of Mine Facilities, Kainantu Project, Papua New Guinea" by Nolidan Mineral Consultants, Author Anthony Woodward, April 15, 2016 which is filed on SEDAR.

Table 35. ML150 Exploration Prospect Ranking Vein Targets

Prospect	Style	Lease	Rank	Resource	Target Size	Access	Infrastructure	Stage
NARROW VEIN TARGETS								
Irumafimpa (in-mine)	Alkalic Vein ± Sulfidic Vein	ML150	1-1	Y	M	1	In place	DD
Irumafimpa (near mine)	Alkalic Vein ± Sulfidic Vein	ML150	1-2	N	S	1	In place	AE
Kora	Sulfidic Vein ± Alkalic Vein	ML150	1-3	Y	L	1	<1km	AE
Eutompi	Sulfidic Vein ± Alkalic Vein	ML150	1-4	Y	L	1	<1km	AE
Judd	Alkalic Vein	ML150	1-5	Y	M	1	<1km	DT
Karempe	Alkalic Vein	ML150/EL 470	1-6	N	M	1	<1km	DT

- Resource: Y=Yes, resource available; N=No, No resource available. (historic) = not verified by Qualified Person.
- Target Size: S=small; M=medium; L=large; U=unknown, P=porphyry
- Access: 1=Ready access; 2=variably available; 3=variably challenging; 4=challenging
- Stage: DD=delineation development and drilling; AE=advanced exploration; DT=drill testing; TD=target delineation

25.2 SCOPING STUDY RESULTS

It should be noted that the mine plan and scoping studies prepared by AMAD for the Irumafimpa and Kora deposits are not based on Ore Reserves. The estimates of tonnes and grade reported and scheduled in both the Irumafimpa and Kora Scoping Studies do not constitute an Ore Reserve because:-

- Most of the resource estimate on which the tonnes and grade are based on are at too low a level of confidence to allow conversion to Ore Reserves.
- There is insufficient geotechnical information to be confident in development and extraction design parameters and costs and the mine plan can only be considered conceptual.
- Limited metallurgical testwork has been completed for the copper-gold mineralization and further work will be required to confirm the processing cost and recovery assumptions.

Non-mining economic and processing parameters assumed and referred to in the studies are conceptual. They were applied for the purpose of identifying the part of the Resource that notionally may be economic, in order to prepare conceptual extraction designs. Schedules are based on conceptual development and stoping quantities and not practical designs. Cashflow schedules are based on these assumed parameters. They should be treated with caution, and they should not be interpreted as a measure of the value of the deposit.

25.2.1 Irumafimpa

Key conclusions from the Irumafimpa Mine Plan prepared by AMDAD are:

- Over the 3 years of the mine plan treatment of 0.49Mt tonnes at 8.4 g/t Au, 5.8 g/t Ag, 0.11%Cu would generate a net cashflow of USD $56 million.
- Over the 8 years of the Mine Life treatment of 1.40Mt tonnes at 8.2 g/t Au, 5.8 g/t Ag, 0.19%Cu would generate a net cashflow of USD $153 million

25.2.2 Kora

Key conclusions from the Kora Mine Scoping Study prepared by AMDAD are:

- Over a 9 year operating life the plant could treat 3.2 Million tonnes averaging 7.1 g/t Au, 25 g/t Ag and 1.7% Cu (9.3 g/t Au Eq*).
- An estimated positive cash flow of US$538 million using current metal prices if 15m levels are used in mining. If 25m mining levels are used then net cashflows are estimated as US$559 million.
- Production of an estimated average of 108,000 Au Eq* ozs per annum over an 8 year period from Year 2 through to Year 9.
- An estimated pre-tax NPV of US$415 Million using current metal prices, exchange rate and a 5% discount rate;
- Initial Capital Cost is estimated to be US$13.84 Million, including the US$3.3 million for the plant upgrade identified in the Mincore Scoping Study, but excluding the proposed Kora exploration inclines and diamond drilling. Sustaining Capital Cost is estimated to be a further US$64 million spent over the life of the Kora mining.
- Operating Cost per tonne is estimated to be US$125/tonne
- Cash Cost (excluding initial Capital Expenditure of US$14M) is estimated to be US$547/oz Au Eq (inclusive of a 2.5% NSR) and AISC of US$619/oz Au Eq.

Current Metal Prices used were: Au – US$1,300/oz; Ag – US$18/oz; Cu – US$4,800/tonne.

*Au Eq – calculated on above Metal Prices.

25.2.3 Treatment Plant Upgrade

Key conclusions from the study by Mincore on requirements for upgrading the treatment plant to 400,000tpa are:

- There is sufficient crushing and milling (comminution) power to grind 50tph to P80 of 106 µm.
- Additional flotation capacity is required to achieve acceptable residence times for each cell. There is sufficient space to install additional cells if future testwork identifies a requirement for longer residence time.
- The existing concentrate thickener and filter is adequate for 400,000tpa Kora feed averaging 1.7% copper.
- The existing tailings line is adequate but a full pump upgrade will be required.
- Construction time for the plant upgrade was estimated as 10 months.

25.3 RISK ASSESSMENT

Key Risks to the success of the Kainantu project are considered to be:

- The Resource model is mostly inferred because of drill spacing at Kora and limited confidence in underground sampling results from Irumafimpa. Reliance on historical data; the effect of poor core recovery on reliability of gold values, and possible inaccuracies in density determination are also considered risk factors.
- It was not possible to assess the validity of historical Reserve or Resource Models due to the inability to produce reconciliations. Further drilling is required to improve confidence in existing resources (upgrade to indicated and measured) and allow conversion to reserves
- Possible breakdown in government and community relations.
- Failure to commence mining operations on the Kora deposit by 30 June 2018 could lead to cancellation of ML150.
- Mining cost estimations may be in error and need to be refined using actual costs from Irumafimpa once operations are at a steady state
- Inadequate water for the expanded treatment plant
- Power demand to meet the 400,000 tpa target may be in excess of available supply
- Poor geotechnical conditions may increase requirement for concrete and structural earthworks
- Cost overruns due to design changes and delays due to slow equipment procurement and wet weather

26 RECOMMENDATIONS

26.1 EXPLORATION

Drilling should concentrate on infill drilling of current resources and extensions to veins within ML 150. Infill drilling has commenced from existing underground workings at Irumafimpa.

26.2 MINE

The estimated costs used in producing the preliminary mine plans and scoping studies for mining of the Irumafimpa and Kora gold deposits need further refinement using actual costs from Irumafimpa once operations reach a steady state.

Geotechnical studies of the mine workings need to be advanced to determine ground conditions and support requirements for development within waste and the mineralised veins.

The position and condition of existing development and stope workings at Irumafimpa needs to be confirmed.

Stope stability analysis is required to guide the selection of level interval (15m or 18m) and stope strike lengths suitable for the next stage of Kora mine design.

Groundwater conditions need to be investigated.

More detailed ventilation planning is required including analysis of ventilation options including VentSim modelling of airways to determine airflows, pressures, air power and fan specifications. Vent rise paths will need geotechnical investigations.

The feasibility of raiseboring >500m long holes from surface has to be investigated considering the implications, timing, and costs involved

Development profiles for the Kora incline and lateral access development require further analysis in relation to materials handling requirements. More analysis to reduce initial waste development is recommended.

The source and cost of any surface waste rock sources should be investigated and the various cement backfill options for Kora should be reviewed.

26.3 TREATMENT PLANT

Further metallurgical testwork is required prior to process design on the expanded treatment plant.

Operating and capital cost estimates for the expanded plant need to be updated.

For and on behalf of Nolidan Mining Consultants

Anthony Woodward BSc Hons., M.Sc., MAIG

Effective Date: 25 November 2016

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28 CERTIFICATE OF QUALIFIED PERSON

ANTHONY JAMES WOODWARD

I, Anthony James Woodward hereby certify that:

I am a Consulting Geologist and Professional Geoscientist residing at 14 Carlia Street, Wynnum West, Queensland 4178, Australia (Telephone +61-7-3396 9584). I am independent of the issuer as independence is described in Section 1.5 of NI 43-101.

I graduated from the University of Nottingham, UK in 1968 with a B.Sc. (Hons) in Geology and from James Cook University, Townsville, Australia in 1976 with a M.Sc in Exploration and Mining Geology.

I have over 35 years' experience in the minerals industry as a Geologist in the fields of mineral exploration, mine geology and mineral resource estimation. I have had senior exploration roles with Buka Gold, Niugini Mining, Eltin Minerals and Oakbridge Ltd. I have conducted evaluation of advanced exploration and mining projects in Australia, Brazil, Fiji, Indonesia, Kazakhstan, New Zealand, and Turkey. I worked as Technical Services Manager and Chief Geologist at the Vatukoula Gold Mine in Fiji (Emperor Mines Ltd) from 1995 to 2005 and as Technical Services Manager for Anvil Mining Congo at the Kinsevere copper mine, DRC from 2007 to 2008. At these mines I was responsible for mine and exploration geology, surveying, mine planning, environment, drilling, and assay laboratory. At both operations I spent time as Acting General Manager of Operations. In this role I supervised multiple disciplines and integrated their work into operational mine plans. Most recently, I have been an exploration consultant in the Philippines involved with total exploration program management on tenements prospective for both epithermal gold-molybdenum and porphyry copper-gold deposits including regional exploration targeting through to deposit resource drilling.

Applicable to the Kainantu Project is my extensive experience in mineral deposits in volcanic terrains, specifically the Vatukoula and Tuvatu epithermal gold deposits in Fiji. I have also worked on epithermal/hydrothermal and porphyry-style mineralization in similar environments in Papua New Guinea, Fiji, New Zealand, Philippines, Indonesia, Brazil and Turkey as well as Australia.

I am a Member of the Australian Institute of Geoscientists (Member No. 2668).

For the purposes of the Technical Report entitled: "INDEPENDENT TECHNICAL REPORT,

PRELIMINARY ECONOMIC ASSESSMENT OF IRUMAFIMPA AND KORA GOLD DEPOSITS,

KAINANTU PROJECT, PAPUA NEW GUINEA", 25th November 2016, of which I am the author and responsible person, I am a Qualified Person as defined in National Instrument 43-101 ("the Rule").

I visited the Kainantu Project on the 12th and 13th of November, 2014 and 21st to 25th November, 2016 and have had no prior involvement with the Kainantu property.

I have read the Rule and this technical report is prepared in compliance with its provisions. I have read the definition of "qualified person" set out in the Rule and certify that by reason of my education, affiliation with a professional association (as defined in the Rule) and past relevant work experience, I fulfil the requirement to be a "qualified person" for the purposes of the Rule.

To the best of my knowledge, information and belief the technical report contains all scientific and technical information that is required to be disclosed in order to make this report not misleading.

I have no direct or indirect interest in the properties which are the subject of this report and I have had no prior involvement with the Property. I do not hold, directly or indirectly, any shares in K92ML, K92PNG, K92 Holdings, K92 or other companies with interests in the exploration assets thereof. I am independent of K92ML, K92PNG, K92 Holdings, K92, and, the Property, as independence is described by Section 1.5 of NI 43-101.

I will receive only normal consulting fees for the preparation of this report.

Dated at Brisbane this 25th November 2016.

Respectfully submitted

(signed) "*Anthony James Woodward"*

Anthony James Woodward, BSc Hons, M.Sc., MAIG
Qualified Person

29 APPENDIX 1: GLOSSARY OF TECHNICAL TERMS AND ABBREVIATIONS

This glossary comprises a general list of common technical terms that are typically used by geologists. The list has been edited to conform in general to actual usage in the body of this report. However, the inclusion of a technical term in this glossary does not necessarily mean that it appears in the body of this report, and no imputation should be drawn. Investors should refer to more comprehensive dictionaries of geology in printed form or available in the internet for a complete glossary.

"2D"	Two dimensional space, typically Y and Z planes
"3D"	Three dimensional space, Y, X, Z planes
"200 mesh"	the number of openings (200) in one linear inch of screen mesh (200 mesh approximately equals 75 microns)
"AAS"	Atomic Absorption Spectroscopy
"Ag"	chemical symbol for silver
"Au"	chemical symbol for gold
"AuEq"	Gold equivalent, assumptions include metal prices and assumed metallurgical recoveries.
"BLA"	Billimoian Landowners Association
BSc (Hons)	Bachelor of Science with Honours
"block model"	A block model is a computer based representation of a deposit in which geological zones are defined and filled with blocks which are assigned estimated values of grade and other attributes. The purpose of the block model (BM) is to associate grades with the volume model. The blocks in the BM are basically cubes with the size defined according to certain parameters.
"bulk density" "BD"	The dry in-situ tonnage factor used to convert volumes to tonnage. Bulk density testwork is carried out on site and is relatively comprehensive, although samples of the more friable and broken portions of the mineralized zones are often unable to be measured with any degree of confidence, therefore caution is used when using the data.
"°C"	Degrees Celsius
"Cu"	Chemical symbol for copper
"DDH" "diamond drilling, diamond core"	Rotary drilling technique using diamond set or impregnated bits, to cut a solid, continuous core sample of the rock. The core sample is retrieved to the surface, in a core barrel, by a wireline.
"down-hole survey"	Drillhole deviation as surveyed down-hole by using a conventional single-shot camera and readings taken at regular depth intervals, usually every 50 metres.
"drill-hole database"	The drilling, surveying, geological and analyses database is produced by qualified personnel and is compiled, validated and maintained in digital and hardcopy formats..
"EL"	Exploration Lease
"FA"	Fire Assay
"g.m"	Grams x metres, metal accumulations across the width of the vein
"grade cap, also called top cut"	The maximum value assigned to individual informing sample composites to reduce bias in the resource estimate. They are capped to prevent over estimation of the total resource as they exert an undue statistical weight. Capped samples may represent "outliers" or a small high-grade portion that is volumetrically too small to be separately domained.
"g/t"	grams per tonne, equivalent to parts per million
"g/t Au"	grams of gold per tonne
"HGL"	Highlands Gold Limited
"HPL"	Highlands Pacific Limited
"ID" "inverse distance estimation"	It asserts that samples closer to the point of estimation are more likely to be similar to the sample at the estimation point than samples further away. Samples closer to the point of estimation are collected and weighted according to the inverse of their separation from the point of estimation, so samples closer to the point of estimation receive a higher weight than samples further away.

	The inverse distance weights can also be raised to a power, generally 2 (also called inverse distance squared, ID2). The higher the power, the more weight is assigned to the closer value. A power of 2 was used in the estimate used for comparison with the OK estimates.
“Inferred Resource”	An ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
“Indicated Resource”	An ‘Indicated Mineral Resource’ is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
“IRG” or “IRGC”	Intrusion Related Gold or Intrusion Related Gold Copper
“JORC”	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (the ‘JORC Code’ or ‘the Code’) sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Code is a required minimum standard for Public Reporting b. JORC also recommends its adoption as a minimum standard for other reporting. Companies are encouraged to provide information in their Public Reports that is as comprehensive as possible. The definitions in the JORC Code are either identical to, or not materially different from, those similar codes, guidelines and standards published and adopted by the relevant professional bodies in Australia, Canada, South Africa, USA, UK, Ireland and many countries in Europe.
“kriging neighbourhood analysis, or KNA”	The methodology for quantitatively assessing the suitability of a kriging neighbourhood involves some simple tests. It has been argued that KNA is a mandatory step in setting up any kriging estimate. Kriging is commonly described as a “minimum variance estimator” but this is only true when the block size and neighbourhood are properly defined. The objective of KNA is to determine the combination of search neighbourhood and block size that will result in conditional unbiasedness.
“km”	Kilometre Unit of Length = 1000 metres. km^2 unit of area = 1km x 1 km
“kVa”	1000 volt-amperes
“lb”	Avoirdupois pound (= 453.59237 grams). Mlb = million avoirdupois pounds
“micron (μ)”	Unit of length (= one thousandth of a millimetre or one millionth of a metre).
“mm”	Millimetre (=1/1000 metre)
“LMP”	licence for mining purposes
“LOM”	Life of Mine
“LTC”	Land Titles Commission
“m”	Metric Metre
MAusIMM(CP)	Member of The Australian Institute of Mining and Metallurgists (Certified Professional)
MAIG	Member of The Australian Institute of Geoscientists
“Measured Resource”	A ‘Measured Mineral Resource’ is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes, and is sufficient to confirm geological and grade (or quality) continuity

	between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.
"Mineral Resource"	A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
"ME"	Mining Easements
"ML"	Mining Lease
"MOA"	Memorandum of Agreement
"MRA"	Mineral Resources Authority of Papua New Guinea
"NN" "nearest neighbour estimation"	Nearest Neighbour assigns values to blocks in the model by assigning the values from the nearest sample point to the block attribute of interest.
"OH&S"	Occupational Health and Safety
"OK" "ordinary Kriging estimation	Kriging is an inverse distance weighting technique where weights are selected via the variogram according to the samples distance and direction from the point of estimation. The weights are not only derived from the distance between samples and the block to be estimated, but also the distance between the samples themselves. This tends to give much lower weights to individual samples in an area where the samples are clustered. OK is known as the "best linear unbiased estimator. The kriging estimates are controlled by the variogram parameters. The variogram model parameters are interpreted from the data while the search parameters are optimised during kriging neighbourhood analysis.
"oz"	Troy ounce (= 31.103477 grams). Moz = million troy ounces
"PGK"	Papua New Guinea Currency, Kina.
"pH"	measure of the acidity or basicity of an aqueous solution (scale 1 to 14)
"PhD"	Doctorate of Philosophy
"PNG"	Papua New Guinea
"Portal"	Opening/access to the underground Mine, Adit
"QA/QC"	Quality Assurance ("QA") concerns the establishment of measurement systems and procedures to provide adequate confidence that quality is adhered to. Quality Control ("QC") is one aspect of QA and refers to the use of control checks of the measurements to ensure the systems are working as planned.
"RC drilling"	Reverse Circulation drilling. A method of rotary drilling in which the sample is returned to the surface, using compressed air, inside the inner-tube of the drill-rod. A face-sampling hammer is used to penetrate the rock and provide crushed and pulverised sample to the surface without contamination.
"ROM"	Run of Mine, usually referring to an ore stockpile near the crusher
"survey"	Comprehensive surveying of drillhole positions, topography, and other cadastral features is carried out by the Company's surveyors using 'total station' instruments and independently verified on a regular basis. Locations are stored in both local drill grid and UTM coordinates.
"Stoping"	An underground excavation made by the mining of ore from steeply inclined or vertical veins
"t"	Metric Tonne (= 1 million grams) "kt" = thousand tonnes
"te"	Chemical symbol for tellurium
"t/h"	Tonnes per hour
t/m^3	Tonnes per metre cubed (density units)
"TSF"	Tails Storage Facility
"unfolded space"	Undulating 3D veins projected onto a 2D plane.
"variogram"	The variogram (or more accurately the Semi-variogram) is a method of displaying and modelling the difference in grade between two samples separated by a distance h, called

	the "lag" distance. It provides the mathematical model of variation with distance upon which the Krige estimation method is based.
"wireframe"	This is created by using triangulation to produce an isometric projection of, for example, a rock type, mineralization envelope or an underground stope. Volumes can be determined directly of each solid.