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**K92 MINING INC.**

**ANNUAL INFORMATION FORM**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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Dated March 29, 2023

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# K92 MINING INC.

## ANNUAL INFORMATION FORM

### INTRODUCTORY NOTES

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

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

### DATE OF INFORMATION

This AIF is dated March 29, 2023. All information contained in this Annual Information Form is as of December 31, 2022, unless otherwise stated, being the date of our most recently completed financial year, and the use of the present tense and of the words “is”, “are”, “current”, “currently”, “presently”, “now” and similar expressions in this Annual Information Form is to be construed as referring to information given as of that date.

### FINANCIAL INFORMATION

Readers are also encouraged to review the Company’s annual consolidated financial statements and the management’s discussion and analysis of the Company for the year ended December 31, 2022, which are available on the Company’s website at [www.k92mining.com](http://www.k92mining.com) or under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form includes certain “forward-looking information” within the meaning of applicable Canadian securities legislation (“**forward-looking statements**”), including, but not limited to, the impact of global supply chain and financial market disruptions; projections of future financial and operational performance; statements with respect to future events or future performance; production estimates; anticipated operating and production costs and revenue; estimates of capital expenditures; future demand for and prices of commodities and currencies; estimated mine life of our mine; estimated closure and reclamation costs and statements regarding anticipated exploration, development, construction, production, permitting and other activities on the Company’s properties, including: expected gold, silver and copper production and the Stage 3 Expansion and Stage 4 Expansion. Estimates of mineral reserves and mineral resources are also forward-looking statements because they constitute projections, based on certain estimates and assumptions, regarding the amount of minerals that may be encountered in the future and/or the anticipated economics of production. All statements in this Annual Information Form that address events or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”,

“would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation, public health crises, including the COVID-19 pandemic; changes in the price of gold, silver, copper and other metals in the world markets; fluctuations in the price and availability of infrastructure and energy and other commodities; fluctuations in foreign currency exchange rates; volatility in price of our Common Shares; inherent risks associated with the mining industry, including problems related to weather and climate in remote areas in which certain of the Company’s operations are located; failure to achieve production, cost and other estimates; risks and uncertainties associated with exploration and development; uncertainties relating to estimates of mineral reserves and mineral resources including uncertainty whether mineral resources will ever be converted into mineral reserves; the Company’s ability to carry on current and future operations, including development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company’s ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the price and market for outputs, including gold, silver and copper; inability of the Company to identify appropriate acquisition targets or complete desirable acquisitions; failures of information systems or information security threats; political, economic and other risks associated with the Company’s foreign operations; geopolitical events and other uncertainties, such as the conflict in Ukraine; compliance with various laws and regulatory requirements to which the Company is subject, including taxation; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions, including relationship with the communities in jurisdictions it operates; other assumptions and factors generally associated with the mining industry; and the risks, uncertainties and other factors referred to in this Annual Information Form under the heading “Risk Factors” and elsewhere in this AIF.

Forward-looking statements are not a guarantee of future performance, and actual results and future events could materially differ from those anticipated in such statements. All of the forward-looking statements contained in this Annual Information Form are qualified by these cautionary statements.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause actual results to differ materially from those that are anticipated, estimated, or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. You should not place undue reliance on forward-looking statements. Our forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date such statements are made, and we expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise, except as may be required by applicable securities laws.

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

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

Effective February 25, 2019, the United States Securities and Exchange Commission’s (the “**SEC**”) disclosure requirements and policies for mining properties (the “**SEC Modernization Rules**”) were amended to more closely align with current industry and global regulatory practices and standards, including NI 43-101. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources,” “indicated mineral resources” and “inferred mineral resources”. While the SEC Modernization Rules are purported to be “substantially similar” to the CIM Definition Standards, readers are cautioned that there are differences between the SEC Modernization Rules and the CIM Definitions Standards. Accordingly, there is no assurance any mineral resources that the Company may report as “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 would be the same had the Company prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

Investors should not assume that any part or all of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” will ever be converted into a higher category of mineral resources or into mineral reserves. These terms have a great amount of uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any “measured mineral resources”, “indicated mineral resources”, or “inferred mineral resources” that the Company reports in this AIF are or will be economically or legally mineable.

Pursuant to CIM Definition Standards, “inferred mineral resources” are that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Further, “inferred mineral resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that any part or all of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian regulations, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in limited circumstances. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is or will ever be economically or legally mineable.

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

## CAUTIONARY STATEMENT REGARDING NON-IFRS MEASURES

This AIF presents certain measures, including "cash costs", "all-in sustaining costs" and "gold equivalent" that are common financial performance measures in the gold mining industry but do not have any standardized meaning under International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similar measures presented by other gold producers. For a reconciliation of these measures to the most directly comparable financial information presented in the Company's consolidated financial statements prepared in accordance with IFRS, see "Non-IFRS Financial Performance Measures" in the Company's Management discussion and analysis for the year ended December 31, 2022. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in performing year over year comparisons. These measures have been derived from the Company's financial statements and applied on a consistent basis. However, these non-IFRS measures should be considered together with other data prepared in accordance with IFRS, and these measures taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

### **Cash Costs per Ounce**

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

### **All-in Sustaining Cost per Ounce**

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

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

## TECHNICAL INFORMATION

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

## CURRENCY AND EXCHANGE RATE INFORMATION

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

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

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

	December 31		
	2020	2021	2022
Rate at the end of year	US\$0.7854	US\$0.7888	US\$0.7383
Average rate during year	US\$0.7438	US\$0.7978	US\$0.7688
Highest rate during year	US\$0.7863	US\$0.8306	US\$0.8031
Lowest rate during year	US\$0.6898	US\$0.7727	US\$0.7217

On March 29, 2023, the daily average rate of exchange for one Canadian dollar in United States dollars as reported by the Bank of Canada was C\$1.00 = US\$0.7366.

## GLOSSARY OF TERMS AND MEASUREMENT CONVERSION

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

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



## CORPORATE STRUCTURE

### NAME, ADDRESS AND INCORPORATION

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

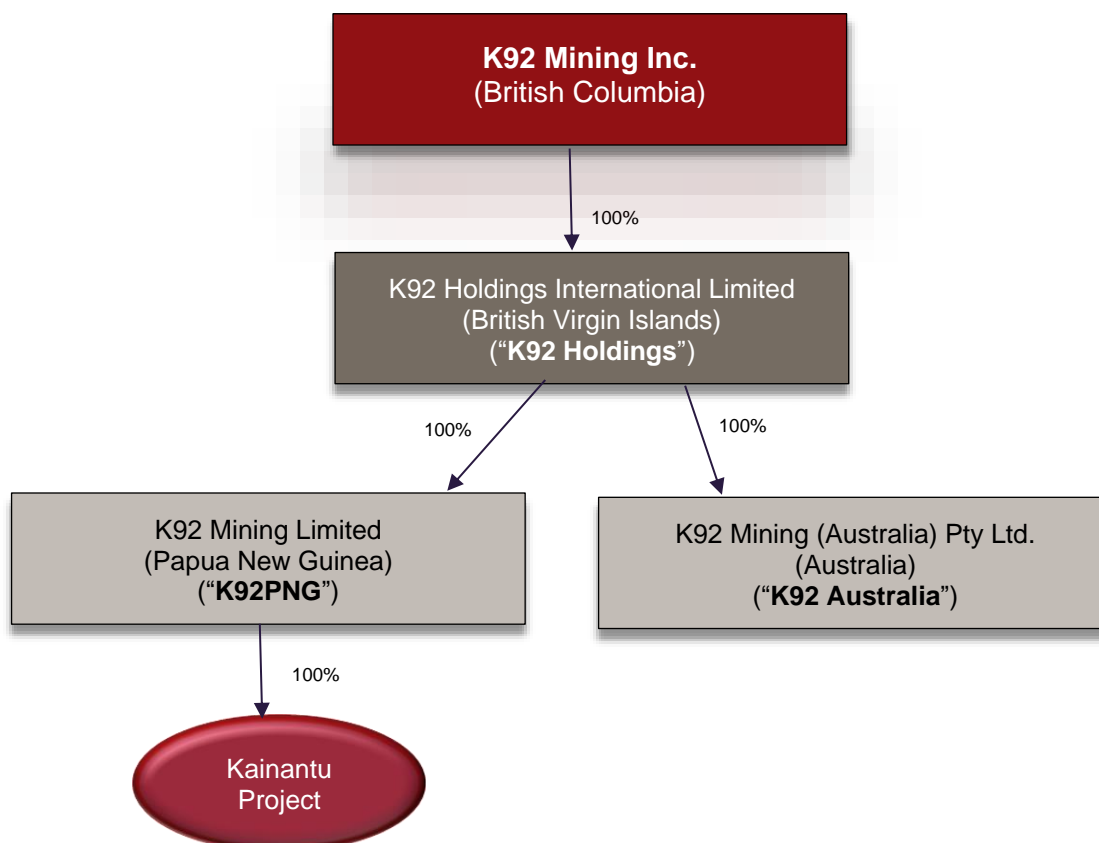
Our head office is located at Suite 488, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Canada and our registered office is located at Suite 488, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Canada.

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

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

### INTERCORPORATE RELATIONSHIPS

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



## GENERAL DEVELOPMENT OF THE BUSINESS

### GENERAL

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

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

### Kainantu Gold Mine Project

The Kainantu Mine, located in the Eastern Highlands province of Papua New Guinea (“**PNG**”), is a high-grade, low-cost underground mine within a land package of approximately 701 square kilometres (“**sq km**”) (under application to increase to 837 sq km) in a region known for Tier 1 deposits. The Company declared commercial production from Kainantu in February 2018 and has continued expanding its production and mineral resources since then.

Kainantu is progressing through multiple stages of plant expansion upgrade, escalating to a planned Stage 4 Expansion with a throughput rate of 1.7 million tonnes per annum (“**mtpa**”). The Stage 2 Expansion run-rate of 400,000 tonnes per annum (“**tpa**”) was achieved in late 2021, and the Stage 2A Expansion to increase throughput by 25% to 500,000 tpa is currently being progressively commissioned, with final commissioning of flotation expansion expected in Q2 2022. The Stage 3 Expansion targets commissioning in the second half of 2024 and is expected to increase throughput by 140% to 1.2 mtpa. The Stage 4 Expansion is scheduled for commissioning in the second half of 2026, bringing throughput to 1.7 mtpa, an increase of 240% from the Stage 2A Expansion processing capacity of 500,000 tpa.

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

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

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

Drilling to support potential further expansions is also underway with currently eleven drill rigs on site. For exploration, the number of operating drills is planned to increase to thirteen in 2023, drilling multiple targets concurrently. Surface and underground exploration activities will continue to focus on resource growth at the Kora, Judd, Kora South, Judd South, Kora Deeps, Judd Deeps and Northern Deeps vein systems, and the A1 copper-gold porphyry targets. The strong development advance from our southern drill drive and twin incline is also opening up new prospective drilling horizons.

Further details about the IDP's Stage 3 DFS Case and Stage 4 PEA Case can be found in the IDP Technical Report on the Company's website at [www.k92mining.com](http://www.k92mining.com) and on the SEDAR website at [www.sedar.com](http://www.sedar.com) under the Company's profile.

### **Blue Lake Copper-Gold Porphyry Project**

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

Drilling results to date indicate the Blue Lake porphyry deposit has the potential to be a large, mineralized Cu-Au porphyry deposit.

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

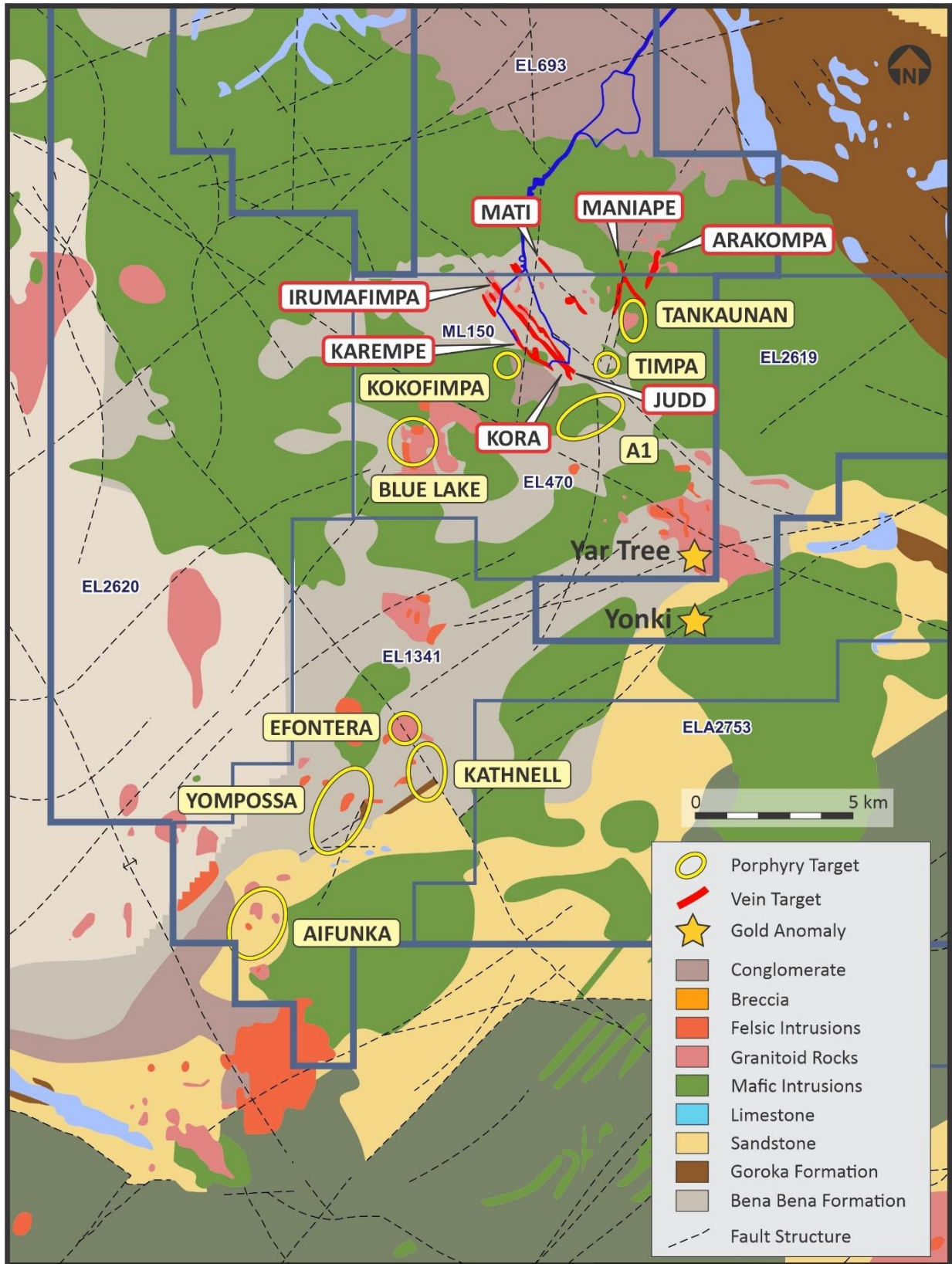
The maiden resource estimate is included in a technical report, titled, "Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea" dated September 20, 2022, with an effective date of August 1, 2022, prepared by Simon Tear BSc (Hons), EurGeol, PGeo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

### **Other Assets**

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

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

**Kainantu Project Geology and Known Vein and Porphyry Deposits and Prospects**



## Summary of Mineral Reserves and Mineral Resources

A summary of the Company's mineral reserve and mineral resource estimates as at December 31, 2022 are presented in the following tables.

### Kainantu Mineral Reserve Statement

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

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



### Kainantu Mineral Resource Estimates

	Tonnes	Gold		Silver		Copper		AuEq	
	Mt	g/t	Moz	g/t	Moz	%	kt	g/t	Moz
<b>Kora</b>									
Measured	2.8	9.07	0.8	15.7	1.4	0.85	24.1	10.51	1.0
Indicated	4.4	6.68	0.9	20.2	2.8	0.97	42.4	8.35	1.2
<b>Total M&amp;I</b>	<b>7.2</b>	<b>7.62</b>	<b>1.8</b>	<b>18.4</b>	<b>4.3</b>	<b>0.92</b>	<b>66.4</b>	<b>9.20</b>	<b>2.1</b>
Inferred	8.1	7.12	1.8	27.3	7.1	1.38	111.1	9.48	2.5
<b>Judd</b>									
Measured	0.22	11.26	0.08	19.9	0.14	0.72	1.59	12.56	0.09
Indicated	0.15	7.46	0.04	13.9	0.07	0.77	1.20	8.76	0.04
<b>Total M&amp;I</b>	<b>0.38</b>	<b>9.70</b>	<b>0.12</b>	<b>17.5</b>	<b>0.21</b>	<b>0.74</b>	<b>2.79</b>	<b>11.00</b>	<b>0.13</b>
Inferred	1.01	4.24	0.14	11.0	0.36	0.87	8.82	5.66	0.18
<b>Irumafimpa</b>									
Indicated	0.56	12.80	0.23	9	0.2	0.3	17	13.4	0.2
Inferred	0.53	10.70	0.19	9	0.2	0.3	34	11.5	0.2
<b>Consolidated</b>									
<b>Total Measured and Indicated</b>	8.13	7.84	2.05	17	4.6	0.9	86	9.8	2.6
<b>Inferred</b>	9.64	7.02	2.13	25	7.6	1.3	153	9.2	2.9

#### *Kora and Judd Mineral Resources Disclosure:*

- *Estimates are from technical report titled, "Independent Technical Report, Mineral Resources Estimate Update Kora and Judd Gold Deposit, Kainantu Project, Papua New Guinea" dated January 20, 2022.*
- *The independent and Qualified Person responsible for the mineral resource estimate is Simon Tear, P.Geo. of H&S Consultants Pty. Ltd., Sydney, Australia. The effective date of the resource estimate for Kora is October 31, 2021 and the effective date of the Judd resource estimate is December 31, 2021.*
- *Mineral resources are not mineral reserves and do not have demonstrated economic viability.*
- *Resources were compiled at 1.75, 2.5, 3, 4, 5, 6, 7, 8, 9 and 10 g/t gold cut-off grades for Kora and 1.75, 2.5, 3, 4, 5 for Judd.*
- *Density (t/m<sup>3</sup>) is on a per zone basis, K1, K2: 2.84 t/m<sup>3</sup>; Kora Link: 2.74 t/m<sup>3</sup>; Judd: 2.71 t/m<sup>3</sup>; Waste: 2.67 t/m<sup>3</sup>.*
- *Minimum mining width for wireframes: Kora: 5.2 m; Judd: 5.2 m.*
- *Reported tonnage and grade figures are rounded from raw estimates to reflect the order of accuracy of the estimate.*
- *Minor variations may occur during the addition of rounded numbers.*
- *Estimations used metric units (metres, tonnes and g/t).*
- *Gold equivalents are calculated as AuEq = Au g/t + Cu %\*1.607\*92.8% + Ag g/t\*0.0125\*89%. Gold price US\$1,600/oz; Silver US\$20/oz; Copper US\$3.75/lb. Metal payabilities and recoveries are incorporated into the AuEq formula. Recoveries of 92.8% for copper and 89% for silver.*
- *Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.*

### Irumafimpa Mineral Resources Disclosure

- Irumafimpa Resource refers to technical report titled, "Independent Technical Report, Mineral Resource Estimate Update and Preliminary Economic Assessment of Irumafimpa and Kora Gold Deposits, Kainantu Project, Papua New Guinea", March 2017 – Qualified Person, Anthony Woodward MAIG, Nolidan Mineral Consultants.
- Gold Equivalents are calculated as  $AuEq = Au \text{ g/t} + Cu \% * 1.7308 + Ag \text{ g/t} * 0.0185$ . Metal prices Au: US\$1,200/oz, Ag: US\$22.26/oz, Cu US\$3.03/lb.

### Blue Lake Mineral Resource Estimate at 0.4 g/t AuEq Cut-off Grade

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

#### Blue Lake Mineral Resource Disclosure:

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

## HISTORY

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

### FIVE-YEAR HISTORY

#### SIGNIFICANT DEVELOPMENTS (2018 – 2022)

##### 2018 DEVELOPMENTS

Effective **February 1, 2018**, the Company declared commercial production at the Kainantu Mine.

On **March 6, 2018**, the Company closed a brokered private placement of 14,444,500 units at a price of C\$0.45 per unit for aggregate gross proceeds of C\$6,500,025. The private placement was arranged by Clarus Securities Inc. as lead agent and sole bookrunner, on behalf of a syndicate of agents that included Eventus Capital Corp. Each unit comprised one Common Share and one-half of one Common Share purchase warrant, with each whole warrant entitling the holder to purchase one Common Share at an exercise price of C\$0.65 for 18 months following the closing of the offering.

At the opening of trading on May 1, 2018, the Company began trading on the OTCQX (OTCQX® Best Market) under the symbol “KNTNF”.

On **November 13, 2018**, the Company announced an updated mineral resource estimate for the Kora North deposit comprising a measured and indicated resource of 0.85 tonnes at 12.9 grams per tonne (“g/t”) Au, 13.1 g/t Ag and 0.8% Cu; and an inferred resource of 1.92 million tonnes at 10.7 g/t Au, 13.3 g/t Ag and 0.7% Cu.

## 2019 DEVELOPMENTS

On **January 8, 2019**, the Company announced positive results from an updated PEA on its Kora and Kora North gold deposits, which together with its Irumafimpa gold deposit comprise the Kainantu Project and filed technical report titled, “Independent Technical Report, Mineral Resources Estimate Update and Preliminary Economic Assessment of Kora North and Kora Gold Deposits, Kainantu Project, Papua New Guinea,” with an effective date of September 30, 2018, prepared by Anthony Woodward BSc (Hons.), M.Sc., MAIG, Simon Tear BSc (Hons), PGeo IGI, EurGeol, Christopher Desoe BE (Min)(Hons), FAusIMM, RPEQ, Lisa J. Park, BEng (Chem), GAICD, FAusIMM.

On **January 15, 2019**, the Company issued 9,503,662 Common Shares upon the conversion of 5,000,000 Preferred Shares resulting in nil Preferred Shares remaining issued and outstanding.

On **January 22, 2019**, the Company announced record Q4 2018 production of 16,844 oz AuEq, comprising 16,451 oz of gold, 170,800 lbs of copper (“Cu”) and 3,095 oz of silver (“Ag”) (based on a gold price of US\$1,300/oz; silver US\$16.5/oz; copper US\$2.90/lb), and record annual production of 47,237 oz AuEq, comprising 45,810 oz of gold, 611,000 lbs of copper and 10,069 oz of silver (based on a gold price of US\$1,300/oz; Silver US\$16.5/oz; Copper US\$2.90/lb), from the Kainantu Mine.

On **March 13, 2019**, the Company announced that it intended to double capacity at its Kainantu Mine to 400,000 tonnes per annum, increasing production to an average of 120,000 oz AuEq per annum.

On **April 8, 2019**, the Company announced record Q1 production of 19,125 oz of gold, 264,114 lbs of copper and 5,564 oz of silver or 19,778 oz AuEq (based on a gold price of US\$1,300/oz; silver US\$16.5/oz; copper US\$2.90/lb).

On **July 1, 2019**, the Company entered into a loan agreement (the “**Trafigura Loan Agreement**”) with Trafigura Pte Ltd. (“**Trafigura**”). Under the Trafigura Loan Agreement, Trafigura provided the Company with a US\$15,000,000 loan for a period of two years, and an offtake agreement (the “**Trafigura Offtake Agreement**”) for the purchase by Trafigura of the Company’s copper/gold concentrate produced at the Kainantu Mine.



On **July 1, 2019**, the Company entered into the Trafigura Offtake Agreement. The Trafigura Offtake Agreement has a term equal to the later of: (i) nine years ending on February 11, 2028; and (ii) until a minimum of 165,000 dry metric tonnes of concentrate (“**DMT Minimum**”) has been delivered. If the DMT Minimum has been delivered during the 9-year term, then the Company is only required to sell 50% of its annual production until the end of the term of the Trafigura Offtake Agreement.

Pursuant to a share sale agreement dated June 11, 2014 (the “**Barrick Purchase Agreement**”), K92 acquired Barrick (Kainantu) Limited from Barrick Gold Corporation (“**Barrick**”). Barrick held certain mineral rights and interests, including the ML150, in Papua New Guinea, as well as the Kainantu Mine. On July 17, 2019, the Company entered into an amendment agreement (the “**Barrick Amendment Agreement**”) with Barrick, through its wholly-owned subsidiary, amending the terms of the original share purchase agreement and providing for the elimination of the contingent payment arrangement that continued until March 6, 2025 under the terms of the Barrick Purchase Agreement in return for a cash payment of US\$12,500,000.

On **July 30, 2019**, the Company closed a bought deal brokered private placement of 10,895,100 Common Shares at a price of C\$1.90 per Common Share for aggregate gross proceeds of C\$20,700,690. The private placement was led by Clarus Securities Inc. as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters that included PI Financial Corp., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Cormark Securities Inc., Eight Capital, GMP Securities L.P. and Haywood Securities Inc.

On **August 23, 2019**, the Company paid US\$12,500,000 to Barrick pursuant to the terms of the Barrick Amending Agreement.

In 2016, K92 Holdings entered into financing agreements (the “**CRH Financing Documents**”) with CRH Funding II Pte. Ltd. (“**CRH**”), an affiliate of Cartesian Royalty Holdings (“**Cartesian**”) and Cartesian Capital Group, consisting of a gold prepayment investment and an equity investment (the “**CRH Financing**”). Upon signing, K92 Holdings drew down the first tranche under the gold prepayment agreement (the “**GPA**”). Under the GPA, CRH committed to provide K92 Holdings with up to US\$4.8 million over four tranches in exchange for a percentage of gold produced at the Irumafimpa deposit over a 36-month period, subject to a minimum of 18,000 oz of gold and a maximum of 20,000 oz of gold. On September 3, 2019, the Company paid the final outstanding gold ounces owed to Cartesian under the GPA, which formed part of the CRH Financing, eliminating all of the Company’s liabilities and obligations to Cartesian and CRH.

## 2020 DEVELOPMENTS

On **May 19, 2020**, the Company announced an updated mineral resource estimate for the Kora gold deposit at the Kainantu Project comprising a measured and indicated resource of 3.13 million tonnes at 9.47 g/t Au, 15 g/t Ag and 0.6% Cu (1.1 million oz at 10.45 g/t AuEq) and an inferred resource of 12.67 million tonnes at 7.32 g/t Au, 20 g/t Ag and 1.1% copper (3.7 million oz at 9.01 g/t AuEq).

On **July 31, 2020**, the Company filed on SEDAR a technical report containing a mineral resource estimate and PEA on the Kainantu Project titled, “Independent Technical Report Mineral Resource Estimate Update and Preliminary Economic Assessment for Expansion of the Kainantu Project to Treat 1 Million Tonnes per Annum (“**Mtpa**”) from the Kora Gold Deposit, Kainantu, Papua New Guinea” with an effective date of April 2, 2020, prepared by Anthony Woodward BSc (Hons.), M.Sc., MAIG, Simon Tear BSc (Hons), PGeo IGI, EurGeol, Christopher Desoe BE

(Min)(Hons), FAusIMM, RPEQ, Lisa J. Park, BEng (Chem) MAppFin GAICD, FAusIMM. Based on the results of the mineral resource estimate, the Company announced that it would proceed to a Definitive Feasibility Study for a Kora expansion (the “**Kora Stage 3 Expansion**”). The Kora Stage 3 Expansion PEA considered an expansion to underground mining with on-site treatment of mine material by conventional milling, gravity and flotation recovery through a standalone Mtpa process plant.

On **September 3, 2020**, the Company announced preliminary underground bulk sample results from the Judd Vein System at the Kainantu Mine. The Judd Vein System is located near-mine infrastructure, ~100-150m North-East from the Kora Consolidated deposit and consists of four known veins, with the bulk sample from Judd #1 Vein. The Judd Vein System has seen very limited exploration and has a target strike length of approximately 2.5 km sub-parallel to Kora. The results marked the first significant exploration activity undertaken on Judd by K92.

On **November 20, 2020**, the Company filed on SEDAR a technical report containing an updated Kora mineral resource estimate and updated PEA and titled, “Revised Independent Technical Report Mineral Resource Estimate Update and Preliminary Economic Assessment for Expansion of the Kainantu Project to Treat 1 Mtpa from the Kora Gold Deposit, Kainantu, Papua New Guinea” dated November 13, 2020 with an effective date of April 2, 2020, prepared by Anthony Woodward BSc (Hons.), M.Sc., MAIG, Simon Tear BSc (Hons), PGeo IGI, EurGeol, Christopher Desoe BE (Min)(Hons), FAusIMM, RPEQ, Lisa J. Park, BEng (Chem) MAppFin GAICD, FAusIMM.

On **November 23, 2020**, the Company announced that it had completed the processing of 4,256 tonnes of underground bulk sample material and extended underground development by an additional 114 metres along the Judd 1235 Level J1 Vein underground development, within the +2.5km strike, Judd Vein system.

On **November 30, 2020**, the Company announced results from 28 underground diamond drill holes of the Kora deposit at the Kainantu Gold Mine. The results continued to demonstrate the high-grade and continuity of Kora with intersections largely focused on increasing drill density to upgrade resources for the Stage 3 Expansion feasibility study in addition to some step-out drilling. All drill holes intersected mineralization.

On **December 9, 2020**, on approval for the listing of its Common Shares on the TSX, the Common Shares commenced trading on the TSX, continuing to trade under the symbol “KNT”. In conjunction with listing on the TSX, the Common Shares were voluntarily delisted from the TSXV effective at the commencement of trading on the TSX.

**During 2020**, the Company initiated the COVID-19 Management Plan at the Kainantu mine site, to address immediate issues including occupational health, hygiene and safety, business continuity, travel, supply chain, statutory compliance, communications, testing, risk assessment and contingency planning. In line with other mining operations in Papua New Guinea, the Company maintained normal operations at the Kainantu Mine and associated facilities during the local state of emergency declared in March 2020 and received exemptions from the PNG Government to allow for the movement of PNG Nationals within PNG and of expatriate workers from Australia during that period.

## 2021 DEVELOPMENTS

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

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

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

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

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

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

On **July 22, 2021**, the Company released high-grade results from drilling of 43 diamond drill holes at the Kora deposit. The results continued to demonstrate the high-grade and continuity of Kora, with intersections largely focused on increasing drill density up-dip, down-dip and to the south to upgrade resources for the Stage 3 Expansion Feasibility Study. Results also included step out drilling to the south outside of the existing resource envelope. From the drilling results, all drill holes intersected mineralization, with 9 intersections exceeding 20 g/t AuEq, 20 intersections exceeding 10 g/t AuEq and 45 intersections exceeding 5 g/t AuEq.

On **August 23, 2021**, the Company announced maiden drill results from the first 83 metres of development along the Judd 1265 Level J1 Vein, the second sublevel developed on Judd Vein #1 within the +2.5km strike, sparsely explored Judd Vein System at the Kainantu Mine. The

development drive towards the north and south encountered high-grade mineralization with an estimated average grade of 16.48 g/t AuEq or 13.56 g/t Au, 1.77% Cu, and 32 g/t Ag of undiluted J1 Vein extracted at an average vein thickness of 3.5 metres that ranged from 1.4 metres to near drive width at over 5 metres based on underground channel sampling. The development recorded a significant frequency of high grade with 57% of faces recording J1 Vein average grades greater than 10 g/t AuEq from channel sampling. Judd is located near mine infrastructure, sub-parallel and approximately ~150-200 metres west of the Kora deposit.

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

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

On **October 27, 2021**, the Company announced the completion of an additional 211 metres of development, extending to both the north and south along the Judd 1265 Level J1 Vein, within the +2.5km strike, sparsely explored Judd Vein System at Kainantu. This was the second sublevel developed on Judd Vein #1. The combined extension totalled 211 metres at an estimated average grade of 21.69 g/t AuEq or 20.36 g/t Au, 0.76% Cu and 24 g/t Ag at an average vein thickness of 3.9 metres from channel sampling. The development extension to the north recorded a strike length of 97 metres with an average grade of 18.29 g/t AuEq or 16.85 g/t Au, 0.85% Cu and 24 g/t Ag of undiluted J1 Vein extracted at an average vein thickness of 3.8 metres that ranged from 2.5 metres to near drive width (over 5.5 metres) based on underground channel sampling. The development extension to the south recorded a strike length of 114 metres with an average grade of 24.44 g/t AuEq or 23.20 g/t Au, 0.69% Cu and 25 g/t Ag of undiluted J1 Vein extracted at an average vein thickness of 4.0 metres that ranged from 1.7 metres to near drive width (over 5.5 metres) based on underground channel sampling. Importantly, the development recorded a significant frequency of high grade with 26% of faces recording J1 Vein average grades greater than 10 g/t AuEq from channel sampling. As a result of the promising drilling, underground development and metallurgical results, Judd became a new mining front and major exploration focus. This was expected to provide a significant boost to operational flexibility.

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

KMDD0312 recording multiple intersections including 7.60 m at 41.02 g/t Au, 24 g/t Ag and 0.41% Cu (41.91 g/t AuEq, 4.96 m true width) from the K1 Vein. The results expand known mineralization and delineate new high-grade areas.

## 2022 DEVELOPMENTS

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

On **February 16, 2022**, the Company announced high-grade and record thicknesses from maiden surface step-out drilling results at the Kora South and Judd South deposits. The results also included discovery of a previously unknown vein, and the discovery of significant mineralized dilatant zones at both Kora South and Judd South. Airborne geophysics was also completed, defining extensive new targets. The Company stated that in 2022, up to 11 drill rigs were planned to be operating.

On **February 23, 2022**, the Company announced results from the maiden mineral resource estimate of the Judd deposit at the Kainantu Project. with measured and indicated resources of 0.13 million oz at 11.00 g/t AuEq and inferred resources of 0.18 million oz at 5.66 g/t AuEq. The resource is net of mining depletion of 64 kt at 12.2 g/t AuEq or 25 koz AuEq. The Judd deposit remains open in all directions. The maiden resource estimate at Judd follows the discovery of high-grade underground mineralization in the fourth quarter of 2020. The technical report containing the maiden resource estimate and titled, “Independent Technical Report Mineral Resource Estimate Update Kora and Judd Gold Deposits, Kainantu Project, Papua New Guinea” dated March 31, 2022, with an effective date of January 20, 2022, was filed on April 4, 2022. See “*Material Properties – Kainantu Project*”.

On **February 23, 2022**, the Company announced results from the updated mineral resource estimate completed on the Kora deposit with measured and indicated resources of 2.1 million oz at 9.20 g/t AuEq and inferred resources of 2.5 million oz at 9.48 g/t AuEq. The increase in the resource estimate was achieved after deducting mining depletion of 348 kt at 16.33 g/t AuEq or 182 koz AuEq from the previous resource estimate. The Kora deposit remains open along strike and at depth. The technical report containing the maiden resource estimate and titled, “Independent Technical Report Mineral Resource Estimate Update Kora and Judd Gold Deposits, Kainantu Project, Papua New Guinea” dated March 31, 2022, with an effective date of January 20, 2022, was filed on April 4, 2022. See “*Material Properties – Kainantu Project*”.

On **July 6, 2022**, the Company closed a bought deal public offering for pursuant to which the Company issued 5,405,500 Common Shares at a price of CAN\$9.25 per Common Share (the “**Offering**”) for aggregate gross proceeds of CAN\$50,000,875. The Offering was led by Clarus Securities Inc. and Cormark Securities Inc., (together the “**Co-lead Underwriters**”) as co-lead underwriters and co-bookrunners, and a syndicate of underwriters that included National Bank Financial Inc., Stifel Nicolaus Canada Inc., BMO Capital Markets, Scotia Capital Inc., Desjardins Securities Inc., Eight Capital, PI Financial Corp., Raymond James Ltd., Haywood Securities Inc. and TD Securities Inc., (together with the Co-Lead Underwriters, the “**Underwriters**”). The Underwriters were paid a cash fee of 5.0% of the aggregate gross proceeds of the Offering. The



Company also granted to the Underwriters an over-allotment option, exercisable in whole or in part in the sole discretion of the Underwriters at any time until August 5, 2022, to purchase up to an additional 810,825 Shares, at a price of CAN\$9.25 per Share, to cover over-allotments. The over-allotment option was not exercised.

On **August 9, 2022**, the Company announced a maiden mineral resource estimate at the Blue Lake porphyry copper-gold project, located approximately 4 km southwest of the high-grade gold-copper Kora and Judd intrusion-related deposits at the Kainantu Mine. The inferred resource estimate declared 10.8 million AuEq at 0.61 g/t AuEq or 4.7 billion lbs copper equivalent (“**CuEq**”) at 0.38% CuEq, based on 549 million tonnes at 0.21 g/t Au, 0.23% Cu and 2.42 g/t Ag at a 0.4 g/t AuEq cut-off grade. Nearly all of the 26 drillholes intersected mineralization in 16,475 metres of drilling for an average discovery rate of approximately 650 oz AuEq per metre drilled. The resource declaration is the fifth largest known mineralized porphyry in Papua New Guinea in terms of pre-mined contained gold equivalent ounces, after the notable Golpu, Panguna, Ok Tedi and Frieda River porphyry deposits. A technical report containing details of the maiden resource estimate, titled, “Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea” dated September 20, 2022, with an effective date of August 1, 2022, was filed on September 23, 2022.

On **September 12, 2022**, the Company announced the results of its **IDP** for the Kainantu Project. The IDP comprises two scenarios: 1) Kainantu Stage 3 Expansion DFS Case); and 2) Kainantu Stage 4 Expansion PEA Case. Both the DFS and PEA Cases would be fully funded from mine production and mine cash flow. The results of the IDP were set forth in the IDP Technical Report.

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

Details include:

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

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

Details include:

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

*The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral reserves are defined by the DFS and are not predicated on the PEA in any way.*

PEA Notes:

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

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

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

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

Pursuant to the Trafigura Offtake Agreement for the purchase by Trafigura of the Company's copper/gold concentrate produced at the Kainantu Mine, up to the year ending **December 31, 2022**, Trafigura has purchased 54,771 dry metric tonnes of concentrate.

### ***RECENT DEVELOPMENTS (subsequent to year ended December 31, 2022)***

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

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

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

## **DESCRIPTION OF THE BUSINESS**

### **GENERAL**

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

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

Since restarting operations in October 2016, K92 has delivered seven consecutive years of production growth, achieving approximately 123,000 oz AuEq in 2022. In May 2017, a near-mine infrastructure discovery of the Kora North deposit was made. This discovery ultimately combined the Kora, Eutompi and Kora North deposits to form one large deposit, collectively called Kora. The discovery was also high grade, and since declaring commercial production in early 2018, the Kainantu Mine has operated at a head grade of approximately ~12.7 g/t AuEq.

The Company's corporate objective is to continue growing as a profitable, safe, and environmentally and socially responsible gold producer through ongoing exploration and



development of the Company's existing Kainantu Project, to become a mid-tier producer by discovering, developing and operating the best mines including the acquisition of projects.

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

For a more detailed description of the Company's business, refer to the Company's 2022 management's discussion and analysis ("**MD&A**") for the year ended December 31, 2022 and dated March 29, 2023, available on the Company's website or under the Company's profile at [www.SEDAR.com](http://www.SEDAR.com).

## PRINCIPAL PRODUCTS

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

## SPECIAL SKILLS AND KNOWLEDGE

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

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

## COMPETITIVE CONDITIONS

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

## CYCLES

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

## EMPLOYEES

Our business is administered principally from our head office in Vancouver, British Columbia, Canada. We also have offices in Australia and Papua New Guinea. As at the date of this AIF, we, including our subsidiaries, employ approximately 1,000 permanent employees, approximately 500 contractors, and approximately 150 casual workers. Over 95% of our employees are PNG nationals, of which a majority are from our local landowners.

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

## FOREIGN OPERATIONS

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

## ENVIRONMENTAL PROTECTION

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

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

Environmental stewardship is a top priority for K92. We aim to minimize or mitigate the potential effects of our operations on regional flora, fauna, water quality and air quality.

The Company has adopted environmental policies designed to ensure environmental risks are adequately addressed while committing to environmental protection for all of the Company's activities.

## **COMMUNITY ENGAGEMENT AND INVESTMENT**

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

### ***Community and Infrastructure Supports***

The Company is currently working on a number of community programs in Papua New Guinea, including establishing freshwater systems for local communities, performing extensive work on maintenance and upgrading of district roads, providing funding for a medical clinic including a nurse and medicines, refurbishing and performing maintenance on other medical clinics, refurbishment of a number of schools in the community, organizing and funding an adult literacy program for locals in the community, and launching an agricultural livelihood and training program with the purpose of providing greater nutritional knowledge to the local community.

The agricultural program has been a success with the local community, having the ability to provide fresh produce to the camp dining room and selling any additional produce to a local catering company based in Lae, Papua New Guinea. The Company is planning to expand this project to other larger tracts of land, scaling the benefits and providing the local community with a larger, sustainable business.

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

### ***Local Business Opportunities***

The Company has created multiple business opportunities for communities to benefit from the operation of the mine. These include four major joint venture contracts between the communities and PNG companies for the provision of services as well as numerous smaller contracts with local communities. The major contracts include catering and camp management, security, road transportation and ancillary mobile. In 2022, these contracts earned \$21.3 million supporting the local community.

### ***Scholarships***

K92 provides scholarships to support children of landowners to undertake studies at post-secondary institutions. In 2022, a total of 34 scholarships were provided to students from local communities. In addition, the Company works with University of Technology in Lae, PNG covering areas of mutual benefit including financial support for the university, work experience for students and undergraduates, technical cooperation and project generation. The Company also provides

annual prizes for the top third year students in Geology, Mining and Metallurgy nationally, with the recipients receiving substantial scholarships covering their final year.

### **COVID-19 Relief**

In response to the health risks associated with COVID-19, the Company implemented a comprehensive COVID-19 Management Plan, which addresses issues including occupational health, hygiene and safety, business continuity, travel, supply chain, statutory compliance, communications, testing, risk assessment and contingency planning.

In addition to the various control measures, the Company contributes to our resiliency through testing and vaccinations of our expatriate and PNG national workforce. The Company remains in close communications with the provincial and national health authorities of PNG and the Government of Australia, in addition to communications with the PNG Chamber of Mines and Petroleum, to continue mitigating the effects of COVID-19.

The Company supported government efforts towards addressing the COVID-19 pandemic at a national, provincial and local level through the PGK1.5 million (US\$450,000) COVID-19 Assistance Fund that included COVID-19 health accessories valued at PGK0.5 million (US\$130,000) to Papua New Guinea's national government. The Company also provided a further PGK1.0 million (US\$300,000) of additional assistance funding to the Eastern Highlands Province. In addition, K92 conducted COVID-19 awareness and testing and administered vaccinations in the communities and surrounding area through our health team and in partnership with the provincial health authority, including a cash incentive program for COVID-19 vaccinations.

## **SUSTAINABILITY AND SOCIAL IMPACTS**

We recognize that climate change can pose risks to our business and are taking steps to understand and manage these risks. At the same time, we believe our company has many opportunities under a low carbon transition. As a result, in 2021 we started our alignment to the Task Force on Climate-related Financial Disclosures (“**TCFD**”) and developed a road map to further enhance our climate risk and opportunity management.

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

### **Alignment With SDGs**

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

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

K92's community projects focus on the following SDGs:

SDG 2 - Zero hunger.

SDG 3 - Good health and well-being.

SDG 4 - Quality education.

SDG 5 - Gender equality.

SDG 6 - Clean water and sanitation.

SDG 8 - Decent work and economic growth.

SDG 9 - Industry, innovation and infrastructure.

### ***Sustainability Report***

In August 2022, the Company published its annual Sustainability Report that outlined the environmental, social and governance (“**ESG**”) practices and performance of the Company. See the “2021 Sustainability Report” filed on the Company’s website at [www.k92mining.com](http://www.k92mining.com).

The following summarizes the ESG highlights in the 2021 Sustainability Report:

- **14% year-over-year increase** in corporate tax and second-largest taxpayer in the mining industry in Papua New Guinea (\$13.0 million paid in corporate tax).
- **95% of workforce and 98% of contractors** are PNG Nationals with priority hiring from local communities.
- **\$0.9 million in total community investment.**
- **14% reduction in year-over-year Lost Time Incident (“LTI”) frequency** and once again operating with one of the best safety records in the Australasian region.
- **Approximately 50% lower carbon intensity** per gold equivalent ounce produced compared to the global average.
- **1.5 million PGK (\$450,000) COVID-19 Assistance Fund** supporting Papua New Guinea National Government, Eastern Highlands and Morobe Provincial Governments and local communities’ efforts in response to the COVID-19 pandemic.
- **Environment, Social and Sustainability Committee** of the Board was established to provide oversight with respect to environment, climate change, health, safety, social, sustainability, and other public policy matters relevant to the Company.
- **Progress on alignment with the Task Force on Climate-related Disclosures (“TCFD”)** recommendations by conducting a climate risk and opportunity assessment to support a low carbon transition and to build climate resilience, developing a road map for improved climate management practices.
- **Participant in 10 million tree program** supporting Papua New Guinea’s goal of planting one million new trees per year until 2030 and delivered 10,000 tree seedlings to schools around the Kainantu mine in 2021.
- **63% of total expenditures locally procured** since start of operations, supporting the long-term development of locally-owned businesses, which earned \$15.5 million in 2021.
- Establishment of **Diversity and Inclusion Policy** to formalize our stance on embracing individuality and differences, and expectations of our people.

- **Human Rights Policy** established to confirm our commitment to respecting the human rights and dignity of all individuals within our operations, supply chain, and communities in which we operate.
- **Sustainable Agriculture Livelihoods program expanded**, employing approximately 80% women to provide them with active income and business skills, and committing \$0.3 million to establish a new market complex in the town of Kainantu to encourage commerce.
- **Strong commitment to education and training**, including a 160,074 PGK (\$46,000) contribution to post-secondary scholarships for 48 qualifying students, a \$13,600 investment in business training for 489 impacted landowners and community members, and 96 students graduating from our Adult Literacy Program in 2021. Three additional scholarships were awarded to the top 3rd year students in Mining Engineering, Metallurgy and Mineral processing, and in 2022, addition of a Women in Mining Scholarship.
- **The K92 Industrial Traineeship Program supports students** in their third or fourth year at either the PNG University of Technology and the University of Papua New Guinea. In 2021, eight trainees participated in 8-16 weeks of intensive programming that led to their engagement as K92 trainees in the disciplines of Geology, Mining Engineering and Mineral Processing.
- **In 2021, K92 became a member of the Employer Federation** of Papua New Guinea, an independent Employer Organization that provides advocacy and advisory services on labour and industrial relations in PNG.
- **Community access to clean water increased** through an investment of \$37,500 (materials, excludes labour cost) and commitment to providing impacted communities with fresh water by improving water lines and installing new water supply systems.

In addition, the Company is continuing to advance several ESG initiatives, including further improving our external reporting measures as well as integrating a forecast of our greenhouse gas (“GHG”) emissions for our Stage 3 and Stage 4 Expansions. The progress of GHG targets will be included in our 2023 Sustainability Report.

### ***Stakeholder Communications***

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

### **OCCUPATIONAL HEALTH AND SAFETY, AND REGULATORY**

The Company has adopted occupational health and safety policies designed to ensure the protection and promotion of the safety, human health, and welfare of the Company’s employees. The Company has in place an ***Environmental, Social and Sustainability Committee*** (the “**ESG Committee**”) of the Board to assist the Board in overseeing the Company’s environmental and corporate social responsibility policies and programs, and performance in the areas of environmental and corporate social responsibility. The ESG Committee supports the Company’s commitment to conduct operations with environmentally sound, safe, healthy, socially responsible



and sustainable business practices. In addition, the Board's **Health and Safety Committee** provides oversight of the Company's health and safety practices and policies.

The following is a brief summary of health and safety management systems in place on the Kainantu Project:

- Our joint management occupational health and safety committee (“**OHS Committee**”), composed of safety representatives from each department, meets quarterly to discuss current issues, improvement ideas and training needs. The committee also spearheads education campaigns, offering health and safety tips that apply not only to the workplace, but to workers' homes and communities as well.
- Our health and safety management system and procedures are based on ISO 45001 and OHSAS 18001 standards. Safety training is ongoing and includes pre-start and toolbox talks, stop-work meetings as necessary, safety alerts via notice boards and emails, contractor meetings, recognition of safety champions and leaders, and activities initiated by the Company's PNG joint Occupational Health and Safety (OHS) Committee.
- The safety aspects of our health and safety management systems are enforced by the Papua New Guinea Mineral Resource Authority and the environmental aspects are audited and enforced by the Papua New Guinea Conservation and Environment Protection Authority, both of which visit the Kainantu Project on a regular basis.
- The Company's health and safety management systems comprise 12 core elements, including proactive measures, control measures, and response measures. The core elements are as follows:
  - (1) Leadership and Consultation
  - (2) Hazard Identification and Risk Management
  - (3) Emergency Response
  - (4) Safety Operational Controls
  - (5) Environmental Controls
  - (6) Medical Controls
  - (7) Training and Competence
  - (8) Planning, Auditing, Monitoring, Reporting (Performance Measurement and Assessment)
  - (9) Incident and Investigation Management
  - (10) Contractor Management
  - (11) Document Control
  - (12) Legal Obligations
- At the operational level, the Company has a dedicated Safety Manager, Safety Superintendents, Safety Officers, Environment Officers, medical staff, and Emergency Response staff. In addition, the Company has a Compliance Officer who focusses on the Company's in-house auditing and corrective action register; a dedicated Equipment Trainer; and a Graduate Safety Officer program.

The Company works with occupational health, safety, and environmental regulatory agencies to ensure that the performance of the Company's operations is at a level that is acceptable to the regulatory authorities. The Company encourages open dialogue and has prepared procedures for responding to concerns of all entities with respect to health and safety matters.

## MATERIAL PROPERTIES

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



### KAINANTU PROJECT

The Kainantu Mine, located in the Eastern Highlands province of Papua New Guinea, is a high-grade, low-cost underground mine located in a region known for Tier 1 deposits. The Company declared commercial production from Kainantu in February 2018 and has continued expanding its production and mineral resources since then. Following the successful ramp-up of the Stage 2 Expansion to 400,000 tpa, the Stage 2A Expansion to increase throughput by 25% to 500,000 tpa (1,370 tpd) is being progressively commissioned, with final commissioning expected in Q2 2023. Following the renewal of Mining Lease 150 in December 2022, the Company is also advancing towards Stage 3 and Stage 4 Expansions to a production run-rate of over 291,000 oz of gold equivalent per year and 470,000 oz of gold equivalent per year, respectively. A new twin incline development is underway, to provide the major mine access infrastructure for increased production capability required for the Stage 3 and Stage 4 Expansions and potentially beyond to further expansions. Drilling to support potential further expansions is underway with eleven to thirteen drill rigs on site in 2023.

The most recent technical report for the Kainantu Project is the IDP Technical Report, dated October 26, 2022, with an effective date of January 1, 2022, and titled, "Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea Definitive Feasibility Study", can be found on the Company's website at [www.k92mining.com](http://www.k92mining.com) and the SEDAR website at [www.sedar.com](http://www.sedar.com).

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



## 2022 KAINANTU TECHNICAL SUMMARY

The following summary, that begins on page 30 and ends on page 84, is not exhaustive. The IDP Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The IDP Technical Report contains the expression of the professional opinions of the Qualified Persons (as defined under NI 43-101) who prepared the IDP Technical Report based upon information available at the time of preparation of the report. The following disclosure, which is derived from the IDP Technical Report, is subject to the assumptions and qualifications contained in the IDP Technical Report. The following summary has been reviewed by Andrew Kohler BAppSc (Geol), PGCert (Geostatistics), MAIG, the Company's Mine Geology and Mine Exploration Manager and a Qualified Persons (as defined under NI 43-101).

### 1.1 INTRODUCTION

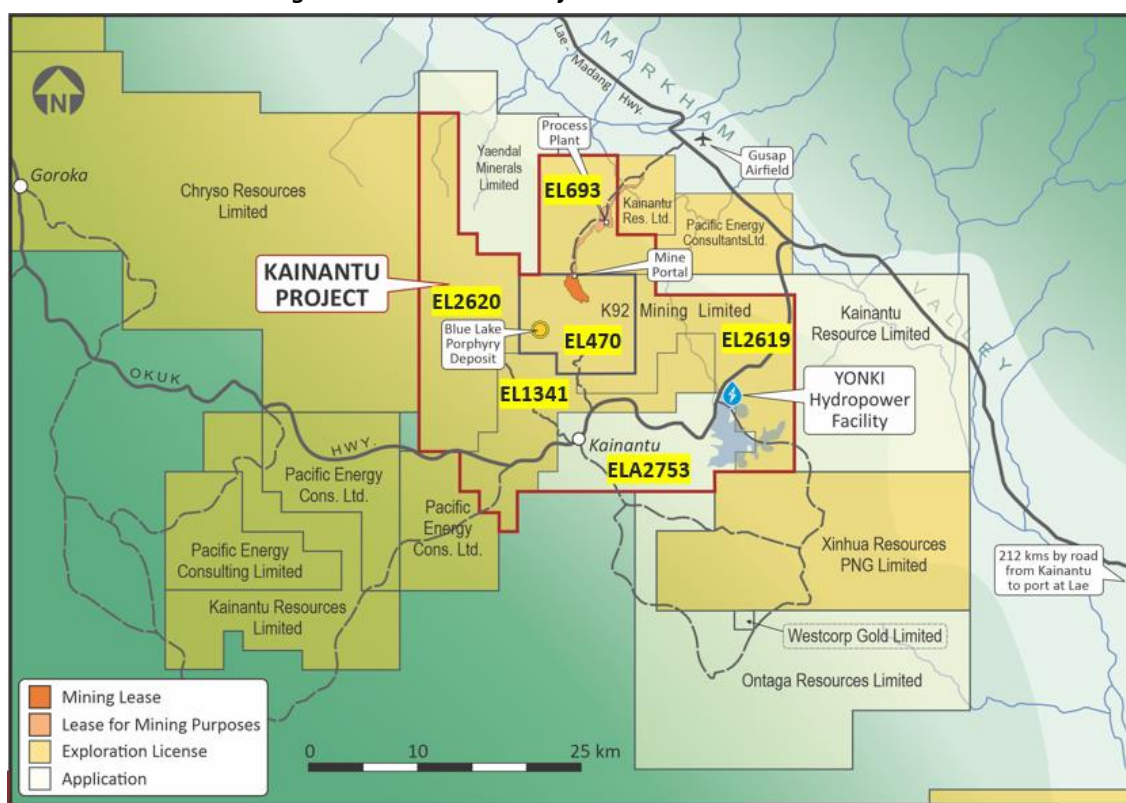
This report is an Independent Technical Report dated 1 January 2022 of the Integrated Development Plan (IDP) for K92Mining Inc.'s Kainantu Gold Mine Project (the 'Kainantu Project') in Papua New Guinea. The IDP includes the Kainantu Stage 3 Expansion Definitive Feasibility Study (DFS) Case and the alternative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

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

The Kainantu property covers a total area of 836.8 km<sup>2</sup> and is located in the Eastern Highlands Province of Papua New Guinea, approximately 180 km west-northwest of Lae.

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

**Figure 1.1.1 Kainantu Project Location and Tenements**



## 1.2 GEOLOGICAL SETTING AND MINERALIZATION – 2022 TECHNICAL REPORT

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

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

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

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

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

Figure 1.21.1 below shows the main vein systems and porphyry targets identified to date at the Kainantu project.

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

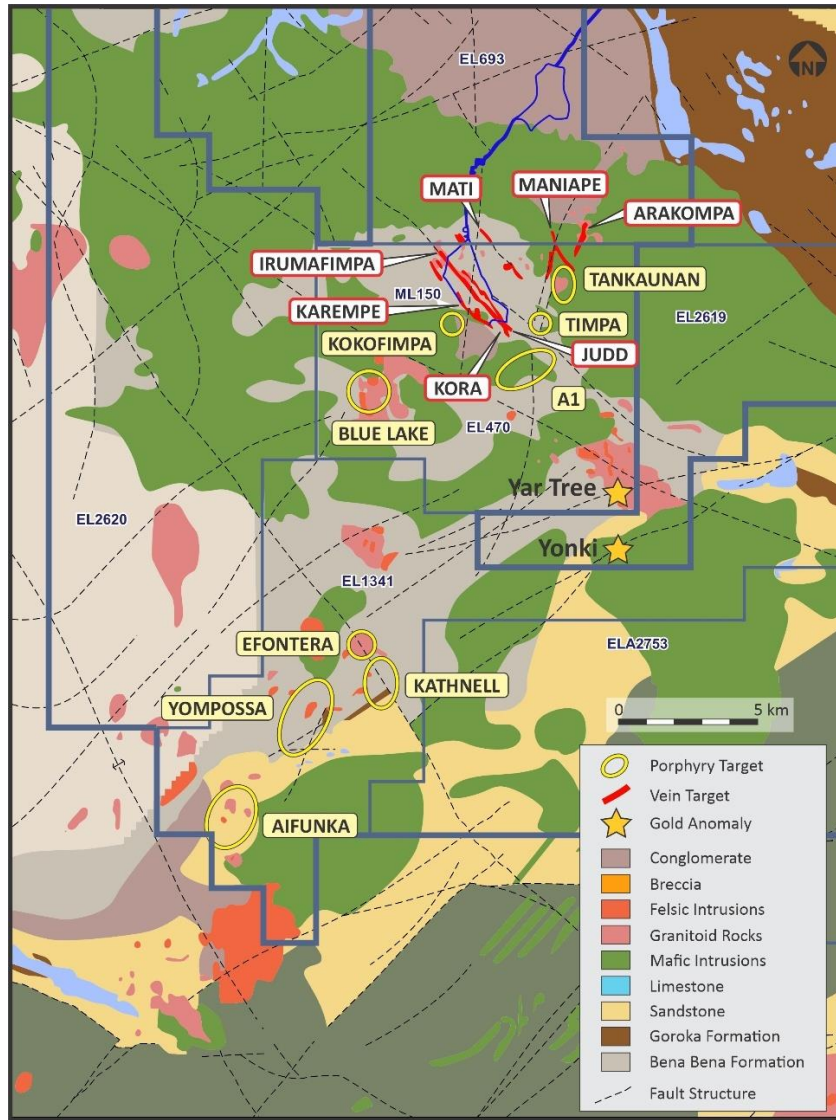
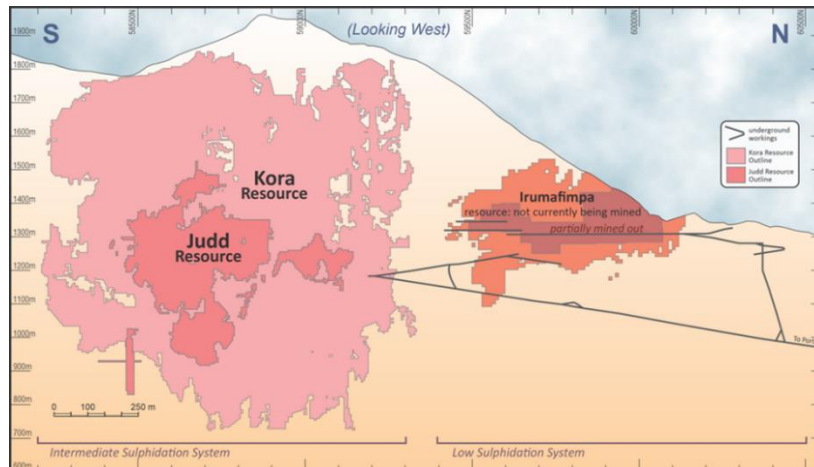


Figure 1.2.2 Kora Judd and Irumafimpa Longitudinal Section - Source: K92ML (2021)



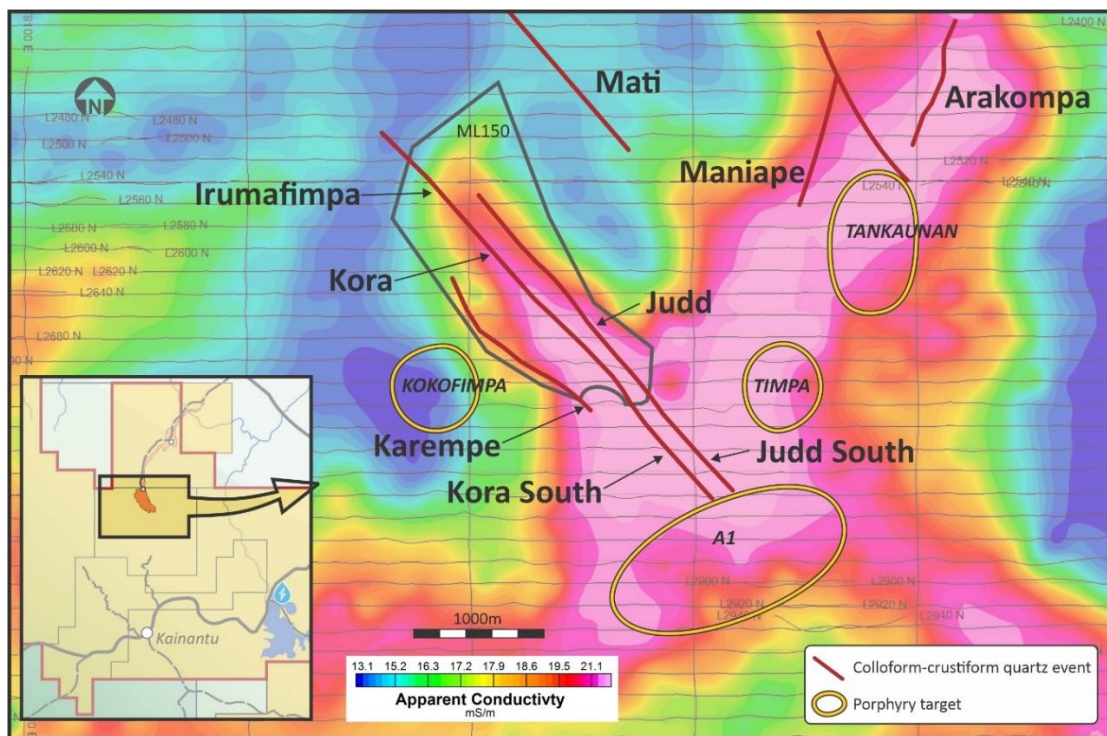


### 1.3 EXPLORATION

The Kainantu Project is recognized as an important mineral district, owing to the presence of multiple economic vein deposits, as well as additional veins and porphyry prospects, at various stages of exploration. K92 Mining Ltd (K92ML) has a very substantial land package of exploration tenement totalling 836 km<sup>2</sup>.

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

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



### 1.4 MINERALS PROCESSING AND METALLURGICAL TESTING

#### 1.4.1 Process Plant

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

- Sample receiving, preparation and preliminary compositing:
  - stream samples (final concentrate, cleaner tailings, and final tailings) from plant operations whilst processing individual ores
  - belt cuts of mined ore, K1, K2 and Judd
  - diamond drill core samples from exploration drilling.

- Mineralogical evaluation of stream samples from plant operations:
  - QEMSCAN automated scanning electron microscopy and image analysis to determines the nature and mode of occurrence of gold, sulphides, and gangue minerals
  - laser ablation ICP-MS analysis of individual sulphide grains for gold
  - bulk mineralogy, including size by size analysis, screen fire assays, and sequential leach determination of gold occurrence.

Comminution testwork on the belt cut samples including:

- The JKTech SMC laboratory comminution test, plus standard bond tests: crushing work index, rod mill work index, ball mill work index, and abrasion index.
  - Bead milling, thickening, pressure filtration and rheology testwork on a sample of concentrate from the K92 plant.
  - Preparation for flotation testwork: recombining fragments from the comminution tests to three individual ore type samples and a master composite sample.
  - Gravity recoverable gold tests, on the three individual ore type samples, using the industry standard three-stage procedure.
  - Batch flotation tests on the three individual ore type and the master composite samples:
    - rougher rate tests at grind size of  $P_{80}$  0.075 mm using the same reagent suite as the operating plant to investigate required dosage rates
    - rougher rate tests at grind size of  $P_{80}$ s from 0.053 to 0.150 mm to investigate primary grind requirements
    - a rougher cleaner, re-cleaner test incorporating bulk sulphide roughing followed by selective cleaning
    - rougher rate tests at a selected grind size  $P_{80}$  using four alternative reagent suites
    - rougher, cleaner re-cleaner tests using the selected reagents and with three levels of concentrate regrind.
  - Locked cycle rougher, cleaner recleaner tests on the master composite to simulate two flowsheets, one incorporating concentrate regrind and the other without regrind.
  - Variability testwork on eight composites of diamond drill core that were selected to represent mineralized zones within the Mineral Resource. Each variability sample was subject to the following testwork:
    - JKTech SMC laboratory comminution test
    - standard bond ball mill work index test
    - a single rougher rate flotation test using standard conditions.

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

### 1.4.2 Paste Plant

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

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

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

## 1.5 MINERAL RESOURCE ESTIMATES

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

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

**Table 1.5.1 2022 Kora Consolidated Resource Estimate**

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

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

**Table 1.5.2 2022 Judd Resource Estimate**

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

**Table 1.5.3 2022 Combined Kora Consolidated and Judd Resource**

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

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- Resources were compiled at 1.75, 2.5, 3, 4, 5, 6, 7, 8, 9 and 10 g/t gold cut-off grades for Kora and 1.75, 2.5, 3, 4, 5 for Judd.
- Density (t/m<sup>3</sup>) is on a per zone basis, K1, K2: 2.84 t/m<sup>3</sup>; Kora Link: 2.74 t/m<sup>3</sup>; Judd: 2.71 t/m<sup>3</sup>; waste: 2.67 t/m<sup>3</sup>.
- Minimum mining width for wireframes: Kora: 5.2 m; Judd: 5.2 m.
- Reported tonnage and grade figures are rounded from raw estimates to reflect the order of accuracy of the estimate.
- Minor variations may occur during the addition of rounded numbers.
- Estimations used metric units (metres, tonnes, and g/t).
- Gold equivalents are calculated as  $AuEq = Au\ g/t + Cu\% * 1.607 * 92.8\% + Ag\ g/t * 0.0125 * 89\%$ . Gold price USD1,600/oz; Silver USD20/oz; Copper USD3.75/lb. Metal payabilities and recoveries are incorporated into the AuEq formula. Recoveries of 92.8% for copper and 89% for silver.



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

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## 1.6 MINERAL RESERVE ESTIMATES

The total Mineral Reserve for the Kainantu Project is shown in **Error! Reference source not found.** The Mineral Reserve estimate is based on the Judd Mineral Resource estimate and the Kora Mineral Resource estimate net of post-resource mining depletion from 1 November 2021 to 31 December 2021 of 36,765 tonnes at 12.94 g/t Au, 0.59 % Cu and 9.29 g/t Ag.

**Table 1.61. Kainantu Mineral Reserve Statement (Effective Date 1 January 2022)**

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

- This estimate is based on underground mine design work undertaken by Entech Pty Ltd. The estimate includes modifications to account for un-mineable material, dilution, and inferred metal within the mining shapes (any contained inferred material was set to waste grade).
- The long-term metal prices used for calculating the financial analysis is US\$1,600/oz gold, US\$4.00/lb Copper, US\$20/oz Silver.
- Gold equivalents are calculated as  $AuEq = Au \text{ g/t} + Cu \% * 1.7143 + Ag \text{ g/t} * 0.0125$ . Metal payabilities and recoveries are not incorporated into this formula.

- A minimum mining width of 3.0 m has been applied for stoping, inclusive of a 1.0 m dilution skin at contained Mineral Resource grade.
- In addition to the 1.0 m dilution skin, dilution of 5% has been added for Avoca mined stopes and 2.5% for long hole stoping with paste fill at waste grade. This results in a total average dilution of 20%.
- Mining recoveries of 90% have been applied to Avoca mined stopes, and 95% for long hole stoping with paste fill.
- A cut-off grade of 3.0 g/t AuEq was used to define stoping blocks. Stope shapes above cut-off that were found to be uneconomic were excluded. The cut-off grade considers site operating costs, G&A costs, sustaining capital costs and relevant processing and revenue inputs.
- The Mineral Reserves estimates have been prepared using industry accepted methodologies and the classification of Proven and Probable Reserves conform to CIM (2014) definitions.
- Measured Mineral Resources were used to report Proven Mineral Reserves.
- Indicated Mineral Resources were used to report Probable Mineral Reserves.
- Tonnage and grade estimates include dilution and recovery allowance.
- The Mineral Reserves reported are not added to Mineral Resources.
- The mine plan assumes mining of Mineral Reserve material only and was shown to be economically viable with a reasonable degree of margin to buffer against unfavourable input movements. It should, however, be noted that sufficient negative movements in the assumed gold prices and/or exchange rates, metallurgical recoveries and/or costs could potentially render portions or the whole of the Mineral Reserves mine plan uneconomic.

## 1.7 MINING METHODS

### 1.7.1 Introduction

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

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

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

## 1.7.2 Geotechnical

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

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

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

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

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

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

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

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

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

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

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

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

#### **1.7.1 Summary of Assessed Stopping Parameters for Kora and Judd**

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

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

#### **1.7.3 Mining Method Selection**

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

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

#### 1.7.4 Mine Design and Physicals

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

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

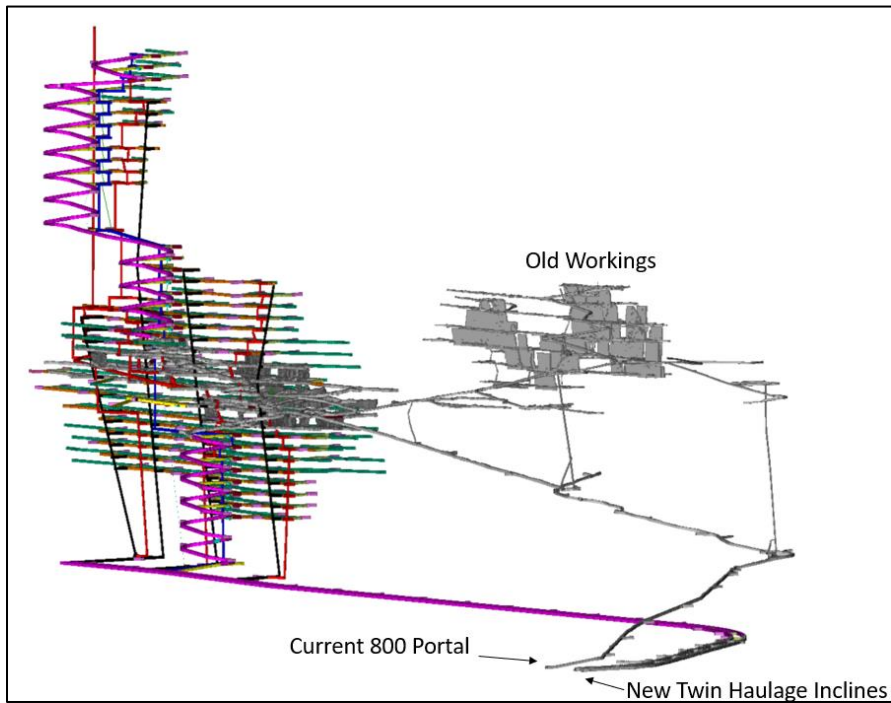
Dilution of 0.5 m on both the footwall and hanging wall of the stope shapes (1.0 m total), was applied during the optimization phase at contained Mineral Resource grade. An additional 0.5 m of dilution at contained waste grade was applied to stope shapes that were within 2 m from the fault gouge zone.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

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

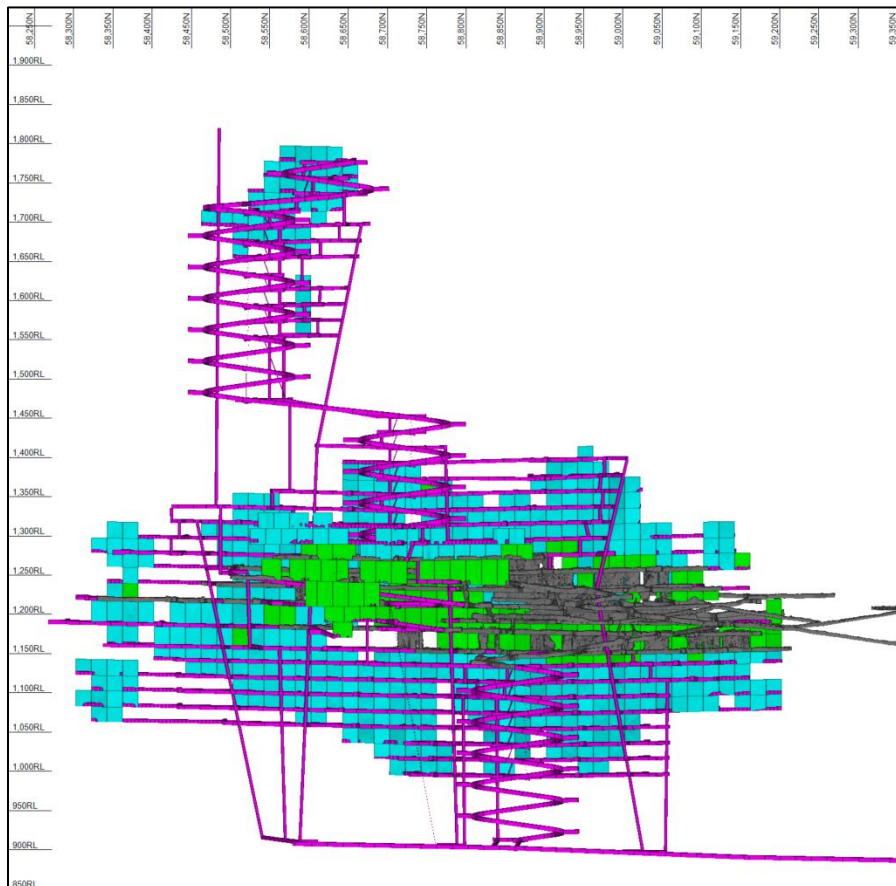
To account for the ore losses a mining recovery factor of 90% has been applied to Avoca stopes and 95% has been applied to LHOS stopes with paste fill. The 5% lower recovery factor for Avoca stoping accounts for ore loss where ore and waste material mix and become subeconomic to mine.

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

**Figure 1.7.1 Isometric View of the Kainantu Underground Development Layout**



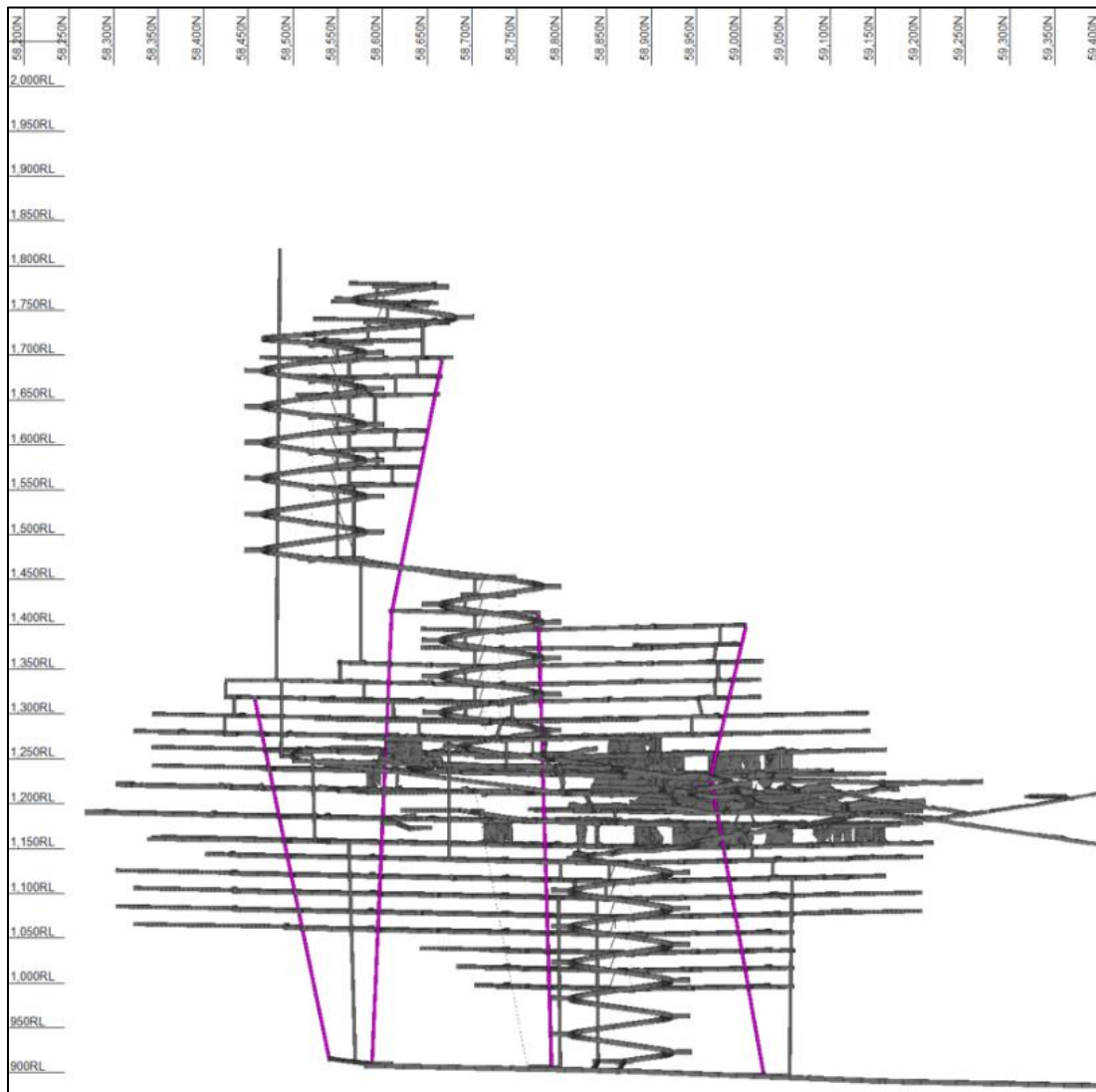
**Figure 1.7.2 Looking West – LHS with Fill (Blue), Avoca (Green), As-builts (Grey)**





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

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



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

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

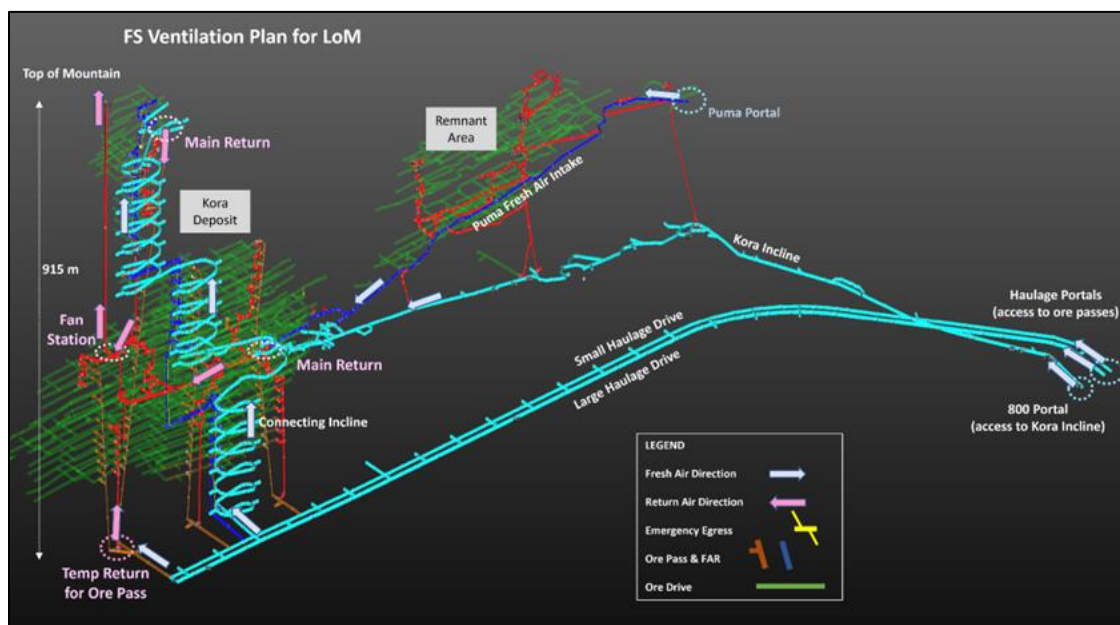
**Table 1.7.2 Physicals Per Annum**

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

### 1.7.5 Ventilation

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

**Figure 1.7.4 LOM Ventilation Plan Profile Facing Northwest**



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

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

**Table 1.7.3 Peak Mobile Equipment Flowrate Calculation**

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

\*Flowrate calculated for diesel equipment at 0.05 m<sup>3</sup>/s per kW of rated engine power.

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

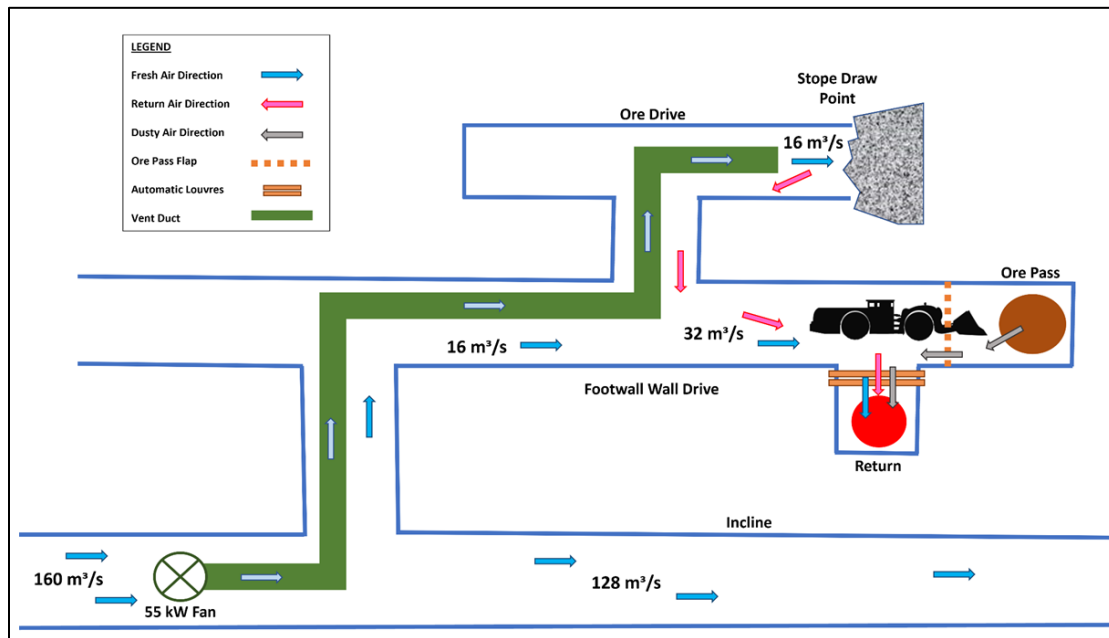
\*\*\*Minimum flowrate for activities relying on secondary air. The combination of two fans refers to activities in parallel.

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

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

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

**Figure 1.7.5 Example of Production Level Vent Plan**



### 1.7.6 Mining Fleet and Personnel

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

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

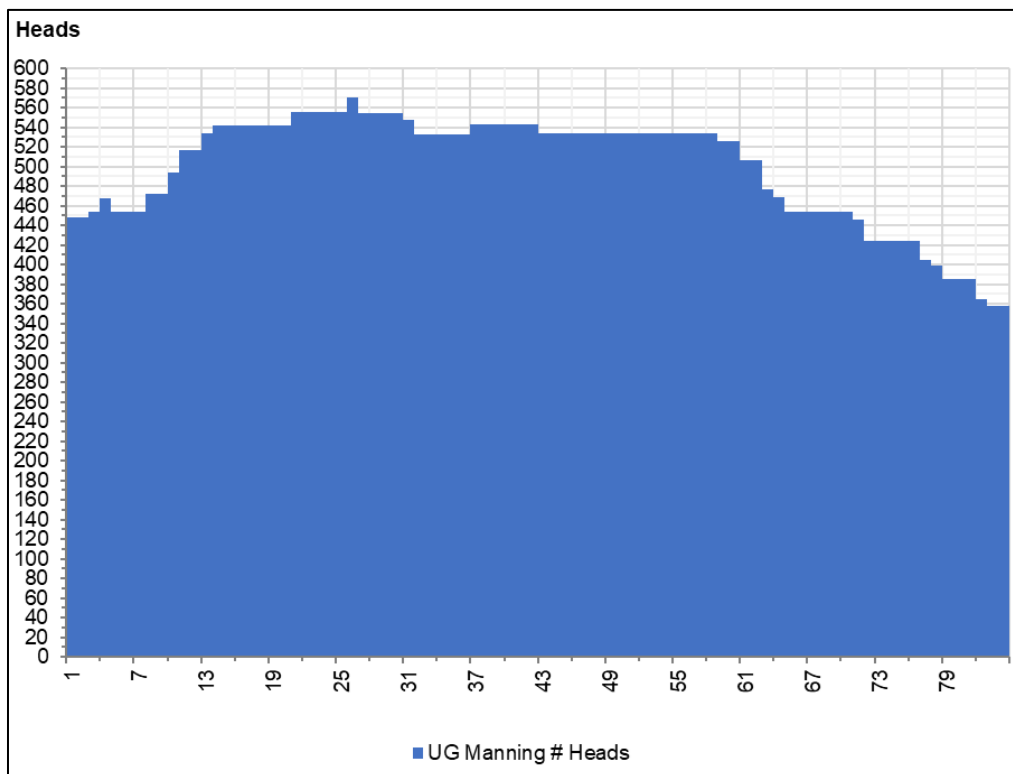
The peak fleet requirements are shown in Table 1.7.4 below.

**Table 1.7.4 Peak Equipment Requirements**

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

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

**Figure 1.7.6 Total Underground Mining Personnel per Month**



## 1.8 RECOVERY METHODS

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

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

The key project design criteria for the plant are:

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

The treatment plant design incorporates the following unit process operations:

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



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

## 1.9 PROJECT INFRASTRUCTURE

### 1.9.1 Power

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

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

### 1.9.2 Water

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

### 1.9.3 Paste Fill Plant Project Infrastructure

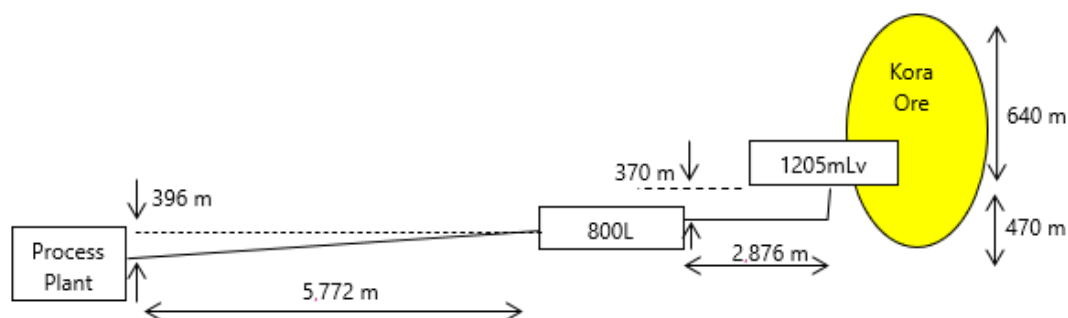
To improve underground geotechnical stability, facilitate complete ore extraction and dispose an estimated 46% of the Kainantu tailings underground, cemented paste backfill manufactured from fresh concentrator tailings is the preferred mine backfill method. The recommended system is designed to utilize 100% of the instantaneously available tailings, with a design production capacity of 123 m<sup>3</sup>/hr. After accounting for an expected volumetric consolidation of around 7%, the proposed system is expected to satisfy the peak Kora backfill demand (of 45,000 m<sup>3</sup>/mth), with a utilization of 53%. This utilization is at the lower end for quality backfill systems and, even after accounting for the complexity of the Kainantu delivery system, is expected to be comfortably achievable with the recommended paste system.

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

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

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

**Figure 1.9.1 Paste System Layout**



**Error! Reference source not found.** shows that, from the process plant, tailings/paste must be transported very significant distances both laterally and vertically to the Kora orebody.

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

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

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

Taking advantage of this behaviour, the recommended design includes:

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

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

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

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

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

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

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

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

#### **1.9.4 Tailings Storage Facility**

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

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

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

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

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

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

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

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

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

### 1.9.5 Other Infrastructure

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

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

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

## 1.10 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

### 1.10.1 Legal Requirements

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

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

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

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

### 1.10.2 Environment and Community Setting

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

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

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

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

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

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

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



### 1.10.3 Assessed Environment and Community Impacts

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

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

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

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

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

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

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

#### 1.10.4 Management Plan

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

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

#### 1.10.5 Closure Plan

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

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

#### 1.10.6 Forward Works Plan

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

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

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

## 1.11 CAPITAL AND OPERATING COSTS

### 1.11.1 Capital Cost

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

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

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

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

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

Main Area	US\$M
Mining	199.6
TSF	18.8
Closure	5.5
<b>Grand Total</b>	<b>223.9</b>

### 1.11.2 Operating Cost

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

The operating cost estimates are summarized in Table 1.11.3.

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

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

## 1.12 ECONOMIC ANALYSIS

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

### 1.12.1 Model Inputs and Assumptions

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

**Table 1.12.1 Key Model Inputs**

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

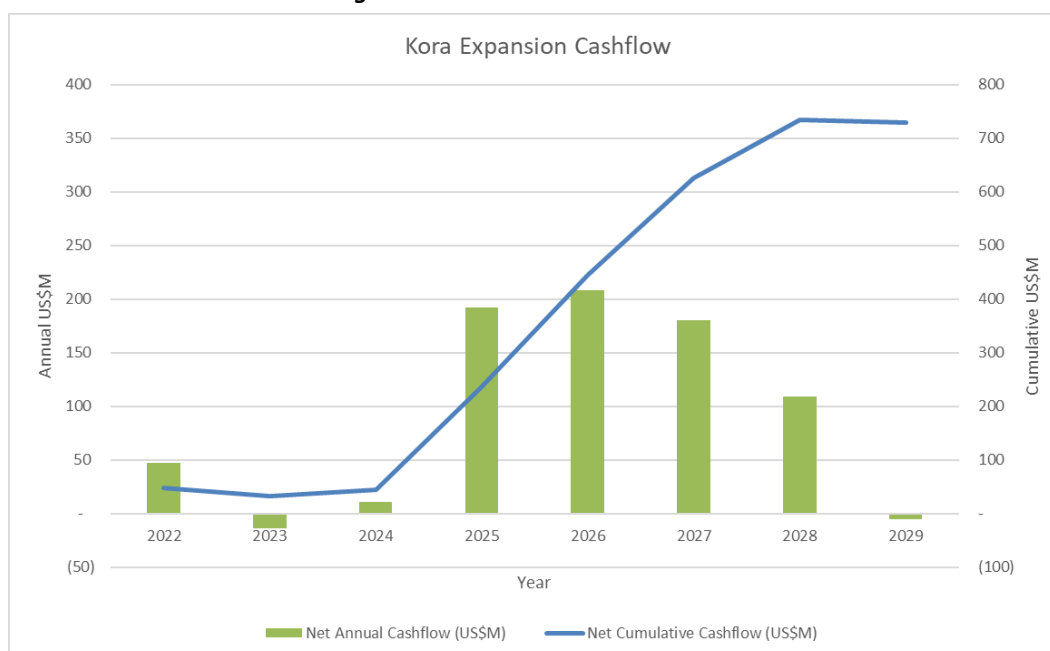
### 1.12.2 Financial Model Results

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

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

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

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

**Figure 1.12.1 Cumulative Cash Flow**

## 1.13 KORA 2022 PRELIMINARY ECONOMIC ASSESSMENT CASE

### 1.13.1 PEA Overview

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

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

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



The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 1.13.1 PEA Highlights

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

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

2. Excludes 2H 2026 Stage 4 commissioning and initial ramp-up stage.
3. Cash costs are net of by-product credits and are inclusive of mining costs, processing costs, site G&A and refining charges and royalties.
4. AISC includes cash costs plus estimated corporate G&A, sustaining costs and accretion.
5. Net present value is calculated utilizing mid-year discounting.

### 1.13.2 KORA 2022 PEA MINING METHODS

#### *Introduction*

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

#### *Geotechnical*

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

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

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

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

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

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

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

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

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

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

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

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

**Table 1.13.2 Summary of Assessed Stopping Parameters for Kora and Judd**

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

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

### **Mining Method Selection**

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

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

### **Mine Design and Physicals**

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

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

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

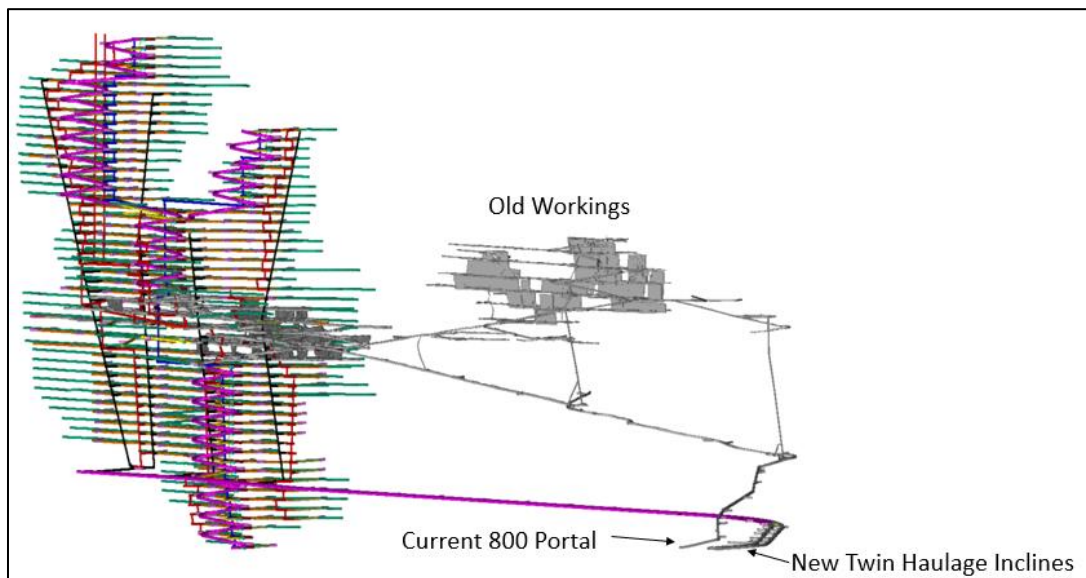
An additional 2.5% dilution at waste grade was applied to pastefilled stoping from overmining of paste fill. An additional 5% waste rock dilution at waste grade was applied for Avoca stoping methods from overmining of waste rock fill. Paste fill and Avoca dilution are based on benchmark and site dilution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

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

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

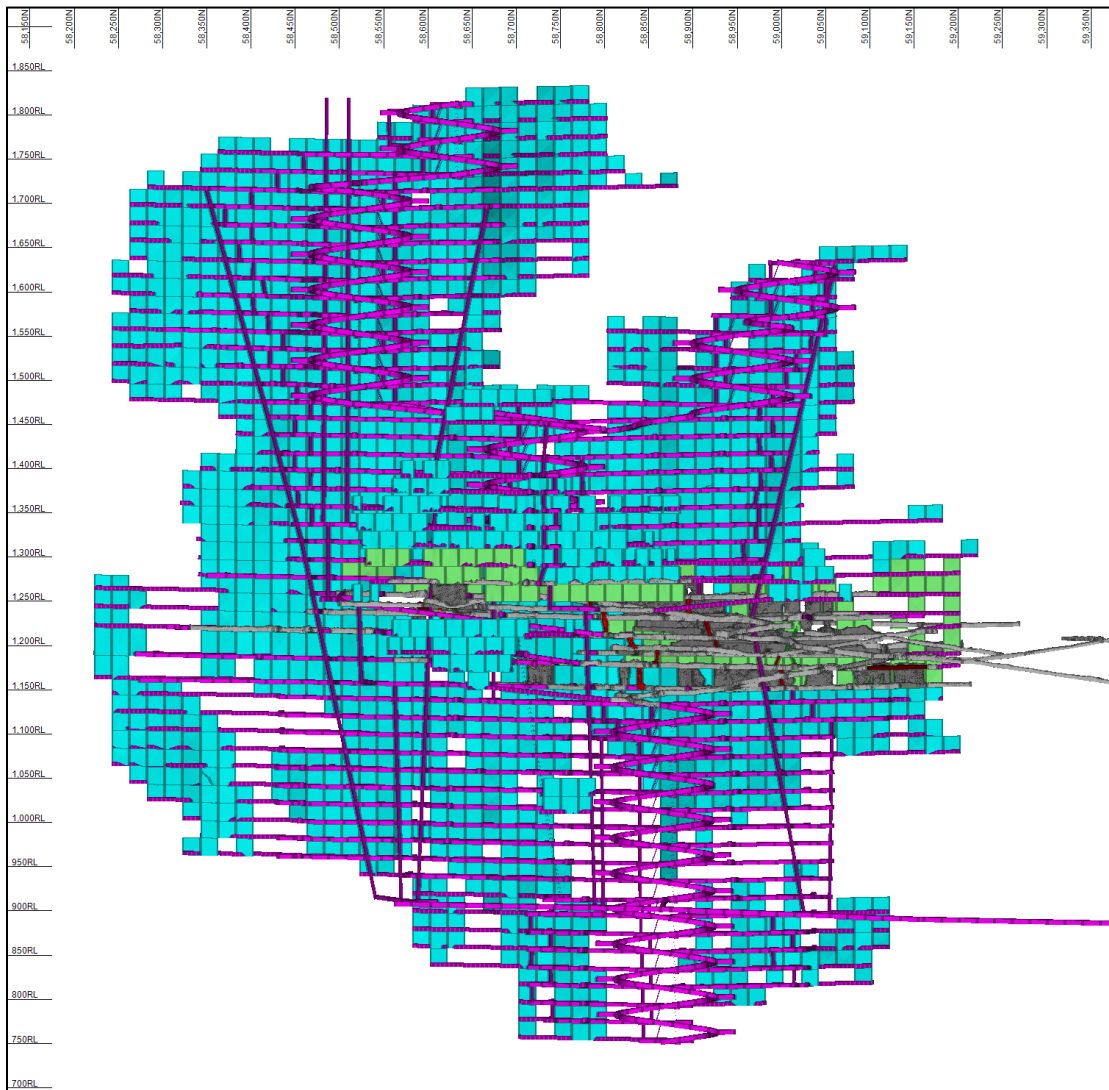
There is an existing portal into the mine, the 800 Portal, in addition to two haulage inclines currently being excavated. The development design can be found in Figure 1.13.1 below, followed by detailing the stope extraction methods.

**Figure 1.13.1 Isometric View of the Kainantu Underground Development Layout**



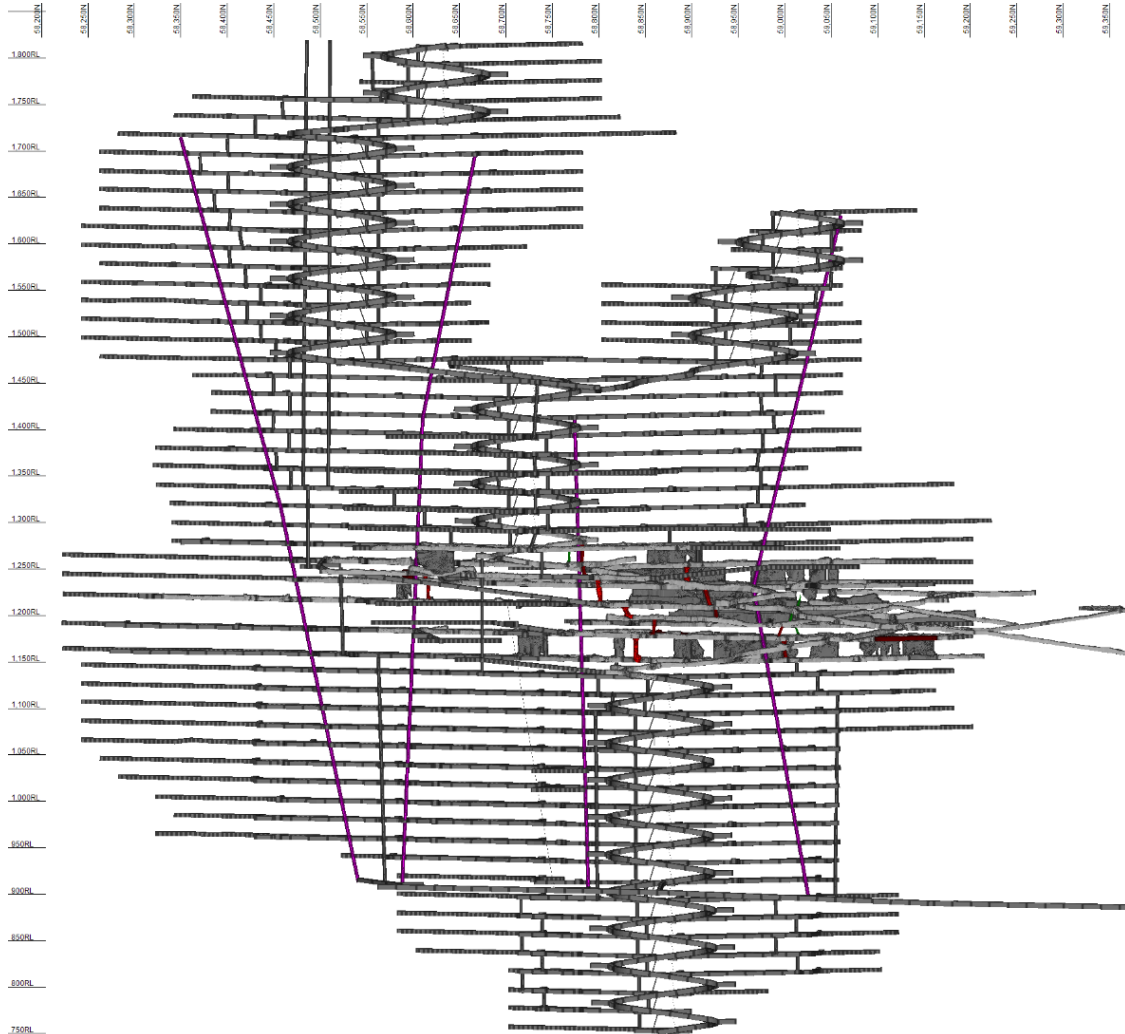


**Figure 1.13.2 Looking West – LHS with Fill (Blue), Avoca (Green), As-builts (Grey)**



The trade-off study quantitative and qualitative analysis resulted in the selection of the PEA utilising an ore pass network to increase production rate and efficiency, while future proofing the design. The ore pass network is shown in Figure 1.13.2 below.

**Figure 1.13.2 Looking West - Development Design (Ore Passes in Pink)**



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

The mine is planned to produce at a peak rate of 1,700,000 t per annum (1.7 Mtpa). The mine life is 11 years with a 6-year production ramp up (inclusive of 2022), with sustained production of 1.7 Mtpa for 3 years, and final year production of 0.2 Mtpa. A summary of the key physicals per annum is shown in Table 1.13.2.

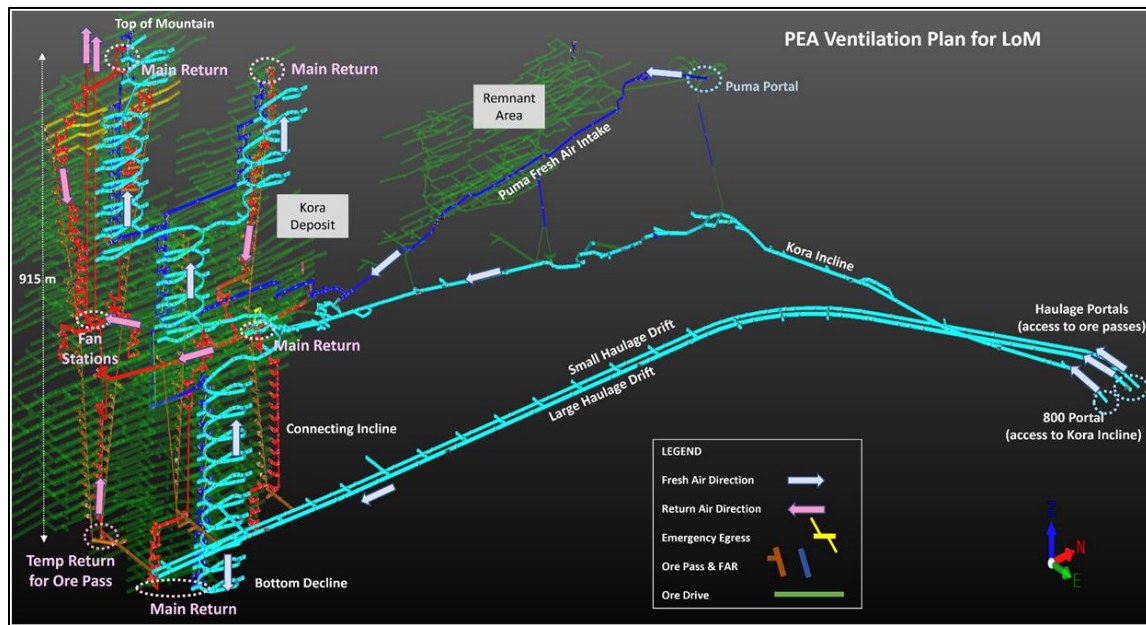
Table 1.13.3 Physicals Per Annum

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

## Ventilation

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

**Figure 1.13.4 LOM Ventilation Plan Profile Facing Northwest**



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

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

**Table 1.13.14 Peak Mobile Equipment Flowrate Calculation**

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

\*Flowrate calculated for diesel equipment at 0.05 m<sup>3</sup>/s per kW of rated engine power.

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

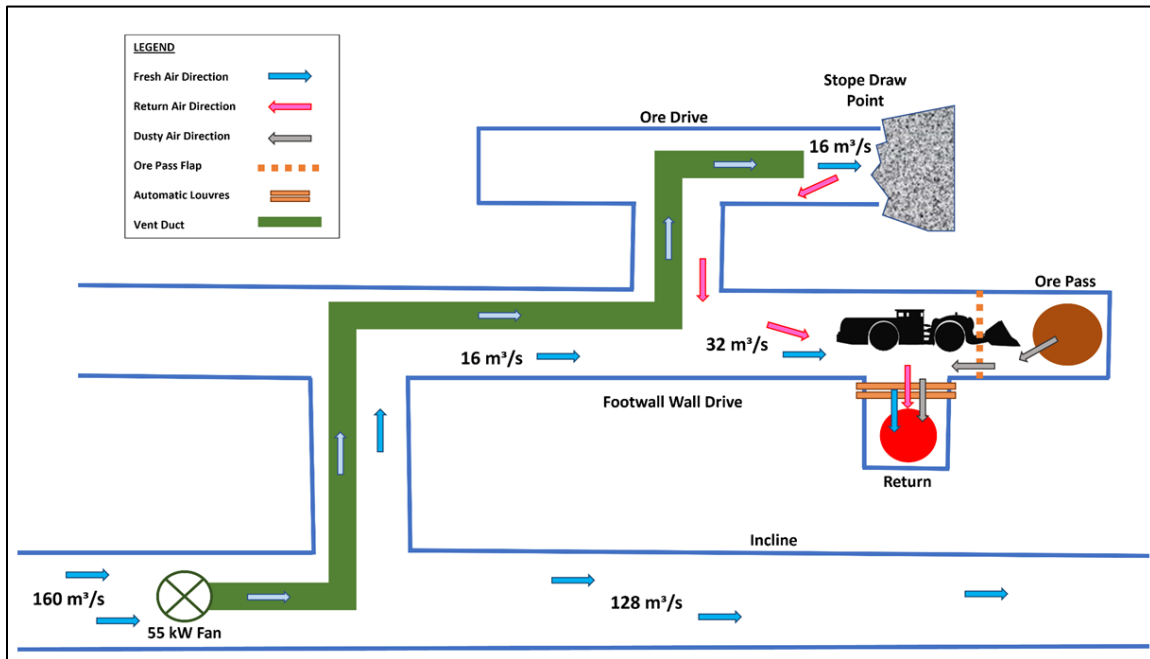
\*\*\*Minimum flowrate for activities relying on secondary air. The combination of two fans refers to activities in parallel.

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

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

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

**Figure 1.13.5 Example of Production Level Vent Plan**



### **Mining Fleet and Personnel**

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

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

The peak fleet requirements are shown in Table 1.13.5 below.

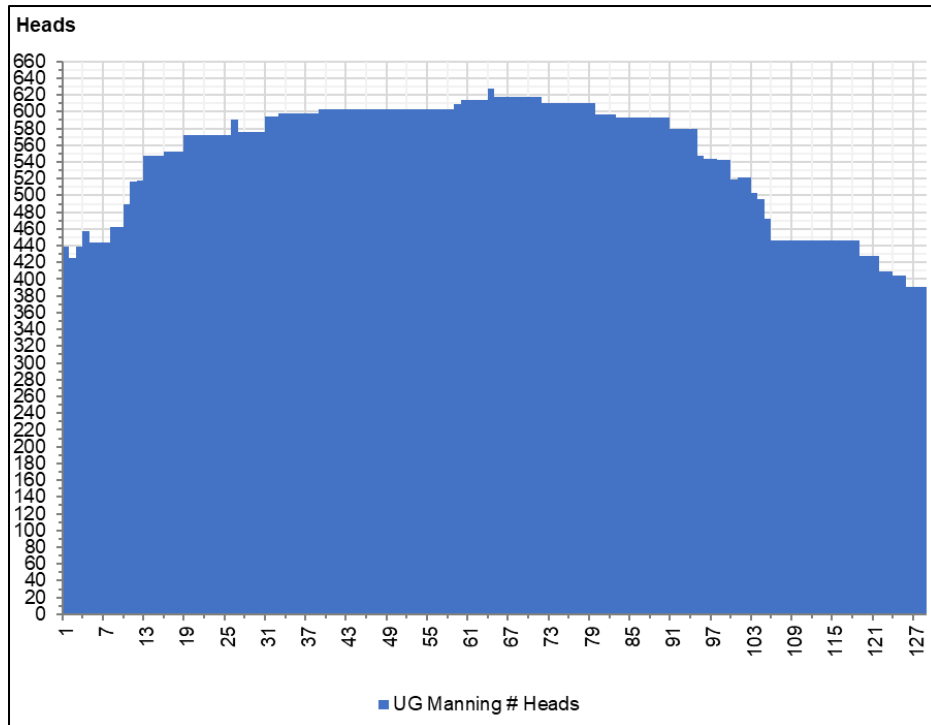


**Table 1.13.5 Peak Equipment Requirements**

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

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

**Figure 1.13.6 Total Underground Mining Personnel Per Month**



## Mining Capital and Operating Costs

### Mine Costing Basis of Estimate

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

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

### Mining Capital Costs

The estimated capital costs are summarized in Table 1.13.6.

**Table 1.13.6 Mining Capital Cost Totals**

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

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

**Table 1.13.7 Mining Capital Unit Costs**

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

### **Mining Operating Costs**

The estimated operating costs are summarized in Table 1.13.8.

**Table 1.13.8 Mining Operating Cost Totals**

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

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

**Table 1.13.9 Mining Operating Unit Costs**

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

### 1.13.3 Kora 2022 PEA Infrastructure

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

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

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

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

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

#### **1.13.4 Kora 2022 PEA Paste System**

To satisfy the backfill requirements for the PEA scenario a peak backfill requirement of 70,000 m<sup>3</sup>/mth is required. Utilising all available tailings the backfill system would have an 'instantaneous' production rate of 174 m<sup>3</sup>/h, which is expected to satisfy the mining requirements with a utilization of 60%. While this is a slightly higher utilization, compared with the 54% targeted for the DFS, with the proposed system this is considered achievable.

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

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

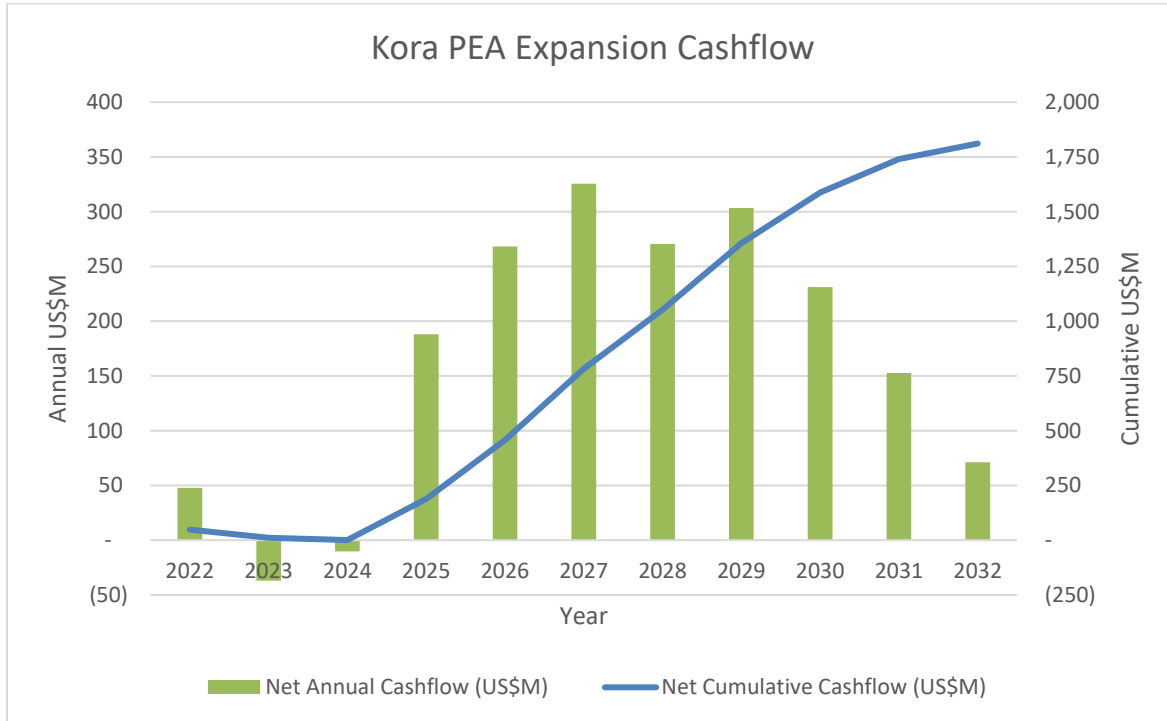
With the similar system no increase in personnel is expected to be required, relative to the DFS model. This results in a slight reduction in operating cost for the PEA relative to the DFS.

#### **1.13.5 Kora 2022 PEA Economic Analysis**

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

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

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Figure 1.13.7 shows the post-tax annual and cumulative cash flow for the project over the LOM.

**Figure 1.13.7 PEA Cumulative Cash Flow**

#### 1.14 INTERPRETATION AND CONCLUSIONS

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

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

Table 1.14.1 DFS Highlights

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

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

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



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

#### 1.14.1 Mining and Mineral Reserve Estimate

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

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

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

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

#### 1.14.2 New 1.2 Mtpa Treatment Plant

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

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

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

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

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

### 1.14.3 Tailings Storage Facility

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

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

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

### 1.14.4 Paste Plant

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

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

## 1.15 RECOMMENDATIONS

### 1.15.1 Mining

Items for consideration are detailed in the following list:

- Optimization studies to increase NPV through scheduling and design improvements.
- Optimization study to consider ventilation design alternatives for surface raisebore versus underground adits to surface.
- Optimization of ore pass locations, and potential use of truck chutes at their termination points as opposed to rehandle with a loader.
- Optimization study to consider viability of underground and/or land conveyor suitability.

- A dedicated geotechnical drilling program designed to cover critical infrastructure locations and the Kora orebody.
- Ongoing campaign geotechnical logging of resource definition drill holes, with focus on any holes intercepting mineralized zones Judd, K1 and K2 and the FGZ.
- Additional geotechnical testwork is required for all lithologies to confirm FS assumptions for operational levels of robustness.
- A stress measurement program utilising the either WASM AE (Acoustic Emission) method or Hollow Inclusion Cell (HI-Cell) method is advised to be commissioned from the Kora mining area to assess the in-situ major principal stress magnitudes and directions at the Kora deposit.
- Detailed geotechnical mapping of ore drives should be routinely undertaken for input into stope design and determining a more accurate characterization of the rock mass.
- Numerical modelling of the stope extraction sequence needs to be refined once final stope designs are determined and re-run using the stress measurement test results to assess mining-induced stress re-distribution in terms of magnitudes and directions.
- A full review of the ground support systems should be undertaken as mining progresses to include updated geotechnical data to improve and justify the standards recommended.

### **1.15.2 1.2 Mtpa Treatment Plant**

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

### **1.15.3 Tailings Storage Facility**

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

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

#### 1.15.4 Environmental Studies, Permitting and Social or Community Impact

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

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

#### 1.15.5 Paste Plant

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

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

## BLUE LAKE PROSPECT

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

The maiden resource estimate is included in a technical report (the “**Blue Lake Technical Report**”), titled, “Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea” dated September 20, 2022, with an effective date of August 1, 2022, prepared by Simon Tear BSc (Hons), EurGeol, PGeo IGI, EurGeol, and Anthony Woodward BSc (Hons), M.Sc., MAIG. The Blue Lake Technical Report can be found on the Company’s website at [www.k92mining.com](http://www.k92mining.com) or under the Company’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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

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

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

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

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

## BLUE LAKE TECHNICAL REPORT SUMMARY

The following summary of the Blue Lake Technical Report, which begins on page 86 and ends on page 93, is not exhaustive. The Blue Lake Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The Blue Lake Technical Report contains the expression of the professional opinions of the Qualified Persons (as defined under NI 43-101) who prepared the Blue Lake Technical Report based upon information available at the time of preparation of the reports. The following disclosure, which is derived from the Blue Lake Technical Report, is subject to the assumptions and qualifications contained in the Blue Lake Technical Report. The following summary has been reviewed by Andrew Kohler BAppSc (Geol), PGCert (Geostatistics), MAIG, the Company's Mine Geology and Mine Exploration Manager, and a Qualified Persons (as defined under NI 43-101).



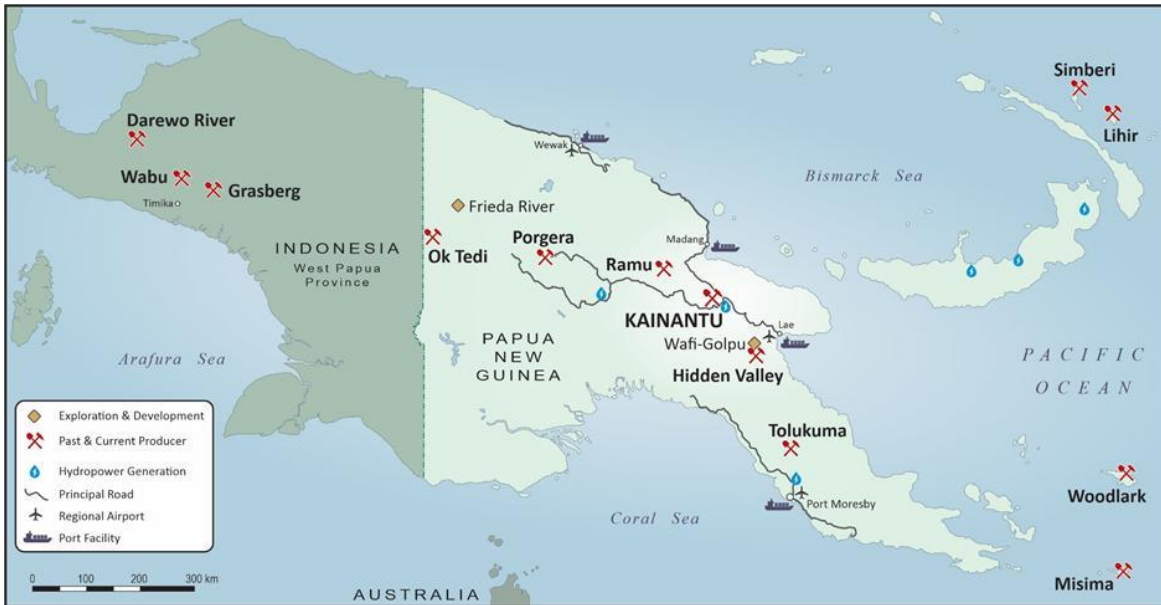
### 1. SUMMARY

#### 1.1 INTRODUCTION

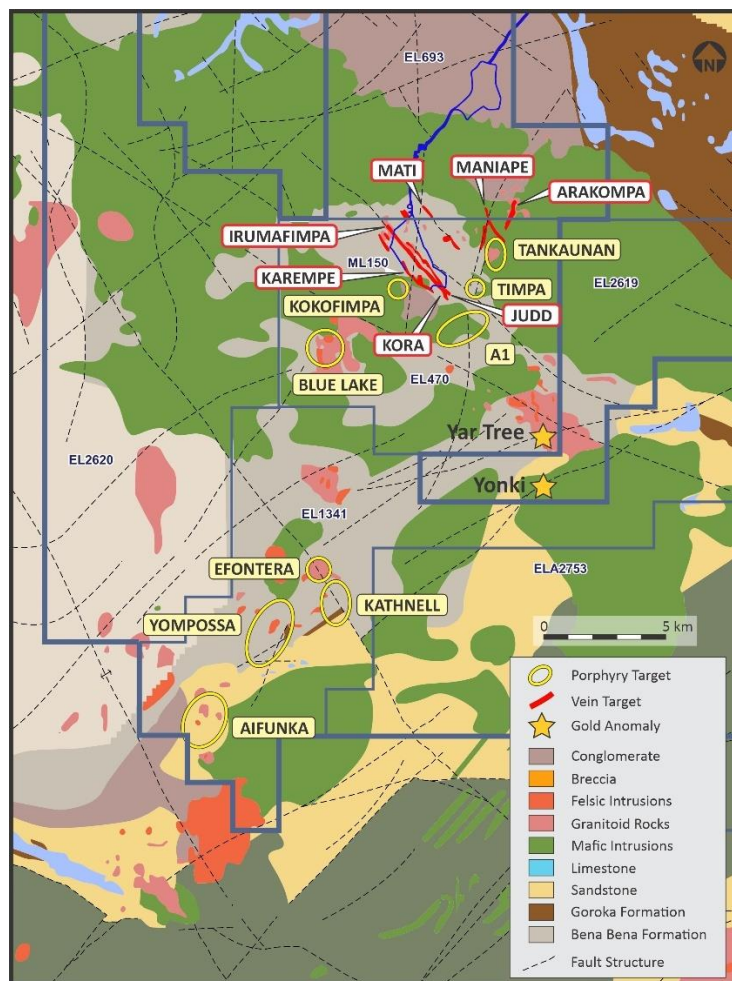
K92 Mining Ltd ("K92ML") is the registered holder of Exploration Licence 470 ("EL470"), in PNG as issued by the applicable government authorities in accordance with the PNG Mining Act 1992 (the "Mining Act").

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





**Blue Lake Property Location**



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



## 1.2 GEOLOGY AND MINERALIZATION

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

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

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

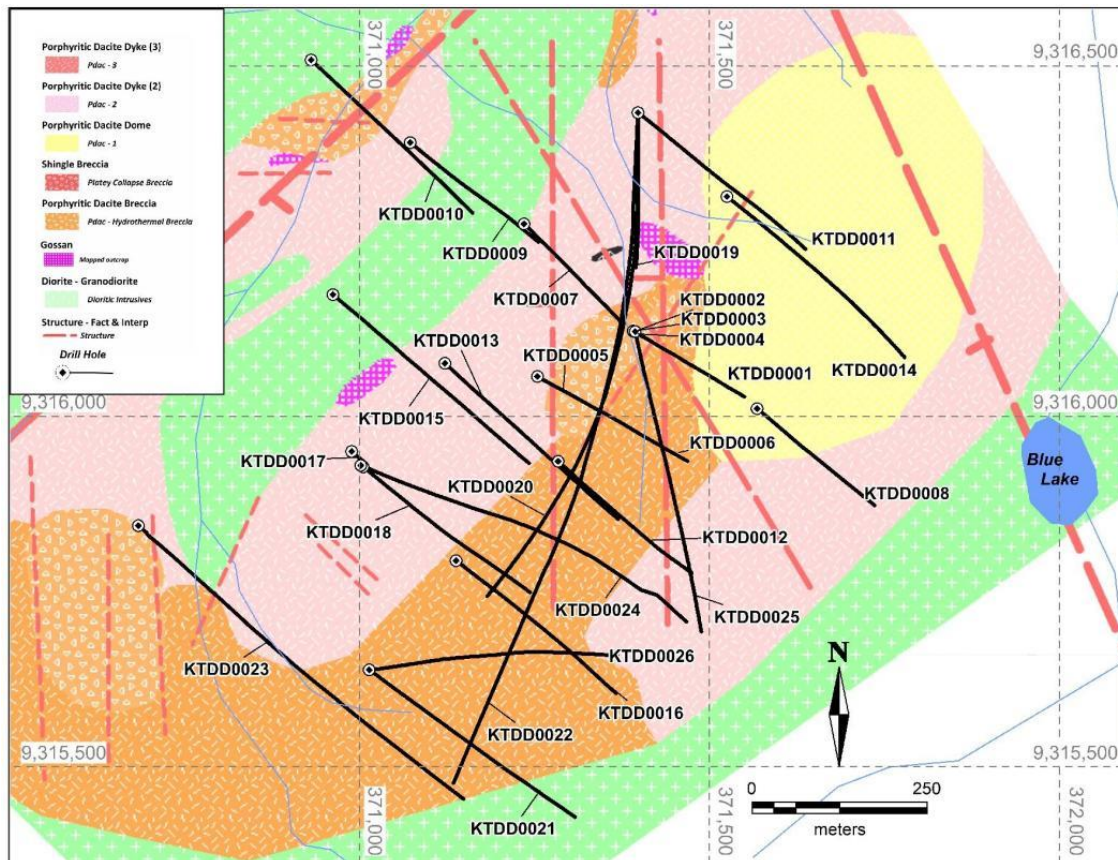


Figure 1-2 Blue Lake Prospect Surface Geology

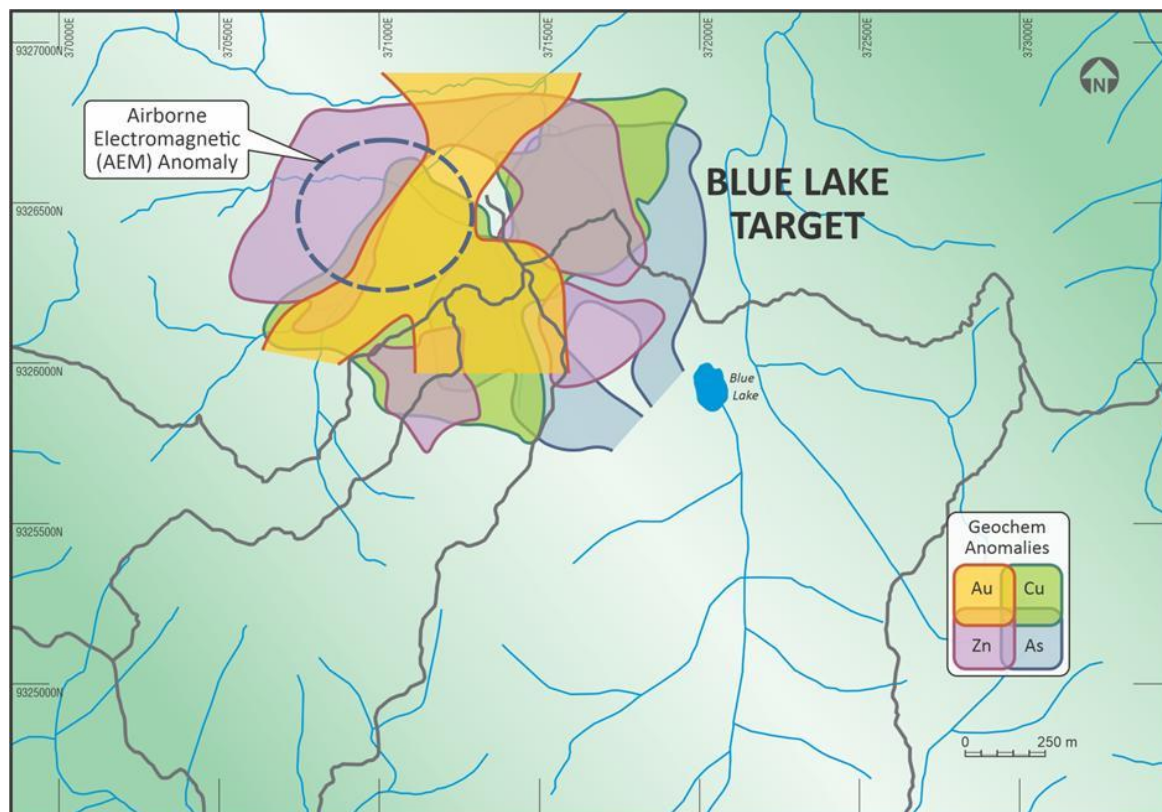
The highest grades are associated with a potassic alteration core, characterized by biotite, K-feldspar and chalcopyrite/bornite mineralization, with a propensity of quartz stockwork veins. Copper/Gold mineralization is approximately at a 1:1 ratio and open to the south-west.

### 1.3 K92 MINING EXPLORATION

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

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

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



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

## 1.4 MINERAL RESOURCE ESTIMATE BLUE LAKE PORPHYRY DEPOSIT

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

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

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

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

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

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

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

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

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



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

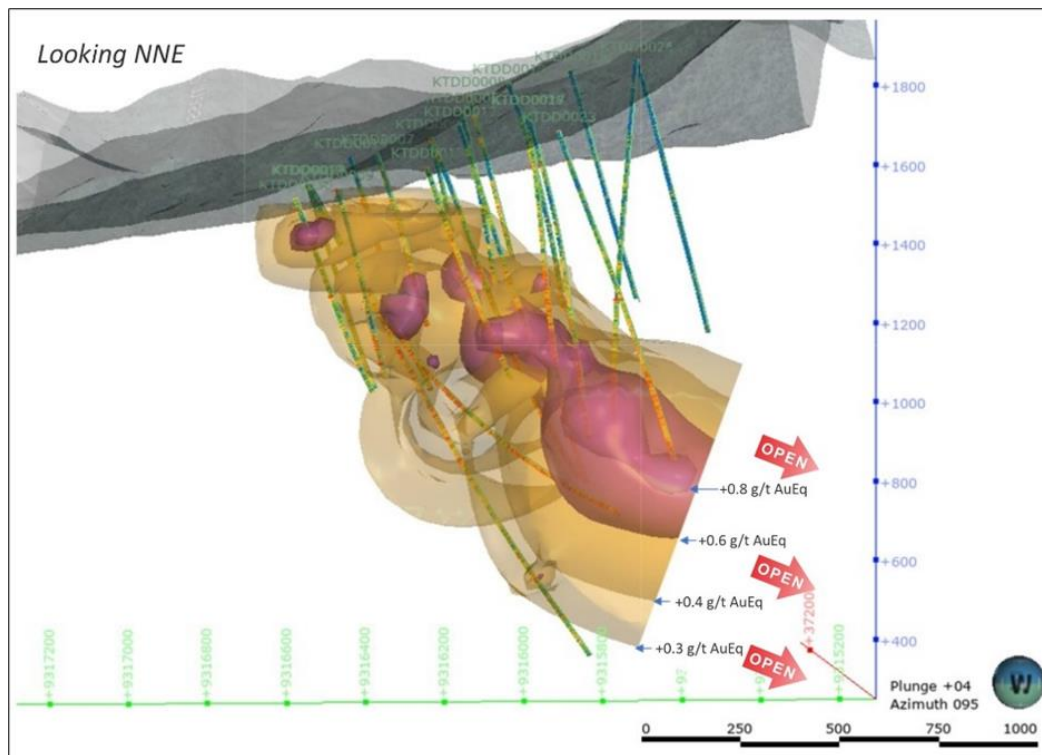
Gold grades appeared to be more ambiguously distributed in both zones, with localised intercepts of high-grade gold scattered within the lithocap unit.

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

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

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

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



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

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

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

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

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

Positive aspects:

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

Negative aspects:

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

## 1.5 CONCLUSIONS

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

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

## 1.6 RECOMMENDATIONS

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

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

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

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

**Table 1-3 EL470 Work Program and Budget**

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

## RISK FACTORS

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

### RISKS RELATED TO THE COMPANY'S BUSINESS

#### 1. COMMODITY, CURRENCY AND MARKET RISKS

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

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

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

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

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



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

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

***Effect of global economy on commodity prices.***

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

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

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

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

Company will experience foreign exchange gains and losses, which can have a significant impact on the Company's consolidated operating results.

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

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

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

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

## **2. PRODUCTION, MINING, OPERATING AND DEVELOPMENT RISKS**

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

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

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

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

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

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

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

This Annual Information Form and our other public disclosure contain guidance and estimates of future production, operating costs, capital costs and other economic and financial measures with respect to our existing mine and certain of our exploration and development stage projects. The estimates can change, or we may be unable to achieve them. Actual production, costs, returns and other economic and financial performance may vary from the estimates depending on a variety of factors, many of which are not within our control. These factors include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution, and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; regional epidemic or pandemic of disease, including the spread of COVID-19; changes in power costs and potential power shortages; exchange rate and commodity price fluctuations; price changes or shortages of principal supplies needed for operations, including explosives, fuels, water and equipment parts; labour shortages or strikes; litigation; regional or national instability, imposition of sanctions, insurrection, war or acts of terrorism; suspensions or closures imposed by governmental authorities; civil disobedience and protests; failure to comply with applicable regulations, or new restrictions or regulations, imposed by governmental or regulatory authorities; permitting or licensing issues; overlapping with other activities declared as activities for the public benefit; issues arising from the presence of illegal miners; obstacles and requisites imposed by local financial entities; shipping interruptions or delays; or other risks described herein.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to uncertainty that may attach to inferred mineral resources, inferred mineral resources may not be upgraded to measured and indicated mineral resources or proven and probable reserves as a result of continued exploration. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that such projections will be realized.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

***The Company may be affected by climate change.***

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

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

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

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

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

### **3. RISKS IN FOREIGN OPERATIONS**

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

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

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

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

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

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

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

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

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

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

increased medical costs as a result of these health risks, which could materially and adversely affect the business and results of operations of the Company.

***The Company encounters illegal mining on its properties.***

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

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

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

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

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

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

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



environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, obtain permits and licences and/or continue its operations. As a result of these considerations, the Company may incur increased costs and delays in permitting and other operational matters with respect to its property interests in Papua New Guinea.

#### **4. COMPLIANCE AND REGULATORY RISKS**

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

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

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

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

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

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

or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed. A number of the Company's interests are the subject of pending applications to register assignments, extend the term, and increase the area or to convert licences to concession contracts and there is no assurance that such applications will be approved as submitted.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

The Company's mining lease, ML150, requires the Company to develop a detailed Rehabilitation and Mine Closure Plan ("RMCP") for the Kainantu Mine prepared in accordance with relevant regulatory requirements in force in PNG at the time. A copy of the RMCP must be provided to the PNG Mineral Resources Authority ("MRA") at least five years prior to the earlier of 1) the planned closure of the mine, or 2) the expiration of the mining lease. There is a risk that the MRA may not accept the Company's RMCP at the time of its submission.

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

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

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

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

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

According to Transparency International, Papua New Guinea is perceived as having fairly high levels of corruption relative to Canada. The Company relies, to a great extent, on the Company's local advisors in respect of legal, environmental compliance, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations in Papua New Guinea. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted. The Company's operations in the Papua New Guinea may create the risk of unauthorized payments or offers of payments by the Company's employees, consultants or

agents. Failure by the Company or its predecessors to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable Anti-Corruption Legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations.

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

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

## **5. FINANCIAL RISKS**

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

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

***The Company is exposed to global financial conditions.***

Global financial conditions have been characterized by ongoing volatility. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government

authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. In particular, the conflict between Russia and Ukraine and any restrictive actions that are or may be taken by Canada, the U.S., and other countries in response thereto, such as sanctions or export controls, could have potential negative implications to the global capital markets.

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

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

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

***Potential dilution of the Common Shares.***

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



***The Company has not declared dividends on its Common Shares.***

The Company has not declared or paid any dividends on the Common Shares. The Company intends to retain future earnings, if any, to finance the growth and development of its business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. Any payments of dividends will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Board may consider appropriate in the circumstances.

## **6. RELATIONSHIPS WITH KEY STAKEHOLDERS**

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

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

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

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

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

The Company's success will be largely dependent upon the performance of its key officers, employees, outside contractors and consultants. Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no



assurance that the Company can maintain the service of its officers, employees or other qualified personnel required to operate its business. Failure to retain key personnel or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has not purchased any "key-man" insurance with respect to any of the Company's directors, officers or key employees and have no current plans to do so.

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

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

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

## **DIVIDENDS**

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

## **DESCRIPTION OF CAPITAL STRUCTURE**

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As at the date of this AIF, 233,852,791 Common Shares are issued and outstanding. As at December 31, 2022, 233,379,896 Common Shares were issued and outstanding.

For detailed information about our equity compensation arrangements, specifically, our Share Compensation Plan, including the compensation principles that govern the grants made, please refer to our management information circular for the most recent annual general meeting, available under our Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## COMMON SHARES

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

## SHARE COMPENSATION PLAN

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

Effective October 28, 2021, the Company replaced the Stock Option Plan with an omnibus share compensation plan (the “**Share Compensation Plan**”) that provides for the issuance of Options, restricted share units (“**RSUs**”), and performance share units (“**PSUs**”) to directors, officers, employees and consultants (each an “**Eligible Person**”). The maximum number of Common Shares issuable under the Share Compensation Plan is 9% of the number of Common Shares outstanding at the time of grant.

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

## STOCK OPTIONS

Pursuant to the Share Compensation Plan, the Company is authorized to grant Options to executive officers, directors, employees and consultants. Each Option is exercisable into one Common Share. The maximum number of Options that may be granted under the Share Compensation Plan, together with any other shares issuable pursuant to Options granted under the Stock Option Plan, is **7%** of the number of issued and outstanding Common Shares at the time of the grant, on a non-diluted basis. The options have a term of no more than five years and vest in equal segments over three years.

As at December 31, 2022, the Company had 8,805,850 outstanding Options. As of the date of this AIF, the Company has Options outstanding to purchase 8,440,850 Common Shares at exercise prices from C\$0.85 to C\$8.02 per share with original terms of 5 years, and with the last Options expiring on April 30, 2026. Based on the Company having 233,852,791 Common Shares outstanding on March 27, 2023, a total of 7,928,845 Options are available for issuance under the Stock Option Plan. No Options were issued in 2022 or 2023. For additional details regarding these securities, refer to the notes to the Company’s audited consolidated financial statements for the year ended December 31, 2022, that are available on the Company’s website at [www.k92mining.com](http://www.k92mining.com) and under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## RESTRICTED SHARE UNITS

Pursuant to the Share Compensation Plan, the Company is authorized to grant RSUs to officers, directors, employees and consultants. Each RSU entitles the holder to one Common Share. The maximum aggregate number of Common Shares that may be issuable pursuant to RSUs together with PSUs may not exceed 2% of the number of outstanding Common Shares, calculated at the time of grant.

Unless otherwise determined by the Board in accordance with the Share Compensation Plan, the RSUs vest in three installments; one-third vesting one year from the grant date, one-third vesting two years from the grant date and the remainder vesting three years from the grant date. During the year-ended December 31, 2022, the Company granted a total of 666,358 RSUs of which 222,167 RSUs would vest during 2023, 222,116 RSUs would vest on during 2024 and 222,075 RSUs would vest during 2025, subject to the RSU holders being Eligible Persons.

## PERFORMANCE SHARE UNITS

The Company is authorized to grant PSUs to officers, directors, employees and consultants pursuant to the Share Compensation Plan. The maximum aggregate number of Common Shares that may be issuable pursuant to PSUs together with RSUs may not exceed 2% of the number of outstanding Common Shares, calculated at the time of grant. Unless otherwise determined by the Board in accordance with the Share Compensation Plan, the PSUs vest in three installments; one-third vesting one year from the grant date, one-third vesting two years from the grant date and the remainder vesting three years from the grant date, subject to certain performance criteria having been met. The vesting of the PSUs is based on the Company's share performance in comparison to its peer group, with the final number of PSUs vested ranging from 25% to 150% of the number of initial PSUs granted. During the year-ended December 31, 2022, the Company granted 780,006 PSUs.

## MARKET FOR SECURITIES

### TRADING PRICE AND VOLUME

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

The following table sets out the market price range and trading volumes of our Common Shares on the TSX for year ended December 31, 2022.

Month	High (C\$)	Low (C\$)	Volume (# shares)
December	8.63	7.35	10,874,764
November	8.03	6.01	23,037,542
October	8.49	6.09	22,806,946
September	8.04	6.60	12,135,067
August	8.76	6.62	9,358,682
July	8.20	6.66	13,481,784
June	9.91	7.76	19,559,944
May	10.10	7.73	16,405,345
April	10.52	8.47	14,346,614

Month	High (C\$)	Low (C\$)	Volume (# shares)
March	9.44	7.64	22,327,387
February	8.69	6.25	14,277,205
January	7.54	6.29	9,724,091

On March 29, 2023, the closing price of our Common Shares on the TSX was C\$8.15 per share.

### PRIOR SALES

The following table summarizes the Company's issuances of securities convertible or exercisable for Common Shares during the year ended December 31, 2022.

Date of Issue	Number of Securities	Security	Price per Security (C\$)
January 20, 2022	492,556	Performance Share Units	7.19
June 30, 2022	287,450	Performance Share Units	7.77
<b>780,006</b>			
January 20, 2022	328,370	Restricted Share Units	7.19
June 6, 2022	16,094	Restricted Share Units	9.32
June 30, 2022	191,624	Restricted Share Units	7.77
December 2, 2022	130,270	Restricted Share Units	8.06
<b>666,358</b>			
<b>Nil</b>		Stock Options	

### DIRECTORS AND EXECUTIVE OFFICERS

The board of directors (the "**Board**") is, as of the date of this AIF, comprised of eight directors, each of whom is elected at each annual meeting of shareholders, to hold office until the next AGM or until their successor is duly elected or appointed, unless they resign or their office becomes vacant.

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

## DIRECTORS AND OFFICERS

Name and Province or State and Country of Residence	Position with K92	Principal Occupation During Past Five Years	Director / Officer Since	Number of Voting Securities <sup>(1)</sup>
<b>John D. Lewins</b> <sup>(5)</sup> British Columbia, Canada	CEO and Director	Chief Executive Officer of the Company since August 2017; Chief Operating Officer of the Company from May 2016 to August 2017.	May 2016	3,269,000
<b>Anne Giardini</b> <sup>(2)(4)(8)</sup> Rome, Italy	Lead Director	Corporate Director and Author; Director, CMHC from 2018 to 2022, Pembina Institute since 2020, Stella-Jones Inc. since 2021, Capstone Copper since 2021; Governor and Past Chair of Vancouver Board of Trade; Past Chair, BC Achievement Foundation.	July 2020	7,153
<b>Mark Eaton</b> <sup>(2)(9)</sup> Ontario, Canada	Director	Executive Chairman of Belo Sun Mining Corp. since February 2014; Independent Business Consultant since March 2008.	May 2016	160,000
<b>Nan Lee</b> <sup>(6)(10)</sup> Saskatchewan, Canada	Director	Mining and Engineering Project Development Consultant since 2009; Vice President, Project Development UEX Corporation, a uranium mining company, from 2011 until 2017.	April 2022	4,000
<b>Saurabh Handa</b> <sup>(2)(4)(7)</sup> British Columbia, Canada	Director	Chief Financial Officer of Metalla Royalty & Streaming Ltd. since October 2020; Principal of Handa Financial Consulting Inc.; Chief Financial Officer of Titan Mining Corp. from March 2017 to January 2018; Vice President, Finance of Imperial Metals Corp. from February 2016 to March 2017.	May 2016	170,000
<b>Cyndi Laval</b> British Columbia, Canada	Director	Partner at the law firm of Gowling WLG (Canada) LLP.	November 2019	7,153

Name and Province or State and Country of Residence	Position with K92	Principal Occupation During Past Five Years	Director / Officer Since	Number of Voting Securities <sup>(1)</sup>
<b>John (Ian) Stalker</b> <sup>(3)(5)(6)</sup> Cascais, Portugal	Director	Chief Executive Officer of Pasofino Gold Limited from September 2020 until June 2022; Chair of Helium One Ltd. since June 2020, and Managing Director from April 2019 until 2020; Chief Executive Officer of LSC Lithium Corporation from 2017 until 2019; Chair of Plateau Energy Metals Inc. from 2013 until 2019.	May 2016	2,920,103
<b>Graham Wheelock</b> <sup>(4)(5)(10)</sup> Auckland, New Zealand	Director	Managing Director of PolyNatura Corp., a mining exploration company, since January 2018; Mining Consultant for Belgravia Capital International Inc. (formerly IC Potash Corp.) from January 2015 until December 2017.	May 2016	Nil
<b>David Medilek</b> British Columbia, Canada	President	President of the Company since January 2023; Vice President, Business Development and Investor Relations of the Company from June 2019 until January 2023; Equity Research Analyst at Macquarie Group Limited from 2016 until 2019.	June 2019	Nil
<b>Justin Blanchet</b> British Columbia, Canada	CFO	Chief Financial Officer of the Company since May 2016, co-owner of Red Fern Consulting Ltd. since January 2011 and, through Red Fern, previously held officer roles with several publicly listed companies.	May 2016	235,000
<b>Christopher Muller</b> New South Wales, Australia	Executive Vice President Exploration	Executive Vice President Exploration of the Company since February 2023; Vice President, Exploration of the Company from October 2017 until February 2023; Exploration Manager of the Company from 2016 until 2017.	October 2017	150,000



Name and Province or State and Country of Residence	Position with K92	Principal Occupation During Past Five Years	Director / Officer Since	Number of Voting Securities <sup>(1)</sup>
<b>Warren Uyen</b> Western Australia, Australia	Chief Operating Officer	Chief Operating Officer of the Company since January 2023; Senior Vice President, Operations of the Company from October 2018 until January 2023; Executive General Manager Underground for Macmahon Holdings Ltd. from 2017 to 2018.	May 2019	431,599

## Notes:

- (1) The information as to the nature of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the directors and executive officers, not being within our knowledge, has been furnished by such directors and officers.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation and Benefits Committee.
- (4) Member of the Nominating and Corporate Governance Committee.
- (5) Member of Health and Safety Committee.
- (6) Member of ESG Committee
- (7) Mr. Handa is the chair of the Audit Committee.
- (8) Ms. Giardini is Lead Director, the chair of the Nominating and Corporate Governance Committee and chair of the ESG Committee.
- (9) Mr. Eaton is the chair of the Compensation and Benefits Committee.
- (10) Mr. Lewins is the chair of the Health and Safety Committee.

As at December 31, 2022, the Board consisted of nine directors. On March 27, 2023, the Company announced the death of Chairman, R. Stuart "Tookie" Angus. Mr. Angus had been Chairman of the Company since its inception and its acquisition of the Kainantu Project in 2014. The Board of Directors appointed Anne E. Giardini as Lead Director. Mr. Angus was a member of the Compensation and Benefits Committee. The Company will fill his position on the committee with an independent director.

## STANDING COMMITTEES

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

Board Committee	Committee Members	Independence Status
Audit Committee	Saurabh Handa (Chair) Mark Eaton Anne Giardini	Independent Independent Independent
Compensation and Benefits Committee <sup>(1)</sup>	Mark Eaton (Chair) Saurabh Handa	Independent Independent
Nominating and Corporate Governance Committee	Anne Giardini (Chair) Saurabh Handa Graham Wheelock	Independent Independent Independent

ESG Committee	Anne Giardini (Chair) Nan Lee John Lewins	Independent Independent Non-Independent
Health and Safety Committee	John Lewins (Chair) Nan Lee Graham Wheelock	Non-Independent Independent Independent

- (1) Tookie Angus was a member of the Compensation and Benefits Committee until his death on March 24, 2023. The Board is working on appointing an independent director to replace Mr. Angus on the committee.

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

### SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this AIF, our directors and executive officers, as a group, beneficially owned, or controlled or directed, directly or indirectly, 7,354,008 Common Shares, representing approximately 3.14% of the issued and outstanding Common Shares.

### CEASE TRADE ORDERS OR BANKRUPTCIES

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

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

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

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

- (a) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including K92) that, while that person was acting in that capacity, or within a year of that person ceasing to

act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

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

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

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

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

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

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

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

## **PENALTIES OR SANCTIONS**

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

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding us.

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

### CONFLICTS OF INTEREST

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

### CODE OF BUSINESS CONDUCT AND ETHICS

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

### AUDIT COMMITTEE

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

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

### COMPOSITION OF THE AUDIT COMMITTEE

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

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

Handa is considered an audit committee “financial expert” within the meaning of the applicable U.S. securities laws.

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

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

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

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

**Anne E. Giardini** – Ms. Giardini, KC, has over 35 years' experience as a lawyer, senior executive, director, journalist and author, and has held a number of senior advisory roles. Ms. Giardini had a +20-year career with Weyerhaeuser, including as General Counsel and subsequently President of Weyerhaeuser's Canadian subsidiary. Ms. Giardini also brings extensive board experience, currently serving on the boards of Pembina Institute, Capstone Copper Corp., and Stella-Jones Inc. She was previously Chair of the Greater Vancouver Board of Trade and served on numerous boards including Weyerhaeuser Company Limited; Nevsun Resources Ltd.; Thompson Creek Metals Company Inc; HydroOne, TransLink and Canadian Mortgage and Housing Corporation (CMHC). In 2016, Ms. Giardini was made an Officer of the Order of Canada and in 2018 she was admitted to the Order of British Columbia. She recognized for expertise on natural resource development, public and government relations, safety, risk and brand management, and manufacturing.

## RELIANCE ON CERTAIN EXEMPTIONS

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

## AUDIT COMMITTEE OVERSIGHT

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

## NON-AUDIT RELATED PRE-APPROVAL POLICIES AND PROCEDURES

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

## EXTERNAL AUDITOR SERVICE FEES

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

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2021	C\$212,728	C\$2,199	C\$110,108	C\$53,000
2022	C\$301,979	C\$2,247	C\$69,980	C\$56,000

Notes:

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

## LEGAL PROCEEDINGS

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



## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

## TRANSFER AGENT AND REGISTRAR

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

## MATERIAL CONTRACTS

There are no contracts, other than those disclosed in this AIF and other than those entered into in the ordinary course of the Company's business, that are material to the Company and which were entered into in the most recently completed financial year ended December 31, 2022, or before the most recently completed financial year but are still in effect as of the date of this AIF.

## INTEREST OF EXPERTS

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

The following individuals, and Qualified Persons as defined by NI 43-101, are the authors responsible for the 2022 Technical Report:

- Evan Kirby BSc (Hons), FSAIMM, of Metallurgical Management Services Pty Ltd.
- Dr Matthew Helinski PhD (Geotechnical), of Minefill Services Pty Ltd.
- Patrick McCann BSc (Mining), Entech Mining Ltd.
- Ralph Holding, CPEng, FIEAust, ATC Williams Pty Ltd.
- Sandra Hunter BSc (Hons), FAusIMM(CP), of Lycopodium Minerals Pty Ltd.
- Shane McLeay B.Eng (Mining, Hons), FAusIMM, Entech Pty Ltd.
- Simon Tear BSc (Hons), EurGeol, PGeo IGI, EurGeol, of H&S Consultants Pty Ltd .
- Tara Halliday, B.Eng (Environmental), FAusIMM, of Tetra Tech Coffey.
- Andrew Kohler BAppSc (Geol), PGCert (Geostatistics), MAIG, of K92 Mining Limited.

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

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

Andrew Kohler, the Company's Mine Geology and Mine Exploration Manager, a "qualified person" within the meaning of this term in NI 43-101, in addition to contributing to the 2022 Technical Report, reviewed the Company's news releases, sections of this AIF and other disclosure documents that are of a scientific and technical nature pertaining to the Company's mineral projects and has verified the data disclosed therein. Mr. Kohler is not independent as he is an employee of the Company.

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

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants of Vancouver, British Columbia, who have prepared an independent auditor's report dated March 29, 2023, in respect of the Company's consolidated financial statements as at December 31, 2022 and 2021 and for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available free of charge through the Company's website at [www.K92Mining.com](http://www.K92Mining.com) or under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com).

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

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

## SCHEDULE A

### AUDIT COMMITTEE CHARTER



Effective March 30, 2022

#### 1. PURPOSE

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

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

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

## 2. COMPOSITION AND MEMBERSHIP

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

## 3. PROCEDURAL MATTERS

### A. General

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

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

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

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

#### **B. Meetings and Transacting of Business**

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

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

### **C. Engagement of Other Advisors**

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

### **D. Access to Information**

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

### **E. Authority of External Auditors**

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



## 4. RESPONSIBILITIES

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

### A. External Auditors

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

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

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

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

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

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

## **B. Internal Auditors**

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

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

## **C. Audit and Review Process and Results**

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

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

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

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

The Audit Committee shall:

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

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

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

The Board has delegated to the Committee the power to approve the Company's interim financial statements and management's discussion and analysis. The Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (c) Evaluate and, if appropriate, approve the interim financial statements and MD&A.
- (d) Review interim profit or loss press releases before the Company publicly discloses this information.
- (e) If the external auditors conduct a review of the interim financial statements:
  - i. receive and review the interim financial statements with the external auditors; and
  - ii. receive and review the external auditors' interim review reports to the Committee.

## F. Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee shall:

- (a) Ensure that management has the proper and adequate systems and procedures in place for the review of the Company's financial statements, financial reports and other financial information, including all Company disclosure of financial information extracted or derived from the Company's financial statements, and that they satisfy all legal and regulatory requirements; periodically assess the adequacy of such procedures.
- (b) Retain an understanding of the current areas of greatest financial Risk. Review material financial Risks with management, the plan that management has implemented to monitor and deal with such Risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable. Review disclosures made to the Committee by the CEO and CFO during their certification process for any statutory disclosures regarding any significant deficiencies in the design or operation of internal controls or material weakness therein, and any fraud involving management or other employees who have a significant role in internal controls.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Oversee the development of and monitor the Company's cybersecurity activities and plans.
- (g) Review as required with management annual financial statements, quarterly financial statements, MD&A, Annual Information Form, future-oriented financial information or pro-forma information, press releases and other financial disclosure in continuous disclosure documents.
- (h) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (i) Review any legal matters that could significantly impact the financial statements and meet with outside counsel whenever deemed appropriate.
- (j) Periodically receive and review reports from management on tax matters that could have a material effect on the Company's financial position or operating results, including corporate structural changes, tax positions and plans, material tax developments, and tax assessments from regulatory authorities.



- (k) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements, reviewing with management and the external auditor where appropriate.
- (l) Review with management and approve public disclosure of the Audit Committee Charter in the Company's Annual Information Form, if applicable, the Information Circular and on the Company's website.

## **G. Internal Controls**

The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures.

At least annually, the Audit Committee shall consider and review with management and the auditors:

- (a) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security), the overall control environment for managing business Risks, accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, regulatory controls, and the impact of any weaknesses in internal controls on management's conclusions;
- (b) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (c) the Company's fraud prevention and detection program, including, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting, that may impact the integrity of financial information, or expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against those involved; and
- (d) any related significant issues and recommendations of the auditors together with management's responses to them, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

## **H. Risks**

The Committee shall be responsible for the following related to Risks:

- (a) Review and approve for recommendation to the Board, together with any other applicable committees, the risk management sections of the annual financial reports to shareholders, the Annual Information Form, prospectuses and other public reports or documents requiring approval by the Board.

- (b) Coordinate with any other applicable committees, and regularly review and discuss with management the following, with a view to ensuring that the Company's Risks and exposures are being effectively managed, monitored or controlled:
- i. the Company's risk philosophy as set forth by management and the Board;
  - ii. the effectiveness of the Corporation's policies and procedures with respect to Risk identification, assessment and management;
  - iii. the Corporation's major Risk exposures;
  - iv. the steps management has taken and management's plans and programs to monitor and control such exposures; and
  - v. the effect of relevant regulatory initiatives and trends.

## 5. WHISTLEBLOWER COMPLAINTS

### A. Confidentiality

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Chair of the Audit Committee in accordance with the Company's Whistleblower Policy. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential.

### B. Treatment of Complaints

Upon receipt of concerns regarding questionable accounting or auditing matters, the Committee Chair will conduct or designate a member of the Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Committee for a determination of further investigation and action.

### C. Recording of Complaints

Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Committee for a period of three years.

## REPORTING

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.

## ANNUAL REVIEW

This Charter will be reviewed annually, and any recommended changes will be submitted to the Board of Directors for approval.

At least annually, the Committee will assess its performance of the duties specified in this charter and report its findings to the Board.

**EFFECTIVE DATE**

This Charter was implemented by the Board on May 20, 2016 and updated on March 30, 2022.

## SCHEDULE B

### GLOSSARY OF TERMS

<b>AIF or Annual Information Form</b>	this annual information form.
<b>AISC</b>	all-in sustaining costs.
<b>Ag</b>	silver
<b>Anti-Corruption Legislation</b>	has the meaning ascribed to that term on page 111 of this AIF.
<b>Au</b>	gold
<b>AuEq</b>	gold equivalent.
<b>B</b>	billion
<b>BCBCA</b>	the Business Corporations Act ( <i>British Columbia</i> ).
<b>Board</b>	board of directors of the Company.
<b>Barrick</b>	Barrick Gold Corporation.
<b>Barrick Amendment Agreement</b>	has the meaning ascribed to that term on page 14 of this AIF
<b>Blue Lake Technical Report</b>	The technical report, titled, "Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea" dated September 20, 2022, with an effective date of August 1, 2022, prepared by Simon Tear BSc (Hons), EurGeol, PGeo IGI, EurGeol, and Anthony Woodward BSc (Hons), M.Sc., MAIG.
<b>C\$ or \$</b>	Canadian dollars.
<b>Cartesian</b>	Cartesian Royalty Holdings.
<b>Common Shares</b>	the common shares in the authorized capital of the Company.
<b>COVID-19</b>	the worldwide pandemic (coronavirus disease 2019) caused by a virus named SARS-CoV-2
<b>CPAB</b>	The Canadian Public Accountability Board.
<b>CRH</b>	the meaning ascribed to that term on page 14 of this AIF.
<b>CRH Financing</b>	the meaning ascribed to that term on page 14 of this AIF.
<b>CRH Financing Documents</b>	the meaning ascribed to that term on page 14 of this AIF.
<b>Cu</b>	copper
<b>CuEq</b>	copper equivalent
<b>DCF</b>	discounted cash flow
<b>DFS</b>	definitive feasibility study case
<b>DFS Case</b>	The Kainantu Stage 3 Expansion DFS case
<b>DMT Minimum</b>	the minimum of 165,000 dry metric tonnes of concentrate required to be delivered to Trafigura by the Company under the Trafigura Offtake Agreement.

<b>EL470</b>	the Company's PNG Exploration Licence 470 effective until February 4, 2023 (application lodged for a further two-year renewal).
<b>EL693</b>	the Company's PNG Exploration Licence 693 effective until February 4, 2023 (application lodged for a further two-year renewal).
<b>EL1341</b>	the Company's PNG Exploration Licence 1341 effective until June 20, 2020 (application lodged for a further two-year renewal).
<b>EL2619</b>	the Company's PNG Exploration Licence 2619 effective until January 22, 2022 (application lodged for a further two-year renewal).
<b>EL2620</b>	the Company's PNG Exploration Licence 2620 effective until June 2, 2023.
<b>ELA2753</b>	the Company's PNG Exploration Licence Application 2753 that has been approved and awaiting grant.
<b>ESG</b>	environmental, social and governance.
<b>ESG Reviewers</b>	has the meaning ascribed to that term on page 112 of this AIF.
<b>forward-looking statements</b>	has the meaning ascribed to that term on page 1 of this AIF.
<b>g/t</b>	grams per tonne
<b>GPA</b>	has the meaning ascribed to that term on page 6 of this AIF.
<b>H&amp;SC</b>	H&S Consultants Pty Ltd.
<b>HSE</b>	health, safety, environmental and corporate social responsibility policies and programs.
<b>IDP</b>	the integrated development plan for the Kainantu Mine Project. The IDP comprises two scenarios: 1) Kainantu Stage 3 Expansion "DFS" or "DFS Case"; and 2) Kainantu Stage 4 Expansion "PEA" or "PEA Case".
<b>IDC Technical Report</b>	the technical report containing the integrated development plan, prepared in accordance with NI 43-101 and titled, "Independent Technical Report, Kainantu Gold Mine Integrated Development Plan, Kainantu Project, Papua New Guinea" dated October 26, 2022, with an effective date of January 1, 2022.
<b>IRGC</b>	intrusion related gold copper
<b>IT</b>	information technology
<b>K92</b>	K92 Mining Inc.
<b>K92 Australia</b>	K92 Mining (Australia) Pty Ltd., the Company's wholly-owned subsidiary in Australia.
<b>K92 Holdings</b>	K92 Holdings International Limited, the Company's wholly-owned subsidiary in the British Virgin Islands.
<b>K92 Holdings PNG</b>	K92 Holdings (PNG) Limited, the former wholly-owned subsidiary of K92 Holdings.

<b>K92PNG</b>	K92 Mining Limited, the Company's wholly-owned subsidiary in Papua New Guinea.
<b>Kainantu Mine</b>	the Kainantu gold mine that includes the Kora, Judd and Irumafimpa deposits.
<b>Kainantu Project</b>	the Company's processing plant, equipment and infrastructure located on ML150, together with the Kainantu Mine.
<b>Kora Consolidated deposit</b>	the combined Kora, Kora North and Eutompi deposits in PNG
<b>Kora Stage 3 Expansion</b>	has the meaning ascribed to that term on page 15 of this AIF
<b>Lb or Lbs</b>	pound or pounds
<b>LMP 78</b>	PNG Licence for Mining Purposes 78 effective until June 13, 2024
<b>LOM</b>	life of mine
<b>m</b>	metre or metres
<b>M</b>	million
<b>ME80</b>	PNG Mining Easement 80 effective until June 13, 2024
<b>ME81</b>	PNG Mining Easement 81 effective until June 13, 2024
<b>Mincore</b>	Mincore Pty Ltd.
<b>Mining Act</b>	the PNG Mining Act 1992
<b>ML150</b>	the PNG mining lease 150 effective until June 13, 2034
<b>MRE</b>	mineral resource estimate
<b>Mtpa</b>	million tonnes per annum
<b>NGOs</b>	non-governmental organizations, public interest groups and reporting organizations.
<b>NI 43-101</b>	Canadian Securities Administrators' National Instrument 43-101 - <i>Standards of Disclosure for Mineral Projects</i>
<b>NI 52-109</b>	Canadian Securities Administrators' National Instrument 52-109 - <i>Certification of Disclosure in Issuers' Annual and Interim Filings</i>
<b>NI 52-110</b>	Canadian Securities Administrators' National Instrument 52-110 - <i>Audit Committees</i>
<b>Nolidan</b>	Nolidan Mineral Consultants.
<b>NPV</b>	net present value
<b>NSR</b>	net smelter return.
<b>OK</b>	ordinary kriging
<b>Options</b>	stock options as defined on page 116 of this AIF
<b>oz</b>	ounce or ounces
<b>Paris Agreement</b>	the Paris Agreement under the United Nations Framework Convention on Climate Change.
<b>PEA</b>	preliminary economic assessment
<b>PEA Case</b>	the Kainantu Stage 4 Expansion PEA case



<b>PGK</b>	Papua New Guinea currency, Kina
<b>PNG</b>	The country of Papua New Guinea
<b>Preferred Shares</b>	the former Class A Preferred Shares of the Company
<b>Processing Facility</b>	the Company's processing plant, equipment and infrastructure located on ML150
<b>PSU</b>	performance share unit
<b>RSU</b>	restricted share unit
<b>SEC</b>	the U.S. Securities and Exchange Commission
<b>SEDAR</b>	The system for electronic document analysis and retrieval at <a href="http://www.sedar.com">www.sedar.com</a>
<b>Share Compensation Plan</b>	has the meaning ascribed to that term on page 116 of this AIF.
<b>Stock Option Plan</b>	has the meaning ascribed to that term on page 116 of this AIF.
<b>tpa</b>	tonnes per annum
<b>Trafigura</b>	Trafigura Pte Ltd.
<b>Trafigura Loan Agreement</b>	has the meaning ascribed to that term on page 13 of this AIF
<b>Trafigura Offtake Agreement</b>	has the meaning ascribed to that term on page 13 of this AIF.
<b>TSX</b>	Toronto Stock Exchange.
<b>TSXV</b>	the TSX Venture Exchange
<b>US\$ or USD</b>	United States dollars
<b>U.S.</b>	the United States of America

**SCHEDULE "C"****Measurement Conversions**

In this AIF metric units are used with respect to all our mineral properties, unless otherwise indicated. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table below.

<b>Imperial Measure = Metric Unit</b>		<b>Metric Unit = Imperial Measure</b>	
2.47 acres	1 hectare	0.4047 hectares	1 acre
3.28 feet	1 metre	0.3048 metres	1 foot
0.62 miles	1 kilometre	1.6093 kilometres	1 mile
0.032 ounces (troy)	1 gram	31.1 grams	1 ounce (troy)
2.2 pounds	1 kilogram	0.454 kilograms	1 pound
1.102 tons (short)	1 tonne	0.907 tonnes	1 ton (short)
0.029 ounces (troy)/ton (short)	1 gram/tonne	34.28 grams/tonne	1 ounce (troy)/ton (short)
2,204.62 pounds	1 tonne	0.00045 tonnes	1 pound