

K92 SIGNS LONG TERM POWER SUPPLY AGREEMENT WITH PNG POWER

By admin Posted December 22, 2016 In 2016, News Releases

K92 Mining Inc. (“K92”) is pleased to report that a Power Supply Agreement (“PSA”) has been concluded with the state utility company of Papua New Guinea, PNG Power (“PPL”) for the supply of power to the K92 site located in the Eastern Highlands of Papua New Guinea. The PSA is in place for an initial period of five years and is renewable for a further five years upon the agreement of both parties.

HIGHLIGHTS:

- Initial contract is for 5 years with a renewal clause for a further 5 years
- Power to be supplied at a competitive rate and locked in for the initial 5 year period
- PPL has agreed to fund a Kina 500000 capital programme aimed at increasing the reliability of power to K92’s site
- K92 has installed a new main process plant switch board on site, ensuring limited disruption to operations during any switchovers to standby power (available at site) should PPL power be interrupted.

Ian Stalker, K92 Chief Executive Officer, states, *“This power supply agreement is an important milestone for K92. It locks in an attractive rate, ensures long term stability of supply and eliminates many of the risks associated with future potential increases in the price of oil. This agreement enables K92 to continue the momentum towards reaching state operations at the mine and mill. In addition to being economically superior to diesel generated power, hydro-electric power is also more environmentally friendly.”*

On Behalf of the Company

Ian Stalker

Chief Executive Officer and Director

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