



K92
MINING INC.

DELIVERING SUSTAINABLE VALUE

2023 SUSTAINABILITY REPORT

ABOUT K92 MINING INC.

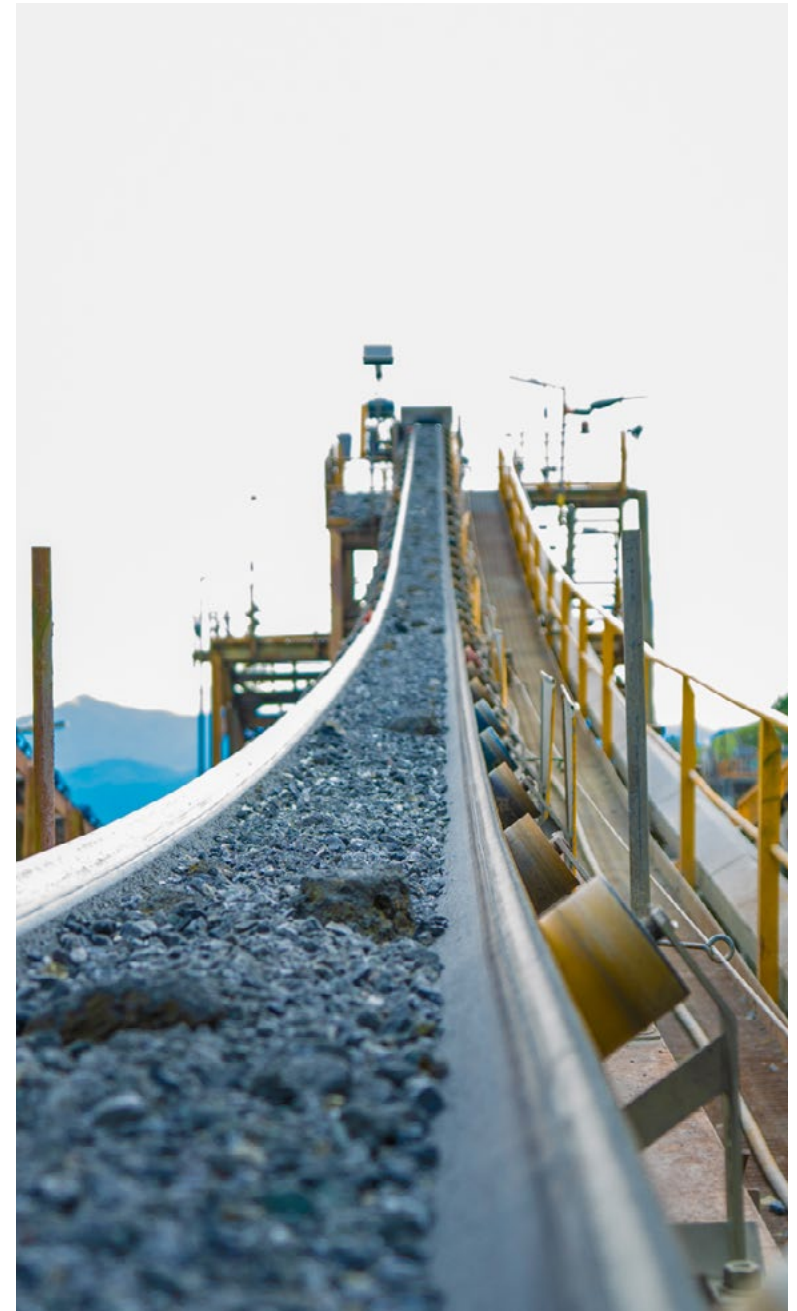
K92 Mining Inc. is engaged in the production of gold, copper and silver at the Kainantu Gold Mine in the Eastern Highlands Province of Papua New Guinea (PNG), as well as the exploration and development of mineral deposits in the immediate vicinity of the mine. The Company declared commercial production from Kainantu in February 2018, and is in a strong financial position. A maiden resource estimate on the Blue Lake porphyry project was completed in August 2022. K92 is operated by a team of mining company professionals with extensive international mine-building and operational experience.

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ABOUT THIS REPORT

This is K92’s fifth annual Sustainability Report, which provides an overview of our environmental, social and governance (ESG) priorities and performance for 2023. The report has been prepared in alignment with the Sustainability Accounting Standards Board (SASB) Metals and Mining Standard. Sustainability performance data covers our 2023 fiscal year (ended December 31, 2023) unless otherwise indicated and relates to all our operations and activities. Sustainability performance data tables can be found on [pages 36-44](#) of this report. All financial figures are in United States dollars unless otherwise indicated. An additional version of this report has been prepared with financial figures in Papua New Guinean Kina. Aside from the reporting currency, there are no differences in the content of the report.



MESSAGE FROM THE CEO

At K92, we are committed to delivering sustainable value to all our stakeholders in a socially and environmentally responsible manner. This is a core part of both our vision and mission as a company and is further reflected in our key corporate and operational strategies. Doing so makes sound business sense and enables us to deliver positive impacts that we can all be proud of.

During 2023, we achieved several major milestones as we continue to transform the Kainantu Gold Mine into one of the next world-class, Tier-1 gold mines. We completed the final commissioning of our Stage 2A Process Plant Expansion in May 2023, and the throughput achieved following the expansion has significantly exceeded our expectations. K92 ended the year with strong momentum by achieving several quarterly operational and financial records, including record gold production and record quarterly revenue. Production totalled 117,607 gold equivalent ounces in 2023, exceeding our revised annual production guidance for the year. The Company also laid significant groundwork for our Stage 3 Process Plant Expansion, which will bring our processing capacity to 1.2 million tonnes per year, with significant potential for even further capacity above the plant's design.

While we recorded many achievements throughout the year, it was not without its challenges. Regrettably, we experienced two tragic incidents during the year that resulted in multiple fatalities. We have undertaken a variety of measures in 2023 to reinforce our safety culture and practices to help make sure that these types of incidents do not happen again. In our 2022 Sustainability Report, we committed to providing transparent disclosures in this report around these incidents, including our associated improvement measures, which are presented in the Health and Safety section of this report.

The safety of our employees and contractors is, has and always will be our highest priority. Safety is a core value that forms part of who we are as a company, and we will remain vigilantly committed to living this value as part of our everyday behaviours.

Despite these setbacks, we remain diligently focused on our commitment to delivering sustainable value to our stakeholders. In December 2023, we were very proud to receive recognition for our community programs for the second consecutive year, with the award for Outstanding Community Humanitarian Initiative from the Papua New Guinea Chamber of Resources and Energy. The award recognizes our Women in Mining program, a key focus of our community investment programming. The program is focused on improving the livelihoods of women in our host communities through targeted investments in female skills and business development, preventive health care and educational initiatives. We firmly believe that by investing in female-targeted initiatives such as these, we are able to deliver lasting and far-reaching positive impacts that uplift not only women but also entire communities.

At the Board of Directors level, we maintained strong diverse representation in 2023, with women representing 43% of our Directors, including our Chair of the Board, the Chair of the Sustainability Committee, and the Chair of the Nominating and Corporate Governance Committee. We also continued to enhance our Board-level practices during the year and, as a result, received the highest possible ESG Governance score from Institutional Shareholder Services, a leading global governance organization, reflecting best-in-class governance.

During the year, we also developed our three-year sustainability strategy as part of our overall operations and Board strategic planning processes. The strategy focuses on embedding sustainability across the business to reduce sustainability-related risks and capitalize on



sustainability-related opportunities, with the overarching aim of achieving best-in-class sustainability performance.

Looking ahead, I am truly excited for another pivotal year for the Company as we continue to deliver on our Stage 3 and Stage 4 Expansions. With exciting momentum propelling the expansions forward, we will remain steadfast in our commitment to conducting our business in an environmentally and socially responsible manner and, in doing so, delivering sustainable value to all our stakeholders for generations to come.

A handwritten signature in dark ink, appearing to be 'J. Lewins', written in a cursive style.

John D. Lewins,
Chief Executive Officer and Director

2023 HIGHLIGHTS

1,687
EMPLOYEES
AND CONTRACTORS

94%
TOTAL WORKFORCE
FROM PNG

\$105M
IN PROCUREMENT SPEND
IN PNG

\$26.8M
TAXES AND ROYALTIES PAID
(SECOND-LARGEST TAXPAYER IN PNG)

56%
OF TOTAL PROCUREMENT
TO PNG COMPANIES

\$24.5M
INVESTED IN LOCAL JOINT VENTURES

\$21.2M
IN SALARIES AND WAGES
IN PNG

43%
FEMALE REPRESENTATION
ON THE BOARD OF DIRECTORS

25%
GHG REDUCTION TARGET SET AGAINST
BUSINESS-AS-USUAL FORECAST
BY 2030

2ND
CONSECUTIVE YEAR AWARDED
PNG CHAMBER OF RESOURCES AND
ENERGY (CORE) OUTSTANDING
COMMUNITY HUMANITARIAN INITIATIVE

GUIDING OUR FUTURE: THE K92 CARES FRAMEWORK

Over the next three years, we are embarking on an exciting transformation of the Company through our Stage 3 and Stage 4 Expansion projects at Kainantu, which will see K92 grow into a world-class, mid-tier gold producer. For us, this transformation is not only about increasing our production, but also about enhancing the lives of our employees, their families and the communities we are part of.

Our values represent the principles that shape our daily work and the attitudes that we expect of our people, so that we can achieve the results of our mission and vision in a way that we can all be proud of. These values will continue to serve as the foundation of our decisions, behaviours and interactions within our company and with our stakeholders – now and into the future.

“As we take on today’s challenges and opportunities, and those that lie ahead, we will continually look to our values as our guide to our shared success.”

– John D. Lewins,
Chief Executive Officer and Director

To help guide this transformation, we refreshed our Mission, Vision and Values in 2023 with rollout continuing throughout 2024. While our vision sets our future direction in terms of strategic goals and the success we see for our company and our stakeholders, our mission is our purpose and goals right now, so that all our stakeholders – including our employees, local communities, governments and shareholders – know why we are here.

OUR VISION

To become a mid-tier producer by discovering, developing and operating the best mines, delivering sustainable value to all of our stakeholders in a socially and environmentally responsible manner.

OUR MISSION

To maximize the value of our assets by working collaboratively with all stakeholders in a safe and responsible manner.

OUR VALUES

Our values provide clarity for the behaviours we expect of our people as we work toward K92 CARES through collaboration, accountability, respect, excellence and safety. The values serve as the foundation of our decisions, behaviours and interactions within our company and with our stakeholders.

C

COLLABORATIVE TEAMWORK



A

ACCOUNTABILITY IN EVERYTHING WE DO



R

RESPECT OTHERS



E

EXCELLENCE IN OUTCOMES



S

SAFETY ALWAYS

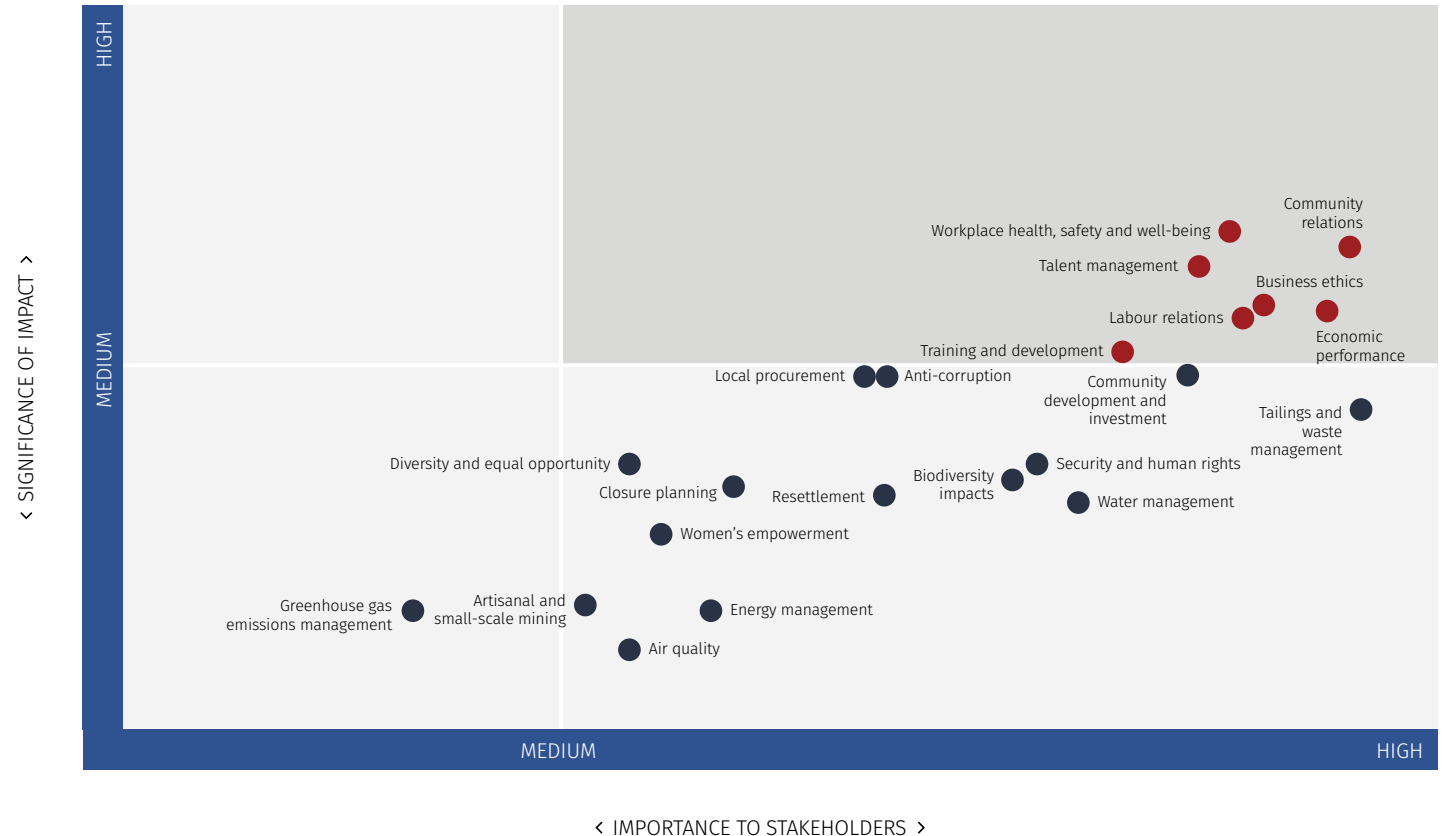


MATERIALITY ASSESSMENT

We conduct regular materiality assessments to prioritize sustainability topics that are most important to the Company and our stakeholders. We align our materiality assessment approach with the SASB Metals and Mining Standard framework, which is the primary sustainability disclosure framework we use for sustainability reporting purposes. We emphasize the long-term nature of our materiality judgments, while we also consider short- and medium-term factors.

Our materiality assessment process, which we conducted in 2021, was facilitated by a qualified third-party organization and included the following steps:

- **Identification:** A range of issues was identified through desktop research of peer practices, ESG rating agencies and ESG frameworks, and refined through internal interviews with K92 management.
- **Prioritization:** Issues were prioritized through surveys to capture internal and external stakeholder insights relating to K92's operations, performance and impact. Select participants were surveyed to gain further context in areas where K92 can improve its approach and outcomes.
- **Validation:** The final list of material topics was validated by the K92 executive/leadership team during a working session with subject matter experts and executives. A roadmap was drafted to identify immediate and midterm steps to strengthen ESG governance and measurement.



In 2024, we will conduct a refreshed materiality assessment to further prioritize sustainability-related topics. The assessment will enable the Company to better align with evolving international sustainability standards, including the forthcoming Canadian Sustainability Disclosure Standards (CSDS).

Additionally, we will continue to connect our sustainability and ESG disclosures with our mainstream financial reporting to provide a coherent, connected and integrated view of our material sustainability-related risks and opportunities.

- Highly material topics
- Material topics

ALIGNMENT WITH THE SDGS

The UN Sustainable Development Goals (SDGs) serve as a universal call for nations to collaborate in ending poverty, protecting the environment, and enhancing the welfare and prospects of all individuals across the globe. Aligning with this recognized framework allows us to prioritize and coordinate our efforts, benefiting all stakeholders, including communities, governments and investors. Our primary focus is on K92 community initiatives, which enhance the quality of life in these communities and equip residents with essential skills for future opportunities beyond the mining sector. Through these efforts, we aim to make significant contributions toward achieving the following SDGs:













GOALS AND TARGETS

At K92, we are committed to continual improvement in our sustainability and ESG performance. To support this, we set annual sustainability goals and targets that are linked to our overall business strategy.

In our 2022 Sustainability Report, we set our first annual sustainability goals and targets. The following tables present our progress on our 2023 goals and targets, as well as our goals and targets for 2024. We will continue to report on our progress on achieving these goals in our annual Sustainability Reports.

2023 Performance and Progress Against Goals and Targets

Goal/Target	Status	Performance/Progress
Environmental		
Advance work to complete technical environmental studies for our Environmental Impact Statement (EIS) submission to regulatory authorities in PNG for our expansion projects		<ul style="list-style-type: none"> EIS submitted to regulatory authorities and revised environmental permit granted for Stage 3 Expansion
Continue to advance our climate strategy and our multi-year roadmap for Task Force on Climate-related Financial Disclosures (TCFD) ¹ alignment		<ul style="list-style-type: none"> Climate target was set in June 2023 Hydropower improvement projects are ongoing in partnership with PNG Power Ltd. Sustainability Committee Charter was refreshed to provide enhanced Board oversight of climate-related matters
Progress work to align with the Global Industry Standard on Tailings Management		<ul style="list-style-type: none"> External review of tailings management and performance against the standard was conducted Annual review initiated
Social		
Continued implementation of our three-year Health, Safety, Environment, and Security Strategy		<ul style="list-style-type: none"> Ultimate goal of zero fatalities was not achieved External audit of safety performance was commissioned Various improvement measures have been implemented, with focus on critical risk-control protocols, risk management and training
Progress work on government signing of Memorandum of Agreement with local landowners and governments		<ul style="list-style-type: none"> Formal consultation process was completed with local landowners, Provincial Administrator and other key government bodies Seeking final sign-off by PNG National Executive Council
Continued implementation of Employee Wellness Program		<ul style="list-style-type: none"> Program implementation is ongoing with focus on health, counselling and care, personal growth and development, and social programs at site
Governance		
Formalize an action plan for implementation of additional key corporate policies		<ul style="list-style-type: none"> Human Rights Policy was implemented in 2023 and revised in 2024 Health and Safety Policy has been developed and implemented Supplier Code of Conduct has been developed and implemented Additional policies to be reviewed/developed (as required)
Provide additional director education and workshops focused on ESG		<ul style="list-style-type: none"> Two workshops, on ESG emerging trends and cybersecurity, were held with Board of Directors and external auditors
Enhance ESG disclosures		<ul style="list-style-type: none"> Improvements were made across all major ratings agencies Disclosures were made to CDP Climate Change Questionnaire to further align climate disclosures with best practices
Develop three-year sustainability and ESG strategy, including enhanced ESG reporting systems		<ul style="list-style-type: none"> Strategy was finalized following operations and Board strategy sessions Various off-the-shelf ESG reporting systems were evaluated and a system has been selected for implementation

¹ The TCFD was disbanded in late 2023 and the International Sustainability Standards Board assumed monitoring responsibilities. The Company will accordingly focus on the Canadian Sustainability Disclosure Standards in relation to the Company's climate-related disclosures.

2024 SUSTAINABILITY GOALS AND TARGETS

Goal/Target	Measure
Environmental	
Submit a revised Environmental Management Plan to environmental regulators in PNG	<ul style="list-style-type: none"> Submit revised plan to CEPA in mid-2024
Advance progress against our climate target through hydroelectricity improvement initiatives	<ul style="list-style-type: none"> Advance infrastructure upgrades in partnership with PNG Power Ltd., including overhead power line upgrades
Advance work on implementation of the Global Industry Standard on Tailings Management	<ul style="list-style-type: none"> Complete additional third-party review of tailings management practices against the standard
Social	
Advance implementation of our three-year Health, Safety, Environment, and Security Strategy	<ul style="list-style-type: none"> Zero fatalities Advance rollout of training and cultural improvement initiatives
Conduct an external audit of our safety management and performance	<ul style="list-style-type: none"> Complete independent audit in H1 2024
Advance work related to the Canadian modern slavery legislation	<ul style="list-style-type: none"> Advance rollout of revised policies, standards and procedures Advance rollout of training on forced labour and child labour risks Complete supply chain mapping exercise
Advance the Government of PNG's Infrastructure Tax Credit Scheme (ITCS) work in partnership with local communities	<ul style="list-style-type: none"> Launch first project in H1 2024 Advance engagement with local stakeholders to plan for future projects
Governance	
Advance review of key Company policies and procedures	<ul style="list-style-type: none"> Complete scheduled review of key policies by end of 2024
Deliver educational sessions on emerging issues for Directors	<ul style="list-style-type: none"> Deliver two training sessions for Directors by end of 2024
Complete an updated materiality assessment to further identify and assess ESG risks and opportunities	<ul style="list-style-type: none"> Complete assessment with third-party experts in H2 2024
Conduct an external audit against the International Finance Corporation (IFC) Performance Standards	<ul style="list-style-type: none"> Complete independent audit by end of 2024





RESPONSIBLE GOVERNANCE

At K92, we recognize that delivering long-term, sustainable value to our stakeholders requires a strong commitment to sustainability from the highest levels of our organization. We also recognize the role that strong corporate governance plays in effective, efficient operations and in ensuring that we are committed to the highest standards of ethical conduct.

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Relevant SDGs



Overview

Our Board of Directors (the Board) is the highest governance body within our organization. In its stewardship role, the Board is committed to fostering a culture of accountability and ethical behaviour throughout the Company. The Board carries out this role by establishing key policies and standards, approving the Company's strategic plans and providing oversight for the management of the Company. Management is responsible for the day-to-day conduct of the business.

The Board is composed of seven directors with senior-level experience in their respective professions. Five directors are independent, and all key Board committee members are independent.

Our Board Diversity Policy outlines our approach to maintaining a Board comprising talented and dedicated directors with a diverse mix of

experience, skills and backgrounds, collectively reflecting the strategic needs of the business and the nature of the environment in which the Company operates. Under this policy, we have set a target to maintain at least 30% female representation on the Board. Currently, 43% of directors are female, 21.5% higher than the average representation among Canadian public mining companies.¹

In 2023, we held multiple educational sessions for the Board, focusing on general and emerging ESG-related topics. Cybersecurity was prioritized as a standalone session given the emerging nature of cybersecurity risks and impacts on companies and their stakeholders globally. We continue to hold educational sessions for our directors on a regular, ongoing basis to help ensure our organization stays abreast of key and emerging ESG issues.

Board Committees

The Board has appointed five committees: the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation and Benefits Committee, the Sustainability Committee, and the Health and Safety Committee. All committees contribute to sustainability and ESG oversight. All key Board committee members are independent and include applicable ESG topics in committee meeting agendas.

Each committee has a written charter describing its purpose, organization, powers and responsibilities. The committee charters are reviewed annually to ensure they remain appropriate for the Company and are consistent with best practices and applicable laws. The Chair of each committee reports on each committee's activities to the Board. An overview of each committee's mandate is presented in the infographic on the next page.

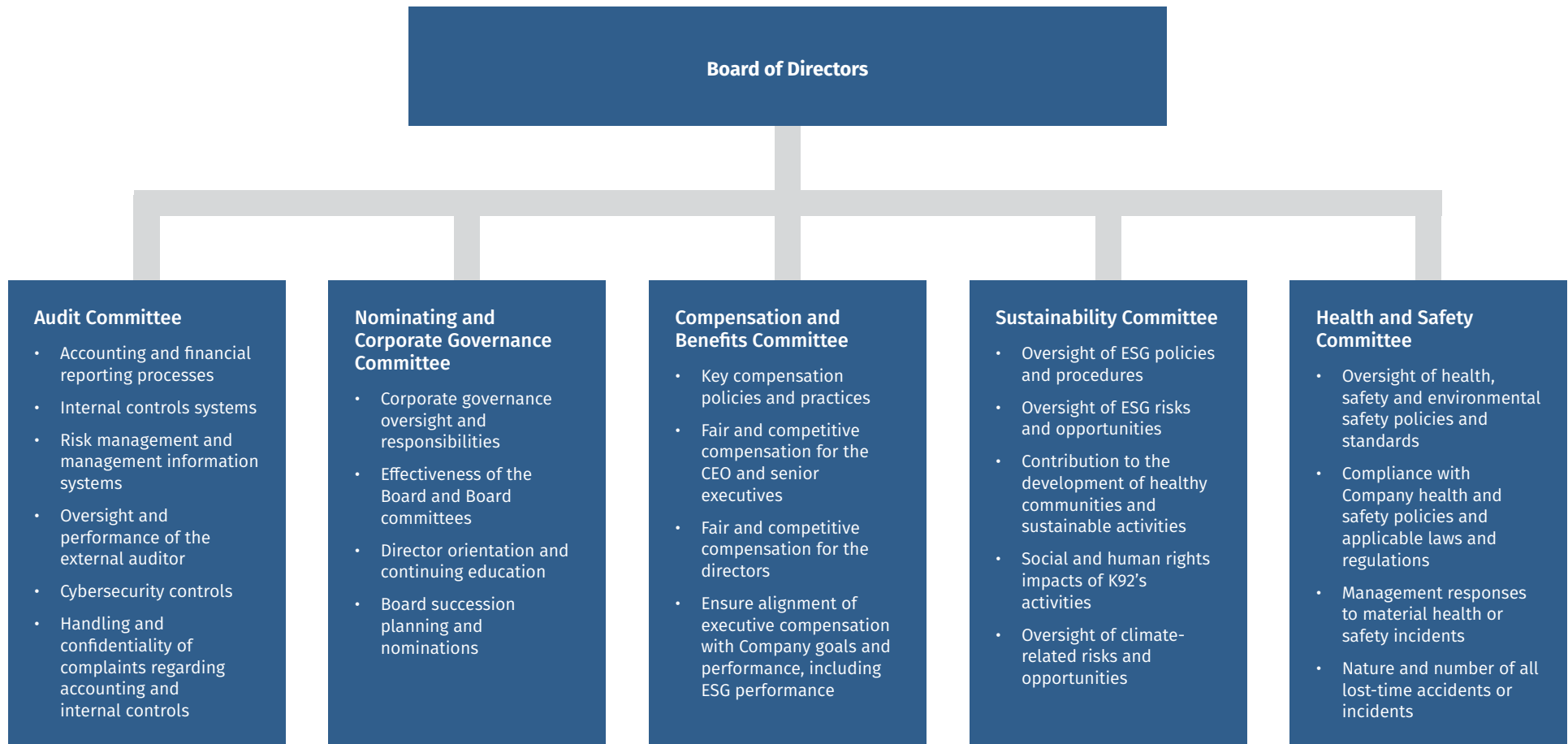
IN 2023, WE WERE RECOGNIZED BY INSTITUTIONAL SHAREHOLDER SERVICES (ISS), A LEADING GLOBAL CORPORATE GOVERNANCE ORGANIZATION, WITH ITS HIGHEST OVERALL GOVERNANCE SCORE, REFLECTING BEST-IN-CLASS GOVERNANCE. THIS ACHIEVEMENT REFLECTS THE COMPANY'S CONTINUED EFFORTS TO EMBED SUSTAINABLE GOVERNANCE PRACTICES WITHIN THE COMPANY AS WELL AS OUR COMMITMENT TO ROBUST GOVERNANCE DISCLOSURES.

¹ Based on 2022 data from Osler Diversity Disclosure Practices (2023): <https://www.osler.com/osler/media/Osler/reports/corporate-governance/Osler-Diversity-Disclosure-Practices-report-2023.pdf>



John D. Lewins (back right), CEO and Director, with Bryan Slusarchuk (back left), K92 Co-founder, and K92 employees

The graphic below provides a general overview of each Committee’s roles and responsibilities. For a comprehensive list of Board of Directors and Board Committee roles and responsibilities, please refer to our annual [Management Information Circular](#) and the committee charters posted on [our website](#).



REPORTING STRUCTURE: The Chair of each Board Committee reports to the Board of Directors.

Business Ethics and Integrity

Upholding a strong sense of ethics and integrity is of the highest importance to the Company and critical to our business success. Our Code of Business Conduct and Ethics (the “Code”) outlines the fundamental principles of legal and ethical business conduct as adopted by the Board. Under our Whistleblower Policy, we maintain a confidential whistleblower mechanism to enable employees and other stakeholders to submit concerns related to violations of the Code or questionable business practices, accounting and internal controls.

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

Additionally, in 2024, we adopted a new Supplier Code of Conduct (the “Supplier Code”) that defines our expectation that our suppliers operate in alignment with our core values. Suppliers are required to comply with our Supplier Code as a condition of doing business with the Company, and the Supplier Code forms part of all contractual arrangements with the Company.

We also worked through the end of 2023 and into 2024 to prepare our inaugural disclosures related to the requirements of the new Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) enacted in 2023. We completed a variety of measures to demonstrate our commitment to mitigating child and/or forced labour in our direct operations and our supply chain. Our key efforts to date include a comprehensive review and update of our company policies and procedures, ongoing training initiatives, supplier engagement, and committing to regular risk assessments based on supplier mapping exercises. Our inaugural annual report required under the Act is available on our public website [here](#).



John D. Lewins (left), K92 CEO and Director, with mine workers at the Kainantu Gold Mine



K92 External Affairs and Sustainable Development representatives with local officials in Papua New Guinea

43%

female representation on Board of Directors

HIGHEST

overall Governance score received from ISS

LEADING BOARDS AWARD

for S&P/TSX Composite Index listed companies ranked in Board Games 2023 that realized highest level of one year score improvements



SPOTLIGHT: OUR SUSTAINABILITY STRATEGY

Sustainability Mission

Achieve best-in-class sustainability and ESG performance to deliver long-term, sustainable value to all our stakeholders



In our 2022 Sustainability Report, we set a goal of developing a three-year sustainability strategy to help build on the strong sustainability foundation we have developed over the past several years, as well as to encourage continual improvement in our sustainability performance over time. Throughout 2023, we developed the strategy in parallel with our primary operations and Board-level strategy development.

Our overarching sustainability mission – *To achieve best-in-class sustainability and ESG performance to deliver long-term, sustainable value to all our stakeholders* – is aligned with our strategic vision and mission as a Company as well as our overall strategic business objectives.

At K92, we recognize that to deliver long-term, sustainable value, sustainability must be embedded into core functional areas of the business. That is why our sustainability strategy has a clear focus on integration where we consider sustainability risks, opportunities and impacts in our business decisions. In our sustainability policies and standards, we emphasize promoting excellence in outcomes, a core value that forms part of who we are as a Company. Importantly, the three-year strategy is also strategically focused on supporting our Operations and Projects teams in alignment with our near-term focus on our Stage 3 and Stage 4 Expansions, so that we design and build a sustainable operation over the life of mine.

While we have already made great strides in achieving sustainable outcomes for our business, we recognize that sustainability is a journey that will continue to evolve, just as K92 continues to mature and grow. Additionally, to deliver sustainable value requires collective, long-term efforts and contributions not only from within the Company, but also in partnership with all our stakeholders. We look forward to continuing on this journey with all our stakeholders in Papua New Guinea and beyond, for many years to come.

ESG at the Board Level: Sustainability Committee

K92's Board provides oversight of the Company's overall sustainability approach and performance, including identifying and evaluating sustainability and ESG risks and opportunities. We maintain a Sustainability Committee of the Board, which is composed of three directors. Ms. Nan Lee serves as the Chair of the Committee and is independent.

The mandate of the Sustainability Committee is to assist the Board in fulfilling its oversight responsibilities to ensure that appropriate policies, systems and personnel are in place to support the Company's commitment to responsible mining through safe, environmentally sound and sustainable business practices.

The Sustainability Committee meets at least four times a year and reports and makes recommendations to the full Board. Sustainability and ESG updates are also covered in each Board meeting, where discussions include detailed information on the Company's progress in achieving key sustainability and ESG performance objectives.

Key oversight responsibilities of the Committee are provided in its charter, which is available on the Company's public website [here](#).

Sustainability and ESG Policies

The Company's policies reflect our values and commitment to operating responsibly and ethically. They are supported by a common framework that guides conduct and behaviour across our operations. All our employees, consultants and representatives are expected to act responsibly and in accordance with the laws and regulations where the Company operates.

Our key ESG-related policies are listed to the right, and they are available on our public [website](#). We review and refresh these policies regularly and all policies are approved by our Board.

Management's Role in ESG

The Company maintains an ESG Working Group that includes our President and Chief Operating Officer (COO), who oversees ESG and sustainability performance and management for the Company. The group also includes our General Manager of External Affairs and Sustainable Development and our Manager of Sustainability and ESG, as well as other managers and vice presidents of relevant areas.

ESG Audit

In 2023, we commissioned an independent, external audit of our environmental and social performance by experts from Tetra Tech Coffey, a leading global sustainability consultancy. The audit focused on assessing our environmental and social management systems, practices and performance against international standards, namely the Equator Principles and the Global Industry Standard on Tailings Management.

The assessment highlighted our areas of strength while providing recommendations for continual improvements over time. In 2024, we are commissioning a separate independent assessment of our environmental and social performance against the IFC Performance Standards, which is a key framework the Company plans to embed into its sustainability practices as part of our sustainability strategy.



- [Anti-Bribery and Anti-Corruption Policy](#)
- [Board Diversity Policy](#)
- [Code of Business Conduct and Ethics](#)
- [Health and Safety Policy](#)
- [Human Rights Policy](#)
- [Supplier Code of Conduct](#)
- [Whistleblower Policy](#)

Executive and Long-Term Compensation Incentives

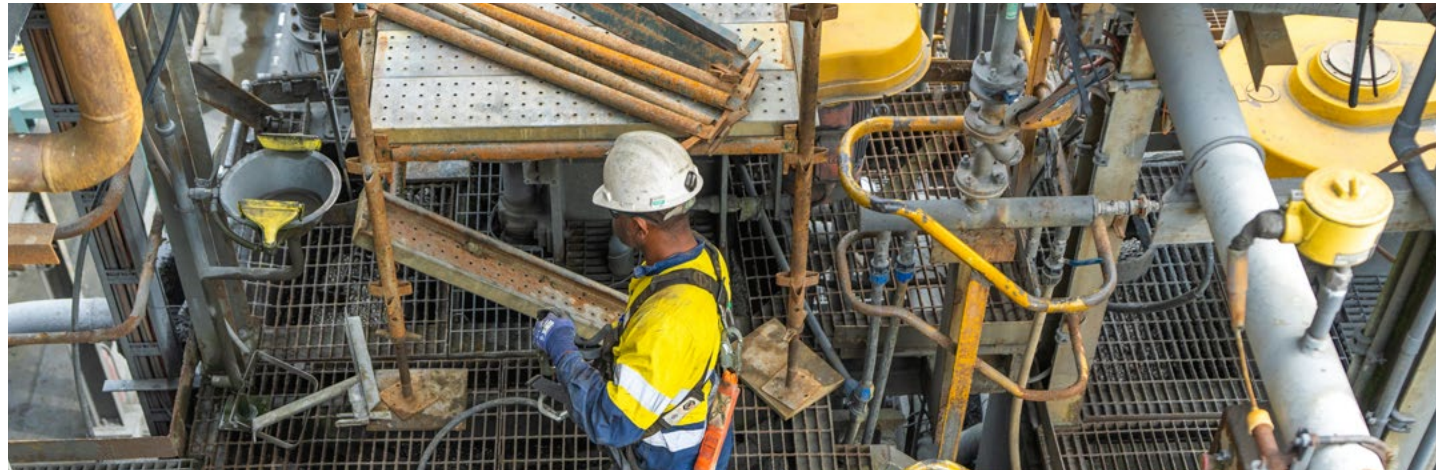
Executive compensation is linked to ESG performance for overall good governance practices and to ensure that the Company's leadership team and mine site managers focus on safety, environmental protection and social performance. The key performance indicators (KPIs) for 2023 short-term incentive bonuses included 10% of total KPIs linked to environmental performance and ESG disclosure, and 20% of total KPI measurement linked to the Company's safety results.

Our long-term compensation incentive structure for executives and staff is designed to align our objectives with those of our shareholders. In 2022, we began to issue to executives and senior staff K92 equity in the form of restricted share units (RSUs) and performance share units (PSUs) to award recipients with K92 equity that will change in value in line with movements in the Company's share price.

Risk Management

We recognize the importance of embedding robust risk management practices and oversight throughout our business. Doing so is essential to protecting the health and safety of our workforce, preserving business value and securing the long-term growth of the Company.

The Board has primary responsibility for the oversight of risk management for the Company. The Board has also delegated applicable risk responsibilities to each of its Committees. Our Sustainability Committee of the Board of Directors is primarily responsible for the oversight of sustainability-related risks, including climate-related risks and opportunities.



This includes risks related to mitigation of modern slavery and child labour, and oversight of regulatory reporting under the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Our Chief Executive Officer is the primary Company executive responsible for risk management within the Company. Our Chief Financial Officer is responsible for internal controls and other financial risk controls. Our COO is the Company executive accountable for site-level risk management.

In 2023 and into 2024, we began formalizing our Enterprise Risk Management (ERM) system. We have developed standardized, site-wide risk registers based on common risk matrices and assessment tools. Climate-related and labour-related risks will be included in the registers, which are reviewed annually to ensure that risks are appropriately monitored and controlled.

In 2024, we will continue to integrate our corporate and operational risk management approaches into an integrated enterprise-wide ERM system. For more information related to K92's material risk factors, please refer to the Company's [Annual Information Form](#) on the Company's public website.

Cybersecurity

The Audit Committee is delegated with responsibility for Board-level oversight of our cybersecurity and information technology (IT) practices and management. The Audit Committee is chaired by Mr. Saurabh Handa, who is considered to have advanced IT expertise. Our CFO is primarily responsible for IT management at the executive management level and reports to the Audit Committee quarterly on IT and cybersecurity matters.

We provide regular cybersecurity and IT training to our employees. At the corporate level, we provide ongoing training initiatives through our external IT service provider. Training is provided to our operations employees through Safetrac, our online learning and compliance software.

To date, the Company has not experienced an IT security breach. More information related to IT risks and our management controls can be found in our [Annual Information Form](#) on our public website.



EMPOWERING OUR WORKFORCE

We believe that the PNG people are the nation's greatest resource. That is why we work diligently to invest in the growth and development of people in the country through training and education.

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Relevant SDGs



Health, Safety and Security

At K92, the health and safety of our employees, contractors and local communities is our number one priority. *Safety Always* is one of our core values that defines how we operate as a Company. This is further reflected in our operation's safety motto – *Safety Starts with Me*.

We implement a health and safety management system that conforms to the criteria of the International Standards Organization (ISO) 45001 standard, as confirmed by an independent safety audit conducted in 2023 and into 2024. As part of the system, we maintain a Health and Safety Policy, which we developed as a standalone policy in late 2023 and into early 2024. The policy outlines our commitment to build a strong, supportive and compliant health and safety culture across the Company. This includes our commitment to use our systems to develop the right standards, training, equipment and tools for our people to work safely.

Our safety practices are guided by our Hierarchy of Controls, which help prevent and mitigate hazards across the operations. Key elements of this framework include:

- **Elimination** → eliminate the hazard completely
- **Substitution** → substitute the hazard for something less hazardous
- **Engineering control** → create a physical barrier to the hazard
- **Administrative control** → implement procedures, policy, rules and training
- **PPE** → use PPE as a last line of defence to create a barrier to the hazard

We also implement a formal health and safety risk assessment process, which is based on the following multi-level approach:

- **3W analysis (“Who, What, Where”)**
- **Job Safety Environmental Analysis**
- **Formal risk assessment through Probabilistic Risk Assessment**

Occupational Health and Safety Committee

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

Safety Incidents in 2023

In the first half of 2023, we were deeply saddened to report two incidents that resulted in multiple fatalities involving our workforce.

The first incident occurred in early May 2023 and involved a vehicular accident on a rural road outside of the K92 mining lease. The incident occurred as several of the Company’s External Affairs and Sustainable Development staff were visiting a local community to conduct community consultations. Regrettably, two Company staff members succumbed to injuries following the accident. The road that was used by our team members was in need of major repairs at the time of the incident. We are currently working in partnership with our PNG government stakeholders to upgrade the road through the PNG Government’s ITCS.

The second incident occurred in June 2023 at our underground operations. While crew members were conducting vehicle maintenance, a piece of equipment came loose and struck two team members, who also succumbed to injuries following the incident.

Our Emergency Management Services team responded immediately to the incidents and investigations were launched by the relevant legal and regulatory authorities in PNG. At the time of the release of this report, the full results of regulatory and legal proceedings have not been finalized. We continue to offer the required support and counselling to our employees, contractors and the families of the deceased.

In previous years, since the commencement of operations, K92 has operated with one of the best safety records in PNG and the Australasia region. However, these tragic incidents serve as a strong reminder that we must always remain diligent in our approach to safety, in line with our core value of *Safety Always*.



Improvement Measures

Throughout 2023, we continued to implement our three-year Health, Safety, Environment and Security (HSES) strategic plan. Our efforts in doing so were reinforced following the tragic incidents that occurred during the year.

The overall purpose of the plan is to maintain a safe, secure and productive working environment for employees and contractors, to be achieved through the following:

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

Key improvements that we have focused on following the incidents include completing an independent, external audit of our safety management systems and practices to better understand key areas for improvement in our safety approach and performance. We have now made the commitment to conduct these audits on an annual basis.

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

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

Developing a Robust Talent Pipeline

We believe that the PNG people are the nation's greatest resource. That is why we work diligently to invest in the growth and development of people in the country through training and education. By doing so, we are able to create lasting, sustainable value in support of broad socio-economic development.

Tertiary Institution Support

K92 has established agreements with multiple tertiary institutions in PNG to support the development of higher-level education in the country. In 2023, K92 further expanded its partnerships with tertiary institutions in PNG by signing a Memorandum of Understanding with Don Bosco Technological Institute and the University of Goroka.

The K92 Mining Tertiary Scholarship Program was established in 2019 to award students in their fourth year of study in the fields of mining, geology and metallurgy. Additional scholarships for the Women in Mining program were introduced in 2022, named in honour of Daisy Taylor, a director of the Company's PNG subsidiary.

In 2022, through a partnership with one of our key local contractors, K92 expanded the program to offer an additional two Women in Mining Tertiary Scholarships. K92 will look to further increase the number of scholarships in the program over the next three years.



Daniel Opa (left), K92 Senior Business Development Officer, and James Topo, K92 Manager, External Affairs and Sustainable Development, during a local skills development graduation ceremony

Industrial Trainee Program

The K92 Mining Industrial Trainee Program was formalized in 2022 to enable students in their third or final year to complete the practical curriculum required for the completion of their degrees and to further their professional development through work placements. The program serves as an opportunity to assess and identify future employees and their suitability to enter the graduate program. K92 hires industrial trainees for internships every semester for a period of 8 to 16 weeks depending on the university, student and business needs. In 2023, we supported 33 industrial traineeship positions at the mine.

Graduate Trainee Program

K92 provides a formal graduate development program on site. The purpose of the program is to improve professional development outcomes and increase employment prospects for national graduates.



K92 training centre located at the Kainantu Gold Mine

Apprenticeship Program

The Kumian Technical Training Centre serves as the K92 Mining Training Organization, which is currently awaiting registration. Construction of the building was completed on site in June 2023.

The training centre is dedicated to developing the local workforce and supporting mine-impacted areas and communities. The training centre focuses on developing broad-based skills in apprentices to ensure they become self-confident and self-reliant tradespeople capable of coping with current and future technology trends and work situations within the changing industry. The goal is to ensure employability skills that assist K92 apprentices in gaining full-time employment within the mine operations or with outside business partners after completing their trade qualifications. The centre provides hands-on training, utilizing relevant equipment and work units within the safety of K92 servicing environments, along with coaching, mentoring and best-practice teaching by trades-qualified and certified trainers.

Local Scholarship Fund Support

K92 contributes approximately \$0.14M per year to a fund established by the Kainantu Member of Parliament for tertiary scholarships for local community members in the Kainantu area.

Trades Testing

K92 continues to provide the opportunity for technical trade assistants to grow and develop their skills. In early 2022, 53 trade assistants underwent pre-trade testing to gauge their literacy and numeracy levels. Twelve employees proceeded to successfully complete their trade tests in 2022 with the National Trade Testing Board (NATTB).

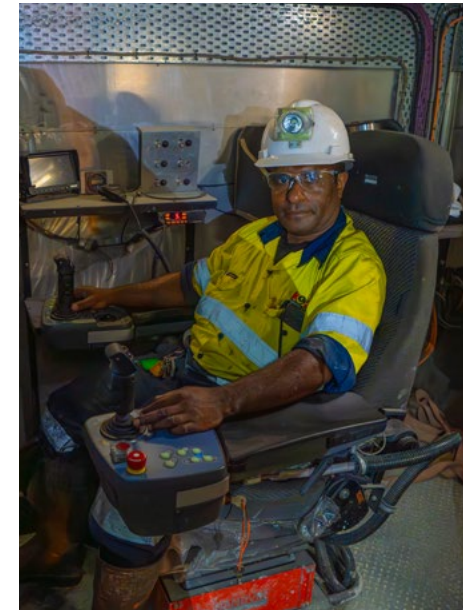
A NATTB audit of the site was completed during the year and K92 received its certificate to employ apprentices in November 2023. The first apprentices from the Pre-Vocational Program will be engaged at the end of 2024.

Leadership and Compliance Training

K92 partnered with an external provider to deliver an online leadership program aimed at strengthening leaders' confidence, competence and accountability to optimize the skills of their people more effectively.

The program consists of mandatory training related to anti-bullying and anti-harassment, anti-bribery and anti-corruption, cybersecurity awareness, risk management awareness, social media and respect at work.

Additional career skills modules are also available to assist people leaders in obtaining the skills required to elevate their knowledge for application in their roles.



43 scholarships awarded in 2023

\$1.3M in training and development spend

FIRST employee engagement survey conducted



SPOTLIGHT: NEW K92 PRE-VOCATIONAL PROGRAM FOR LOCAL EMPLOYEES

As part of our strategic objective to establish sustainable end-to-end talent pipelines, K92 is proud to provide the opportunity for young talent from the local communities to take the first step in their mining careers.

A recent milestone was reached when 10 members from the Bilimoia, Pomasi, Unantu and Watarais communities joined the K92 family, marking the inaugural intake of the K92 Pre-Vocational Program. This 12-month initiative focuses on trade-specific skill development, offering participants invaluable real-world experience in electrical, auto-electrical, mechanical and boiler-making disciplines.

The program commences with a comprehensive induction and orientation program, instilling in participants a deep understanding and appreciation for the stringent safety standards integral to a mining environment. A structured approach guides participants

through their work experiences and is complemented by a mentorship system. Each participant is paired with a dedicated mentor or buddy, ensuring they receive the right levels of instruction, support and guidance.

Upon successful completion of the program, participants have several options including potential placement in K92's apprentice program, stepping into the role of Trades Assistant within K92 operations, or leveraging their newfound skills for employment outside of K92.

In supporting education, empowerment and community integration, K92 is demonstrating a corporate commitment that goes beyond mining minerals – it's about nurturing and shaping lives for a brighter, more inclusive future.



Reis Colley, K92 Manager Operational Services, with K92 Pre-Vocational Program trainees, Rennie Elison, Neva Puake and Jim Abel



K92 Pre-Vocational Program graduates

“I’d like to acknowledge K92 Mining for accepting me into the Pre-Vocational Program. The program plays a vital role in training landowners and others in the local communities to be tradesmen and tradeswomen.”

– Neva Puake,
K92 Mining Pre-Vocational Trainee

Employee Engagement

K92 has various formal and informal methods to engage and communicate information to employees. There are site inductions and daily toolbox talks, and regular team, department and site meetings are used to cascade important safety information, work direction and strategic milestones. Annual performance review discussions are held with all employees to confirm that behaviour and performance expectations are being met in alignment with business expectations.

K92 encourages everyone to raise questions and concerns with their managers or Human Resources. Our site-based complaints and grievance mechanisms and our whistleblower mechanism allow employees to file a formal complaint within a safe and confidential environment. K92 has favourable workplace relations and a below-market voluntary turnover rate compared to the PNG resource sector market average.

In October 2023, K92 conducted its first confidential employee feedback and engagement survey. The survey represents an important opportunity for our employees to tell us how they feel about working at the Company. Survey responses were facilitated by an external provider to enable the confidentiality of responses. A 58% completion rate was achieved for the survey.

To maximize employee participation, various response methods were made available, including mobile devices, desktop computer and group facilitated sessions with access to Company-provided computers. The facilitated sessions included verbal translation of the survey content to Tok Pisin, local

PNG dialect, and computer support if required.

The results were shared with all employees in early 2024. K92 intends to use the feedback to create an action plan toward creating a higher-performing organization and a better place to work.

Employee Diversity and Inclusion

Our Human Rights Policy, which was developed in line with international frameworks including the United Nations Guiding Principles on Business and Human Rights, outlines our commitment to promoting diversity and inclusion in the workplace.

To support an inclusive culture, we implement a Diversity and Inclusion Standard. The purpose of this standard is to establish a workplace environment that is inclusive and diverse, where all people have the opportunity to achieve and contribute to their full potential. It also recognizes that diversity and inclusion is a strategic business priority for the Company to deliver improved business performance and higher employee engagement, in addition to providing access to a broader pool of talent in a workplace culture that leverages the different perspectives that result from a diverse workforce.

We have also partnered with an external provider to commence delivering mandatory online training related to the Australian Respect@Work framework to help address workplace sexual harassment, gender-based discrimination and harassment, hostile working environments and victimization.

Promoting Employee Health and Wellness

At K92, we understand that ensuring well-being, with health being the greatest contributor, relies on building strong social and community bonds inside and outside of the workplace.

In 2023, we began implementing a comprehensive program aimed at improving the health and well-being of our employees. The program focuses on delivery in four key areas as outlined below.

Health

This includes support for employee physical well-being, with a focus on assessment, treatment and gym fitness-training sessions as well as team and individual sports activities and competitions.

Health awareness campaigns also play a crucial role in educating employees and community members about diseases, health hazards and prevention strategies. These campaigns aim to empower individuals to take control of their health. In 2023, K92 delivered health campaigns targeting key local health issues, including malaria management, men's health week, breast cancer, tuberculosis, typhoid and HIV awareness.

Counselling and Care

Recognizing the importance of acting within the local context, K92 engaged the services of a Papua New Guinean-based counselling provider in 2023 to provide on-site and in-person counselling and mental health resources.

K92 actively encourages the emotional well-being of employees by fostering a positive work environment where employees feel valued and supported,

recognizing achievements, celebrating service milestones and addressing conflicts promptly to maintain a healthy emotional climate.

Making a Difference

Our Making a Difference program provides the opportunity for K92 employees to give back to the communities in which the Company operates. It also provides financial literacy programs essential for empowering the K92 workforce with the knowledge and skills to make informed financial decisions.

The Family by K92's Personal Viability Training aims to improve personal and family financial viability. The training covers areas such as financial management, empowering business entrepreneurs to develop budgets, operational budgets, financial reports and compliance reports.

Social Connections

Creating opportunities for employees to connect beyond work through social events is important in a remote fly-in-fly-out environment.

With the aim of promoting teamwork and creativity, the K92 social component of the program focuses on four key events in addition to other social activities, including Mine Safety Week, K92's Got Talent, PNG Independence Day and Christmas celebrations.



SPOTLIGHT: EMPLOYEE SHARE PARTICIPATION PLAN

In 2023, K92 introduced the K92 Share Participation Plan (SPP) as a long-term incentive plan for PNG national employees occupying roles up to the coordinator level.

The plan's intent is for these employees to share in the success of the Company and to reward the achievement of long-term strategic goals and improvement in the Company's performance.

Unlike traditional long-term incentive programs, the restricted share units (RSUs) are held on behalf of K92 employees by a trust. Upon vesting, the trust sells some of the shares, and the proceeds from the sale of the shares are distributed to the employees.

"I am so happy to be part of K92 Mining, understanding that if the Company performs well, I will benefit from the sale of shares under the SPP going forward. I am committed to doing my part as an employee to ensure K92 performs well."

– Lucy Sebastian,
Cost Controller, Projects





SOCIALLY RESPONSIBLE MINING

At K92, we are committed to embedding socially responsible mining practices into our overall approach to doing business, including as part of our overall business strategy. We believe that doing so is critical to our overall success as a company.

In this Section:

- 25 Community Relations
- 26 Memorandum of Agreement
- 26 Investing in Local Socio-Economic Development
- 27 Spotlight: Women in Mining Program
- 28 Spotlight: Supporting Pinktober in Local Communities
- 29 Supporting Critical Infrastructure
- 29 Sustainable Agricultural Livelihoods Program
- 29 Literacy in the Community
- 30 Spotlight: Youth Empowerment Through Sports and Recreation

Relevant SDGs



Community Relations

We recognize that building and maintaining strong community relationships is critical to securing our social licence to operate. That is why working in partnership with local communities is a central focus of our overall business strategy.

We work diligently to tailor our community consultation and engagement initiatives to our local operating environment in PNG, given the unique socio-cultural context within the country. We maintain a strong presence in local communities – including those surrounding the mine as well as in the regional centre of Kainantu – to enable frequent, two-way and meaningful engagement with our stakeholders. This helps to foster strong relationships between the Company and

host communities to ensure a positive outcomes-based approach.

Our community engagement efforts are led by our External Affairs and Sustainable Development team, which is composed of experienced community relations practitioners, including nine village-based liaison officers who help us understand local community dynamics, as well as six women in specialist roles focused on female empowerment initiatives. This includes the development and implementation of our award-winning Women in Mining program, which is featured in this report on [page 27](#).

Given the modest, if not minimal, literacy level in the region, people with grievances are not expected to write them out and formally submit them for

the convenience of the Company. Local community members do raise grievances as a part of regular engagements, and grievances are raised in a range of forms, but they are usually verbal, with the occasional letter. Verbal grievances are dealt with on-the-spot when possible and, where necessary, management is engaged in real time when possible to resolve them. These and other grievances that are not instantly solvable are covered in daily written reports to unit management by field officers and are recorded to the extent practicable in a daily grievance record.

Throughout 2023, we continued to conduct our ongoing Sustainable Livelihoods Survey in conjunction with local communities. The purpose of this survey is to provide baseline demographic, social and economic indicators on local communities. The survey also acts as a form of census. Local youth from our impacted communities are employed to collect the data, which supports our ongoing stakeholder and social mapping exercises, in addition to helping plan and roll out community investment projects. All four of our directly impacted communities have now been surveyed and we will continue to conduct the survey on a rolling basis going forward.



Daniel Opa (far right), K92 Senior Business Development Officer, with graduates from the K92 Unlimited Possibilities Training program conducted by the K92 External Affairs and Sustainable Development department

\$24.5M

invested in local Joint Ventures

\$105M

procurement spend to local suppliers

56%

overall procurement spend in PNG



Ms. Orpah Peter, Gender Officer from the K92 External Affairs and Sustainable Development department, promoting health awareness with local youth

WE RECOGNIZE THE IMPORTANT ROLE WE PLAY AS A CATALYST FOR LOCAL ECONOMIC DEVELOPMENT IN PNG. OUR OPERATIONS ARE ONE OF THE PRIMARY DRIVERS OF ECONOMIC GROWTH WHERE WE OPERATE, AND WE ARE COMMITTED TO SHARING THE BENEFITS OF OUR OPERATIONS WITH OUR LOCAL STAKEHOLDERS THROUGH VARIOUS VALUE-RETENTION INITIATIVES.

Memorandum of Agreement

The Company continues to work toward signing a revised Memorandum of Agreement (MOA) with local communities and local landowner associations. The existing MOA, which was initially signed in 2003 with the first operator of the Kainantu Mine, provides a framework for the relationship and associated commitments between the Company, local communities and various levels of government.

In July 2020, the Company participated in formal consultations involving local landowners and various levels of government to advance the MOA revision process. In principle, the parties agreed on a revised MOA, which now requires approval from the National Executive Council of the PNG Government. However, the MOA renewal process has experienced repeated delays outside the control of the Company and local landowner associations, including due to

the COVID-19 pandemic, which has affected other current and planned resource projects in PNG.

Follow-up stakeholder consultations facilitated by the PNG Mineral Resources Authority were sponsored in 2023. Until a new agreement is formally approved, the original framework will remain in place as our mining operations and associated expansions continue, which is also common among other mining operations in the country.

Investing in Local Socio-Economic Development

We recognize the important role we play as a catalyst for local economic development in PNG. Our operations are one of the primary drivers of economic growth where we operate, and we are committed to sharing the benefits of our operations with our local stakeholders through various value-retention initiatives.

Local procurement is one of the primary drivers of economic activity that emanate from our operations, including direct, indirect and induced economic impacts, the latter of which creates a multiplier effect for the broader economy.

In 2023, our total procurement expenditures in PNG were \$105M, representing 56% of our total procurement spend. We work to prioritize local suppliers by facilitating the creation of local landowner businesses to support the mine through unique Joint Ventures (JVs). Designed to operate long term, JVs are structured so that the local landowners work with established supplier partners, positioning them for future growth, including ventures beyond the mine. JVs supporting the mine currently include services such as transportation, security, camp services, catering, maintenance, mobile equipment and exploration support. In 2023, JV payments totalled \$24.5M.

JVs are also an important component of our Supply and Procurement Plan and our Business Development Plan, which are implemented by our Business Development Office within our External Affairs and Sustainable Development department. These plans are currently being updated.

At K92, we take pride in the value of our economic contributions to various levels of government in PNG. K92 is currently the second-largest taxpayer among mining companies in the country, and in 2023, we paid \$26.8M in taxes and royalties.

SPOTLIGHT: WOMEN IN MINING PROGRAM

While we recognize the key role we play as a catalyst for socio-economic development in PNG, we also recognize that mining is traditionally a male-dominated industry and that women in the country – particularly on the mainland where our operations are located – face particular societal challenges and expectations that can negatively impact their development. That is why we maintain a strategic focus on female empowerment initiatives as part of our overall community investment programming. In fact, recognition that “women drive development” has long been one of K92’s foundational sustainable development principles.

In late 2023, we received the Outstanding Community Humanitarian Initiative award by the PNG Chamber of Resources and Energy (CORE) for the second consecutive year. The award recognizes our achievements related to female empowerment through our Women in Mining program. This program is focused on three main pillars, namely training and awareness initiatives, preventive health programs and support for small enterprises. While the program is focused on

female empowerment, men are frequently involved in various initiatives, such as our training programs for local officials related to sexual and family violence, a key issue impacting local communities in PNG.

Our Women in Mining program is led by Ms. Julie Beu and Ms. Orpah Peter, two K92 Community Relations Officers who work diligently to implement these initiatives in partnership with local stakeholders to ensure the program’s success. Their continued efforts are a testament to their commitment to uplifting women – and entire communities – in PNG.



“While we are proud of the success of this program, we must not forget that our work is just a small part of a much larger picture. The challenges faced by women across the country – and throughout the world – require collective action. We hope that our work at K92 and many other organizations across PNG serve as an inspiration for similar endeavours throughout the nation and beyond.”

– John D. Lewins,
Chief Executive Officer and Director



SPOTLIGHT: SUPPORTING PINKTOBER IN LOCAL COMMUNITIES

As part of our Women in Mining initiatives, K92 Mining marks Pinktober, the international breast cancer awareness month, with various initiatives in local communities. K92 partners with local schools, health-care professionals and community leaders in running workshops and distributing information to give women and young girls greater control over their health and their lives. K92's Women in Mining work also covers menstruation health and hygiene with essential information and promotion of effective practices.

As Ms. Orpah Peter, K92 Women in Mining's Gender Officer, says, "Breast cancer awareness equips local community members with the tools to detect potential health issues early, saving lives. Similarly, addressing menstruation health and hygiene breaks taboos and ensures that girls can pursue their education without hindrance. By fostering open conversations and providing the necessary information and resources, we are nurturing a generation of informed, confident and resilient young women who can advocate for their health and break down societal barriers that have persisted for too long. In turn, we will have healthier, more productive communities."

As it has done previously, K92 Mining staff visited cancer patients at Angau Memorial Hospital in Lae Goroka General Hospital in PNG. The K92 team donated gift packs to their fellow Papua New Guineans bravely battling cancer.



Dulcie Naiab, K92 Shipping Officer, conducting breast cancer awareness in the Dabua village near the Watarais area

“The Company not only creates awareness but also aims to make a direct positive impact in the lives of cancer sufferers during such a challenging time.”

– Ms. Orpah Peter,
K92 Women in Mining's Gender Officer

Supporting Critical Infrastructure

In 2023, we began laying the groundwork for participation in the Government of PNG’s Infrastructure Tax Credit Scheme (ITCS), which enables resource companies in the country to allocate up to 2% of their assessable income for investment in local community infrastructure projects. The funds are then deducted from future corporate tax payable in PNG.

Following extensive consultations with local stakeholders – including local communities and provincial and national planning authorities – we prioritized upgrading the local road from Konkua to Bilimoia, which is currently in need of major resurfacing work. Doing so will significantly increase the safety of the road and will better connect Bilimoia and other local communities to the regional centre of Kainantu and the Highlands Highway – the vital national highway that facilitates the movement of people and goods from the Eastern Highlands to the coastal areas of mainland PNG.



The Konkua/Bilimoia road will be upgraded as part of K92’s contribution to the ITCS.

The PNG Department of National Planning formally approved the project in December 2023 and construction works will commence in 2024. Throughout 2023, K92 hired several internal staff within our External Affairs and Sustainable Development department to implement the project and to build internal capacity for future infrastructure, health and education projects, which will contribute significantly to alleviating health, educational and other public infrastructure needs.

Sustainable Agricultural Livelihoods Program

In addition to mining, agriculture is one of the primary economic activities in the region surrounding the Kainantu Mine. To help local communities capitalize on the agricultural potential of the region, we continue to implement our Sustainable Agricultural Livelihoods Program.

Launched in 2020, the program began as on-the-job training with K92 Mining’s External Affairs and Sustainable Development team setting up model farms near Watarais in the Markham Valley, and Pomasi in the lower Eastern Highlands. By 2023, the program had grown to include nearly 180 farmers, nearly 80% of whom are females. The program is supported by multiple K92 community officers who provide training, mentorship and logistics support.

Local farmers participating in the program now supply a variety of local crops to K92 exploration camps as well as the mess hall at the mine camp, which is operated through a local JV. K92 has also supported the farmers in accessing regional markets through retailers and wholesalers in Lae and Port Moresby.

In 2024, we plan to scale up the program by acquiring more efficient equipment and tools. By doing so, we aim to achieve greater economies of scale and enable local farmers to further access local and regional markets.

Literacy in the Community

Throughout 2023, we continued to operate our unique Adult Literacy Program in partnership with local communities. The program offers three levels of English and Tok Pisin, a predominant local language in PNG, for those who cannot read or write. An average of approximately 150 people have graduated from the program annually since its inception in 2019, 90% of whom are female.

In 2024, the program will continue to expand with close to 400 local community members already enrolled. Given the growing interest and awareness of the program, we will assess the potential rollout to additional communities in 2024.

“The ITCS is a fantastic opportunity for K92 Mining to assist the PNG government in filling the gaps in the badly depleted and needed stock of physical capital in the Eastern Highlands and Morobe Provinces. It also provides the opportunity for local communities to contribute to their own development by taking part in the various projects K92 Mining has planned under the ITCS program over the next few years.”

– Dr. Mark Schubert,
K92 General Manager of External Affairs and Sustainable Development



SPOTLIGHT: YOUTH EMPOWERMENT THROUGH SPORTS AND RECREATION

Sports play an important role in the culture of PNG and a unique role in the growth and development of youth. In recognition of this, since 2022 we have implemented our Youth Sports Program in local communities throughout the Kainantu District. The program is led by Marcus Bai – a renowned PNG rugby athlete and current Superintendent of Field Projects within our External Affairs and Sustainable Development team.

The program invests in various forms of support for local male and female youth sporting initiatives, including sponsorships for various local clubs participating in rugby league, rugby touch, taekwondo and basketball. Sponsorships include support for participation in various local and regional competitions, mentorship and donations of sporting equipment.

Through the ITCS, we are also in the process of planning the construction of small stadiums to improve the conditions for sporting activities. Additionally, we continue to support local participation in national events including sponsorship of Team Eastern Highlands Province for the national PNG Games, which is the premier sporting event in PNG, featuring athletes from all PNG provinces and the pathway for young people's inclusion in Pacific, Commonwealth and Olympic Games teams.



“Investing in our Youth Sports Program is a key way we can invest in the long-term growth and development of youth throughout our host communities. Participating in sporting activities offers a wide range of benefits beyond physical development and well-being, including developing individual discipline transferable to other parts of life, building social relationships and skills as well as fostering a sense of community engagement.”

– Marcus Bai,
K92 Superintendent, Field Projects

ENVIRONMENTAL STEWARDSHIP

We are committed to conducting our business in an environmentally responsible manner. This commitment is enshrined in our mission and vision as a Company and is a key pillar of our overall business strategy.

In this Section:

- 32 Our Approach
- 32 Climate Stewardship
- 34 Tailings Management
- 35 Water Stewardship
- 35 Waste Management
- 35 Biodiversity

Relevant SDGs



Our Approach

At K92, we are committed to conducting our operations in an environmentally responsible manner in line with our strategic vision and mission as a company. Our operational Health, Safety and Environment Policy, approved by K92's General Manager, outlines our commitment to robust environmental management.

To support the policy, we have established an Environmental Management System (EMS). Key elements of the EMS include:

- Defined resources, roles and responsibilities for environmental management
- A risk assessment process to identify environmental hazards
- Objectives and targets
- Training and awareness initiatives
- Standard operating procedures, including for emergency preparedness and response
- Audit and compliance programs
- A clear process for management of non-conformance, and corrective/preventive actions

As part of our EMS, we implement a site-wide, government-approved Environmental Management Plan (EMP) covering key environmental risks and impacts, including sub-plans for water management, land management (including mine closure), biodiversity, air quality, hazardous materials and waste, and environmental compliance. The EMP is subject to renewal in 2024 following the receipt of our revised environmental permit in late 2023.

Our site-level Manager, Environment, has primary responsibility for the implementation of our EMS and EMP and reports directly to our General Manager. The Manager, Environment, is supported by a team of environmental specialists. Overall accountability for the EMP and EMS rests with our CEO.

In 2023, we achieved a significant permitting milestone for our expansion projects by submitting an Environmental Impact Statement (EIS) as part of a government-sanctioned approval process. Following a review of the EIS by independent third parties and the Conservation and Environment Protection Authority (CEPA) of PNG, we were granted a revised environmental permit for our Stage 3 Expansion. Given the brownfields nature of the expansion project, there were no material changes to our existing environmental permit.

The K92 Mining Environment team is involved in reviewing Environmental management plans developed by contractors to determine that they are consistent with the Company's EMP and to identify improvement opportunities, with the overall goal of minimizing environmental impacts.

Climate Stewardship

Overview

The following sections of this report detail our approach to managing climate change and embedding climate considerations throughout our business. The disclosures are guided by the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Going forward, we will work to align our disclosures with the forthcoming climate-related disclosure standards to be released by the Canadian Sustainability Standards Board (CSSB).

Governance

In 2023, we continued to embed climate change management across the Company, from the Board to our operational teams. Our Sustainability Committee has been delegated Board-level responsibility for climate-related oversight, including overseeing the identification of climate-related risks and opportunities. The Sustainability Committee ensures the ongoing reporting of climate-related risks to the Board and assigns responsibility for climate risk management. The Sustainability Committee is chaired by an independent Director, Nan Lee.

The Sustainability Committee reviews and recommends to the Board the approval of the Company's annual sustainability reports, which include the Company's primary climate-related disclosures. The Sustainability Committee also provides oversight for the establishment and progress of the Company's climate-related goals and targets.

Our CEO maintains executive-level responsibility for climate change management, and is supported by our President and COO as well as our Vice President, Projects and Engineering, in implementing climate-related initiatives at the operational and project level. Executive management reports to the Sustainability Committee on climate-related matters at least quarterly.



Yonki Dam reservoir, a key source of the Kainantu Gold Mine's hydroelectricity

Strategy

In 2023, we continued to implement our multi-year climate strategy roadmap to help minimize our climate-related risks and maximize our climate-related opportunities. The roadmap was developed in conjunction with external energy experts and was structured to enable the Company to align with international best practices related to climate change management.

Our climate strategy roadmap is based on the following phased approach:

- **Phase 1: Structure (2022-2023)**
Embedding climate management across the business and establishing GHG reduction targets
- **Phase 2: Reinforce (2023-2024)**
Integrating climate strategy into overall strategic planning
- **Phase 3: Continuous Improvement (2025 and onward)**
Continuing to implement action plans and reporting on progress against our objectives, including objectives that are in line with existing and emerging climate disclosure standards

Operationally, the core of our climate strategy is focused on enhancing access to grid electricity at our operations in PNG. A significant portion of the local grid is supplied by hydropower from facilities within the vicinity of the mine. This provides our operations with significant potential to reduce our reliance on diesel generators, which are significantly more energy intensive, for our power needs at our underground operations and processing facilities.

The Company is committed to working closely with the local power provider to complete upgrades to local power infrastructure and enhance our access to and reliability of grid electricity. We continued this work in 2023 by establishing a new temporary power station at our operations and advancing upgrades to the overhead power line. A permanent power station will be established in 2025 to support our ongoing expansion efforts.

Risks and Opportunities

We use qualitative climate scenario analysis to identify and assess climate-related risks and opportunities. Our most recent analysis was conducted in 2022 by recognized external energy experts and included engagement with executive leadership and operations personnel.

The Company's exposure and vulnerability were assessed for various climate hazards using defined short-, medium-, and long-term time horizons. Both physical and transition climate risks and opportunities were evaluated based on the risks and opportunities outlined in the TCFD framework.

The assessment results indicated that short-term, physical climate risks to our operations in PNG are relatively low. Extreme high temperatures and increased maximum daily precipitation are the most significant medium or high physical climate risks. Wildfire risk is considered low over the short, medium and long term and water stress is not expected to be a risk before 2050. The most significant climate transition risk over the medium and long term is the potential establishment of a carbon tax in the jurisdictions where the Company operates.

Key climate-related opportunities include enhancing access to grid electricity at our operations. The Company currently relies on standby diesel-powered electricity generation for a significant portion of its power needs, a relatively emissions-intensive practice. Grid electricity supplied to our operations, on the other hand, is primarily in the form of hydropower, a clean, renewable energy source. The electrification of our underground mobile fleet also presents a significant opportunity for emissions reductions. We will continue to evaluate this opportunity as we progress our expansion efforts.

Although our primary focus will be emissions reductions against our business-as-usual forecasts (as outlined in the following section), we recognize the important role that carbon offsets will play in achieving global net zero climate ambitions. In 2023, legislation was passed in PNG related to the reforming of the country's carbon offsetting regulations. We will continue to monitor developments related to the legislation to potentially invest in carbon offsets in PNG, given the vast potential of such programs in the country.

In 2024, we are continuing to embed climate-related risks into our overall ERM practices. This includes the integration of climate-related risks into our operational risk registers.

Metrics and Targets

Operating a high-grade, underground gold mine, we have a significantly lower carbon footprint among gold mining companies globally. On a GHG-per-tonnes-milled basis, our emissions profile is also expected to reduce significantly over the life of our expansion projects.

Our primary energy uses include diesel consumption for electricity generation and mobile equipment as well as grid electricity to power our processing facilities. Currently, the grid electricity we purchase is primarily in the form of hydroelectricity from the local power provider, PNG Power Limited.

We maintain a comprehensive energy and GHG emissions inventory developed by external energy experts to track and understand our energy consumption and overall carbon footprint. The inventory is prepared in alignment with the GHG Protocol Corporate Accounting and Reporting Standard.

In 2023, we set our inaugural energy and GHG reduction target to support the implementation of our climate strategy. To support the development of the target, we completed energy and GHG emissions forecasting work for the life of our expansion projects, which was completed by our external expert energy advisors.

Following this work, we set an ambitious, yet achievable target to reduce our emissions by 25% by 2030 against a business-as-usual forecast.¹ The emissions reduction target has been set against our 2021 GHG emissions baseline. This business-as-usual reduction target was chosen as the most appropriate reduction target for the Company, given that our operations are currently in an expansion phase, with significant increases in production expected in the near term.

Key performance data related to our energy consumption and associated GHG emissions can be found in the performance data tables on [pages 41-42](#) of this report.

¹ A business-as-usual target is defined as a reduction in GHG emissions against an established baseline forecast assuming no intervention measures have been taken to reduce carbon emissions.



Tailings Management

Our approach to tailings management begins with project design. Our tailings storage facility (TSF) is one of only two operated by mining companies in PNG. The TSF was designed using the downstream method and the bottom of the facility is lined with a compacted clay liner, while the upstream side of the embankment wall is lined with a high-density polyethylene (HDPE) liner. The TSF is designed to the standards of the Australian National Committee on Large Dams (ANCOLD, 2019), the recommended body for Australian Tailings Management Standards for Planning, Design, Construction, Operational and Closure.

No cyanide is used for processing at our operations and approximately 70% of the water from our TSF is recycled for reuse in the process plant, which reduces the need for freshwater withdrawal from surface and bore water sources. A small percentage of water is discharged into the receiving environment during the wet season, following treatment through an aerobic and anaerobic wetland system.

NO CYANIDE IS USED FOR PROCESSING AT OUR OPERATIONS AND APPROXIMATELY 70% OF THE WATER FROM OUR TSF IS RECYCLED FOR REUSE IN THE PROCESS PLANT, WHICH REDUCES THE NEED FOR FRESHWATER WITHDRAWAL FROM SURFACE AND BORE WATER SOURCES.

Discharge points are monitored through regular sampling in conjunction with a globally recognized, accredited laboratory in Australia. Reports are submitted to environmental regulators on a monthly and annual basis.

We maintain a TSF integrity monitoring plan for robust maintenance and surveillance of the facility. This plan is integrated into our overall EMP. We have installed a wide range of monitoring instruments to measure movement and internal pressures, linked with a live monitoring system, thereby enhancing the safe operation of the TSF.

Our TSF Engineer of Record (EoR) conducts quarterly and annual audits of the facility, conducts routine reviews and inspections, and makes recommendations for continual improvement in management and performance. Tailings management was also included as a key component of the ESG audit that we commissioned in 2023, which helped further define continual improvement measures in our tailings management practices.

Tailings Expansion

As part of our Stage 3 Expansion plans, we began preliminary work in 2023 to build a paste backfill plant, which will be operational in 2025. The paste, which is a combination of tailings, water and binders, will be used to fill underground voids. This will provide additional geotechnical stability in the underground mine, while simultaneously lowering our environmental impacts by reducing the amount of processing waste that would otherwise be disposed of in the TSF. Once the plant commences operation, over 60% of the tailings we generate will be used for these purposes.

As part of our Stage 4 Expansion plans, we will require the use of an additional TSF to supplement our tailings storage capacity. We plan to adopt leading tailings management solutions for the new TSF in alignment with local and international regulations, guidelines and standards, including ANCOLD as well as the Global Industry Standard on Tailings Management (GISTM, 2020), which aims to strengthen the mining industry's current practices by integrating robust environmental, social, governance and technical considerations into tailings management.

In our 2022 Sustainability Report, we set a goal of progressing our work to align with the GISTM. In 2023, we commissioned an external review against the standard to assess our current readiness for implementation. We will continue to progress this work ahead of the design and construction of the new TSF that we will require for our Stage 4 Expansion.



Local student at the Watarais primary school, which the Company supports through investments in water projects

100%
of underground waste rock repurposed

~70%
of water from our TSF recirculated

ZERO
cyanide used on site, eliminating associated environmental and safety risks

Water Stewardship

To minimize our water-related impacts, we conduct water assessments, including hydrogeological assessments, as part of our project planning process.

Our operations are not located in a region of “high” water stress as defined by the Aqueduct Water Risk Atlas of the World Resources Institute. We reuse a significant amount of water to reduce our water extraction needs and overall consumption. Currently, approximately 70% of the water from our TSF is recirculated to our processing facilities. We extract a small amount of surface freshwater as makeup water for our processing facilities, and water is supplied to our camp accommodation facilities from local bores.

We implement a comprehensive water quality monitoring program for both surface water and groundwater, to maintain ongoing compliance with environmental regulations and our operating permits. We conduct monthly water quality sampling for key parameters and samples are sent to an accredited laboratory in Australia for analysis.

In 2023, we commissioned an external review of our water management practices, with a goal of continual improvement in our performance related to water impacts over time. We are currently developing updated water balance models to help effectively manage water throughout the life of our expansion projects.

Waste Management

The Kainantu Gold Mine and associated expansion projects have been designed in such a way that minimizes environmental risk from hazardous materials and waste.

Importantly, we have made a commitment not to use cyanide in our processing facilities, including for our expansion projects and our new 1.2 million tonnes per annum process plant. This eliminates a key environmental and health and safety risk, as well as associated management requirements, found at most operating gold mines globally. This includes environmental and safety risks associated with the transport, storage and use of cyanide, including within our TSF.

Additionally, although we generate waste rock in our underground mine, we currently do not have permanent surface waste rock storage facilities at our operations. In support of our expansion projects, nearly 100% of underground waste was either used as backfill or transported to the surface in 2023 where it was repurposed for the construction of the expansion of the embankment at our TSF, for ground stability support for various infrastructure including our new process plant, and for road construction.

We maintain a site-level solid and liquid waste management plan as part of our overall EMP. Waste management is routinely monitored as part of our monthly and annual environmental compliance reporting.

In 2023, we continued to work in partnership with local contractors to facilitate the recycling of general waste, waste oil, scrap metals and other waste material generated by the mine.

Biodiversity

Operating a high-grade, underground gold mine, which has fewer impacts on flora and fauna as compared with surface mining operations, contributes to our operations having one of the smallest environmental footprints among mining companies in PNG.

Comprehensive biodiversity baseline studies have been completed to characterize the local flora and fauna in the region. We supplemented these studies with biodiversity assessment work as part of the EIS that we completed in 2023 for our expansion projects. We also maintain a terrestrial flora and fauna management plan as part of our overall EMP and EMS, and the plan is being updated in 2024.

K92’s nursery at the mine site currently has more than 10,000 tree seedlings used to revegetate and rehabilitate land that is disrupted by our operations. The seedlings are also used to support our communities and their environmental programs. Since 2020, K92 has been a participant in the PNG Environment Minister’s 10 Million Trees for 10 Years program. This program aims to plant one million trees per year until 2030 to help mitigate climate change impacts, protect land and improve livelihoods for local communities. In 2023, the K92 Environment team, with assistance from the K92 Community Relations team, delivered more than 1,000 tree seedlings to impacted schools around the mine to commemorate World Environment Day.

PERFORMANCE DATA

Economic Benefits

Metric	2023	2022
Economic value generated and distributed (millions of USD)		
Revenue	\$200.3	\$188.2
Net income	\$33.7	\$35.5
Production of finished metal (AuEq ounces)	117,607	122,806
Ore mined (t)	506,318	448,079
Ore processed (t)	503,484	448,087
Production costs	\$111.4	\$96.3
Salaries paid in PNG	\$21.2	\$19.3
Corporate income tax	\$10.8	\$17.2
Taxes and royalties in PNG ¹	\$26.8	\$31.8
Direct community investments	\$0.8	\$1.1

Metric	2023	2022
Local procurement spend (millions of USD)		
Local suppliers ²	\$105.0	\$81.3
Foreign suppliers	\$83.9	\$55.8
TOTAL	\$188.9	\$137.1

Metric	2023	2022
Local procurement spend (as % of total PNG spend)		
Local suppliers ²	56%	59%
Foreign suppliers	44%	41%

1 Includes corporate tax, payroll tax, import duties, and royalties.

2 Local suppliers are defined as companies based in Papua New Guinea.

Health and Safety

Metric ¹	2023	2022
Health and safety key performance indicators		
Hours worked	7,647,652	6,440,252
Fatalities	4	0
Fatality rate	0.52	0
Lost-time injuries ²	7	2
Lost-time injury frequency rate (LTIFR) ²	0.92	0.31
Near-misses	36	39
Near-miss injury frequency rate (NMIFR)	4.71	6.06
Total recordable incidents	11	8
Total recordable injury frequency rate (TRIFR)	1.44	1.24

Metric	2023	2022
Safety training		
Average hours of health and safety training for employees and contractors	5	7

1 Rates are calculated per 1,000,000 hours worked and include both employees and contractors.

2 Includes fatalities.

Employment

Metric	2023	2022
Employment		
Corporate		
Total employees (Canada)	11	8
Total employees (Australia)	12	4
TOTAL CORPORATE	23	12
Operations		
Total employees	1,112	946
Total contractors	575	531
TOTAL OPERATIONS WORKFORCE (EMPLOYEES + CONTRACTORS)	1,687	1,477
% employees	66%	64%
% contractors	34%	36%

Metric	2023	2022
Employee and contractor origin		
Operations		
% employees from Papua New Guinea	92%	92%
% employees international	8%	8%
% contractors from Papua New Guinea	96%	97%
% contractors international	4%	3%

Employment (continued)

Metric	2023	2022
Employee turnover		
Corporate		
Male turnover rate	17%	0%
Female turnover rate	50%	0%
TOTAL TURNOVER RATE	30%	0%
Operations		
Male turnover rate (for year)	13%	14%
Female turnover rate (for year)	5%	9%
TOTAL TURNOVER RATE (ANNUALIZED)	12%	14%

Metric	2023	2022
Diversity		
Corporate – CAN + AUS		
Total female employment	6	2
Total female employment (as % of total employment)	25%	17%
Females in senior management (general manager or higher) (%)	14%	9%
Operations – PNG		
Total female employment	91	72
Total female employment (as % of total employment)	8%	8%

Metric	2023	2022
Labour relations		
Operations		
% of staff covered by collective bargaining agreements	0%	0%
Strikes or lockouts	0	0

Employment (continued)

Metric	2023	2022
Training		
Operations		
Total hours of employee and contractor training	57,022	56,592
Average hours of training per employee/contractor	33.8	38.3

Community Relations

Metric	2023	2022
Community investment (millions of USD)		
Direct community investment	\$0.8	\$1.1
Amount invested in local Joint Ventures	\$24.5	\$21.3

Metric	2023	2022
Non-technical delays		
Number and duration of non-technical delays	0	0
Workers covered by collective bargaining agreements (%)	0%	0%

Environmental Compliance

Metric	2023	2022
Reportable environmental incidents		
Reportable to regulatory authorities	1	0
Significant fines ¹	0	0
Significant spills ²	0	0

1 Significant fines are defined as fines from the PNG Conservation and Environment Protection Authority (CEPA) or reported in our annual Financial Statements.

2 Significant spills are defined as spills reportable to CEPA or reported in our annual Financial Statements.

Energy and Emissions

The following data have been prepared with reference to the *Corporate Accounting and Reporting Standard (Revised Edition)* developed by the Greenhouse Gas Protocol of the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). Reporting boundaries are based on “operational control.” Emissions factors include Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report.

Metric	2023	2022
Energy consumption		
Electricity purchased (GJ) ¹	84,976	66,477
Electricity generated (GJ)	31,436	40,473
Diesel (GJ) ²	362,069	310,846
Gasoline (GJ)	66	40
Natural gas (GJ)	0	0
Propane (GJ)	895	769
Mineral oil (GJ)	3,918	2,085
Fuel oil (GJ)	60	158
TOTAL ENERGY CONSUMPTION (GJ)	483,419	420,848

Metric	2023	2022
Energy consumption intensity		
GJ/oz gold equivalent produced	4.11	3.43
GJ/tonne ore processed	0.96	0.94

Metric	2023	2022
Greenhouse gas emissions (tonnes of CO₂e)		
Scope 1 ³	31,328	24,338
Scope 2 (location-based)	17,036	13,327
Scope 2 (market-based) ⁴	4,533	3,546
Total Scope 1 + 2 (location-based) ⁵	48,363	37,666
Total Scope 1 + 2 (market-based) ⁵	35,860	27,847

1 Purchased electricity values were estimated based on annual throughput and historical electricity intensity values due to technical issues with metering at site. All electricity is purchased from PNG Power Ltd.

2 Includes fuel for diesel generators, mobile equipment, light vehicles and fixed plant.

3 Calculations include CO₂, CH₄ and N₂O.

4 Calculations include CO₂, CH₄ and N₂O.

5 Scope 1 + Scope 2 emissions.

Energy and Emissions (continued)

Metric	2023	2022
Greenhouse gas emissions intensity (tonnes of CO₂e)		
Per oz gold equivalent produced (location-based)	0.41	0.31
Per oz gold equivalent produced (market-based)	0.30	0.23
Per t ore processed (location-based)	0.10	0.08
Per t ore processed (market-based)	0.07	0.06

Metric	2023	2022
Renewable and non-renewable energy consumption (as % of overall consumption)		
Renewable	14%	13%
Non-renewable	86%	87%

Waste, Water and Materials

Metric	2023	2022
Waste management		
Total material mined (ore plus waste) (t)	1,198,059	994,175
Ore mined (t)	506,318	448,079
Waste rock generated (t)	660,307	546,096
Waste rock for repurposing (t) ¹	660,307	436,654
Waste rock repurposed as % of total waste rock	100%	80%
Tailings produced (t)	482,347	427,766
Domestic waste generated (t) ²	4,931	155
% of sites in high-risk areas for water stress ³	0%	0%

1 Waste rock is repurposed for underground backfill and construction works.

2 Values are not comparable year-over-year as 2023 metrics include additional waste streams beyond kitchen waste.

3 High-risk as defined by the Aqueduct Water Risk Atlas from the World Resource Institute.

Waste, Water and Materials (continued)

Metric	2023	2022
Waste recycled		
Waste oil (L)	225,000	242,000
Scrap metal (tonnes)	581	219

Metric	2023	2022
Water		
Bore water withdrawal (ML)		
Kumian Camp	131	124
Process water	57	50
Total freshwater withdrawal ¹	188	174
Water discharge (ML)		
TSF water	76	255
Mine dewater	1,823	1,605 ²

Metric	2023	2022
Chemicals consumption		
Cyanide (tonnes) ³	0	0

Mine Closure

Metric	2023	2022
Land rehabilitation		
Operations covered by mine closure plans (%)	100%	100%
Mine closure provisions (millions of USD) ⁴	\$19.6	\$19.1

1 Includes bore water extraction. Does not include rainwater.

2 Value re-stated due to reporting error in 2022.

3 The Kainantu Gold Mine does not use cyanide.

4 Values are undiscounted.

Governance

Metric ¹	2023	2022
Director independence and tenure		
% of directors independent	71%	78%
% committee independence		
Audit Committee	100%	100%
Compensation and Benefits Committee	100%	100%
Nominating and Corporate Governance Committee	100%	100%
Sustainability Committee	67%	67%
Health and Safety Committee	67%	33%

Metric ¹	2023	2022
Director diversity		
% male	57%	67%
% female	43%	33%

Metric	2023	2022
Senior management diversity		
% male	78%	78%
% female	22%	22%

Metric	2023	2022
Anti-corruption and whistleblower metrics		
Corruption incidents	0	0
Whistleblower complaints	0	0

¹ As at the end of the 2023 calendar year.

SASB INDEX

Code	Accounting Metric	Page Reference/Disclosure Response
Greenhouse Gas Emissions		
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Performance Data Tables, page 41 . None of our emissions are covered under such regulations.
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Pages 32-33 .
Air Quality		
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	We do not currently track the total quantity of air emissions but do monitor the concentration of key pollutants in the air, including that of carbon monoxide as per regulatory requirements.
Greenhouse Gas Emissions		
EM-MM-130a.1	(1) Total energy consumed	Performance Data Tables, page 41 .
	(2) Percentage grid electricity	Performance Data Tables, page 41 .
	(3) Percentage renewable	Performance Data Tables, page 41 .
Water Management		
EM-MM-140a.1	(1) Total fresh water withdrawn, percentage of each in regions with high or extremely high baseline water stress	Performance Data Tables, page 43 .
	(2) Total fresh water consumed	See pages 35 and 43 . We only calculate total water withdrawal, not entire consumption per standard water accounting frameworks. We will work to enhance our water management metrics for our 2024 Sustainability Report.
	(3) Percentage of each in regions with high or extremely high baseline water stress	Zero per classifications of the Aqueduct Water Risk Atlas of the World Resources Institute.
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	There were no incidents of non-compliance associated with water quality permits, standards, and regulations in 2023.
Waste and Hazardous Materials Management		
EM-MM-150a.4	Total weight of non-mineral waste generated	Performance Data Tables, pages 42-43 .
EM-MM-150a.5	Total weight of tailings produced	Performance Data Tables, pages 42-43 .
EM-MM-150a.6	Total weight of waste rock generated	Performance Data Tables, pages 42-43 .
EM-MM-150a.7	Total weight of hazardous waste generated	Performance Data Tables, pages 42-43 .
EM-MM-150a.8	Total weight of hazardous waste recycled	Performance Data Tables, pages 42-43 .

Code	Accounting Metric	Page Reference/Disclosure Response
EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	Performance Data Tables, page 40 .
EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	Pages 32 and 35 .
Biodiversity Impacts		
EM-MM-160a.1	Description of environmental management policies and practices for active sites	Pages 31–35 .
EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Per our Integrated Development Plan for our Stage 3 and 4 Expansions, K92's operations show evidence of acid rock drainage, the majority of which is likely from historical underground workings at Irumafimpa. Acid drainage is considered an environmental risk as part of our expansion projects and will be a key aspect of our environmental management efforts as well as our mine closure efforts. Mitigation measures are underway and planned.
EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	K92 does not operate in areas with protected conservation status or endangered species habitat.
Security, Human Rights and Rights of Indigenous Peoples		
EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	K92 does not operate in areas with proved and/or probable reserves in or near areas of conflict.
EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves on or near Indigenous land	K92 does not operate in areas with proved and/or probable reserves on or near Indigenous land, per SASB guidance.
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	See Human Rights Policy on page 15 .
Community Relations		
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Pages 25-26 .
EM-MM-210b.2	Number and duration of non-technical delays	K92 had no non-technical delays in 2023 related to conflicts within the local communities near the Kainantu mine site.
Labour Relations		
EM-MM-310a.2	Number and duration of strikes and lockouts	There were no strikes or lockouts at our operations in 2023.
Workforce Health and Safety		
EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near-miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Performance Data Tables, page 37 . We calculate our safety metrics combining both employees and contractors.

Code	Accounting Metric	Page Reference/Disclosure Response
Business Ethics and Transparency		
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	K92 supports the PNG Extractive Industry Transparency Initiative (PNGEITI), including by serving as a voting member of its Multi-Stakeholder Group (MSG) and by disclosing annual data and information to support its mandate, page 15 .
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Papua New Guinea does not rank within the lowest 20 countries of Transparency International's Corruption Perception Index (2022 edition).
Tailings Storage Facilities Management		
EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific Emergency Preparedness and Response Plan (EPRP)	(1) Kainantu Gold Mine Tailings Storage Facility (TSF) (2) Location – Kainantu Gold Mine, (6° 6'25.55"S 145°53'29.64"E) (3) Ownership status – K92 Mining Limited (4) Operational status – In operation (5) Construction method – Downstream embankment construction (6) Maximum permitted storage capacity – 1,864,407 m ³ (7) Current amount of tailings stored – 1,504,407 m ³ (8) Consequence classification – Very low for environmental spill scenario and extreme for dam break scenario (9) Date of most recent independent technical review – November 2023 (10) Material findings – No unsafe conditions were observed at the Kainantu TSF, although recommendations were made to align K92 practices with the GISTM. (11) Mitigation measures: a. Commitment to develop roadmap for alignment with the GISTM. (12) Site-specific EPRP – K92 has a site-specific Emergency Safety Plan in place that outlines internal emergency response procedures. While full external emergency preparedness is not outlined, an EPRP and Triggered Action Response Plan (TARP) will be developed and used at the facility in accordance with international best practices.
EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	Page 34 .
EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	We will enhance our Emergency Safety Plan to encompass a full EPRP as part of our work to align with the GISTM.
Activity Metrics		
EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	Performance Data Tables, page 36 .
EM-MM-000.B	Total number of employees, percentage contractors	Performance Data Tables, page 38 .

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Sustainability Report 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 Sustainability Report that address events or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or

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

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation, public health crises, including the COVID-19 pandemic; changes in the price of gold, silver, copper and other metals in the world markets; fluctuations in the price and availability of infrastructure and energy and other commodities; fluctuations in foreign currency exchange rates; volatility in price of our Common Shares; inherent risks associated with the mining industry, including problems related to weather and climate in remote areas in which certain of the Company’s operations are located; failure to achieve production, cost and other estimates; risks and uncertainties associated with exploration and development; uncertainties relating to estimates of mineral reserves and mineral resources including uncertainty whether mineral resources will ever be converted into mineral reserves; the Company’s ability to carry on current and future operations, including development and exploration activities; the timing,

extent, duration and economic viability of such operations, including any mineral resources or mineral reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company’s ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the price and market for outputs, including gold, silver and copper; inability of the Company to identify appropriate acquisition targets or complete desirable acquisitions; failures of information systems or information security threats; political, economic and other risks associated with the Company’s foreign operations; geopolitical events and other uncertainties, such as the conflict in Ukraine; compliance with various laws and regulatory requirements to which the Company is subject, including taxation; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions, including relationship with the communities in jurisdictions it operates; the ability of the Company to satisfy the conditions precedent to the Trafigura Loan Agreement (as defined herein), including obtaining regulatory approvals in a timely manner or at all; other assumptions and factors generally associated with the mining industry; and the risks, uncertainties and other factors referred to in the Company’s Annual Information Form (“**AIF**”) under the heading “Risk Factors” and elsewhere in the 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 Sustainability Report 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.



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