



K92 Mining Inc. ("K92") Releases Third Quarter Financial Results and Confirms 2018 Production Guidance



November 26, 2018 09:00 ET | **Source:** K92 Mining Inc.

- **Production of 9,549 gold ozs or 9,910 gold equivalent (AuEq) ozs for the Quarter at a cost of \$742/gold oz or \$742/ gold equivalent oz and an all-in sustaining cost of \$899/gold oz or \$894/gold equivalent oz¹**
- **Revenue less Cost of Sales for the three months ended September 30, 2018, was US\$1,957,539**
- **Reaffirms production guidance issuance for 2018 expected to be between 44,000 (previously 42,000) and 46,000 gold equivalent ozs**
- **Cash cost guidance for 2018 expected to be US\$530 to US\$560 per gold equivalent oz, with all-in sustaining costs expected to be US\$740 to US\$800 per gold equivalent oz¹**

Note¹ - a non-IFRS measure computed in the Company's MD&A in the non-IFRS performance measures section.

VANCOUVER, British Columbia, Nov. 26, 2018 (GLOBE NEWSWIRE) -- K92 Mining Inc. (TSX-V: KNT; OTCQX: KNTNF) ("K92") is pleased to provide third quarter financial results and confirm 2018 production guidance.

For complete details of the unaudited condensed consolidated interim financial statements and associated management's discussion and analysis, please refer to the Company's filings on SEDAR. All amounts are in U.S. dollars unless otherwise indicated.

Other Highlights

- An updated resource estimate was completed for Kora North, resulting in an increase of over 25% in contained gold ozs in Measured and Indicated and Inferred Resources. The new resource comprises a Measured Resource of 154,000 tonnes

@ 18.7 g/t Au, 8.9 g/t Ag and 0.5% Cu; an Indicated Resource of 690,000 tonnes @ 11.6 g/t Au, 14.1 g/t Ag and 0.8% Cu and an Inferred Resources of 1,920,000 tonnes @ 10.7 g/t Au, 13.3 g/t Ag and 0.7% Cu announced.

- No lost time injuries recorded in the three months ended September 30, 2018.

John Lewins, K92 Chief Executive Officer and Director, states, *"The third quarter of 2018 saw production from the Kora deposit of 9,910 ozs of gold equivalent ozs. This was achieved despite having a period of 3 weeks in July when ore production was halted to allow remediation and upgrading of ground support in areas of the main incline to be completed. Due to this reduction in ore mining operations, reduced ounces for the quarter caused a one-time increase in Cash Cost of US\$742/oz and AISC of US\$899/oz. Following the restart of ore mining operations, production has continued to ramp up with September and then October setting new production records. As a result, the lower end of the range for 2018 guidance issued earlier in the year has been increased to 44,000 gold equivalent ozs (previously 42,000) with the upper range unchanged at 46,000 gold equivalent ozs. K92 expects year-end costs to average within guidance set out earlier this year.*

The remediation and replacement of ground support was focused around muck bay 4 where a fall of ground ("FOG") necessitated the acceleration of work that had been scheduled to be undertaken over an extended period to minimize impact on operations. However, as a result of the FOG it was decided to complete it in a single period of approximately 3 weeks, with the benefit of reduced impact later in the year."

MINE OPERATING ACTIVITIES

| | Three months ended September 30, 2018 | Six months ended September 30, 2018 |
|---|--|--|
| Operating data | | |
| Head grade (Au g/t) | 16.07 | 18.09 |
| Gold Recovery (%) | 94.0% | 93.0% |
| Gold ounces produced | 9,549 | 29,358 |
| Gold ounces equivalent produced ⁽¹⁾ | 9,910 | 30,439 |
| Pounds of copper produced | 146,315 | 440,925 |
| Silver ounces produced | 2,551 | 6,974 |
| Financial data (in thousands of dollars) | | |
| Revenues -- gold sales | \$9,390 | \$31,650 |
| Mine operating expenses | (\$6,956) | (\$16,859) |
| Depreciation and depletion | (\$476) | (\$1,621) |
| Statistics (in dollars) | | |
| Average realized selling price (per ounce) | \$1,199 | \$1,278 |
| Cash cost (per ounce) ⁽¹⁾ | \$742 | \$623 |
| All-in sustaining cost (per ounce) ⁽¹⁾ | \$899 | \$810 |

Review of financial results

Net income

The Company's net income for the nine-month period ended September 30, 2018, totalled \$5,557,294 or income per share of three cents compared with net loss of \$10,162,667 or a loss per share of seven cent for the nine-month period ended September 30, 2017.

Notes:

- (1) The Company provides some non-international financial reporting standard measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. Please refer to non-IFRS financial performance measures of the Company's management's discussion and analysis dated November 22, 2018, available on SEDAR for reconciliation of these measures.

K92 has not based its production decisions on mineral reserve estimates or feasibility studies, and historically such projects have increased uncertainty and risk of failure. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Qualified person

K92 mine geology manager and mine exploration manager, Andrew Kohler, PGeo, a qualified person under the meaning of Canadian National Instrument 43-101, has reviewed and is responsible for the technical content of this MD&A. Data verification by Mr. Kohler includes significant time onsite reviewing drill core, face sampling, underground workings, and discussing work programs and results with geology and mining personnel.

For further information regarding the Kainantu gold mine, please refer to the technical report dated March 2, 2017, and entitled "Independent Technical Report, Mineral Resource Update and Preliminary Economic Assessment of Irumafimpa and Kora Gold Deposits, Kainantu Project, Papua New Guinea," available on SEDAR.

On Behalf of the Company,

John Lewins, Chief Executive Officer and Director

For further information, please contact the Company at +1-604-687-7130.

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developments that the Company believes, expects or anticipates will or may occur are forward-looking information, including statements regarding the realization of the preliminary economic analysis for the Project, expectations of future cash flows, the proposed plant expansion, potential expansion of resources and the generation of further drilling results which may or may not occur. Forward-looking statements and information contained herein are based on certain factors and assumptions regarding, among other things, the market price of the Company's securities, metal prices, exchange rates, taxation, the estimation, timing and amount of future exploration and development, capital and operating costs, the availability of financing, the receipt of regulatory approvals, environmental risks, title disputes, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, claims and limitations on insurance coverage and other risks of the mining industry, changes in national and local government regulation of mining operations, and regulations and other matters.. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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