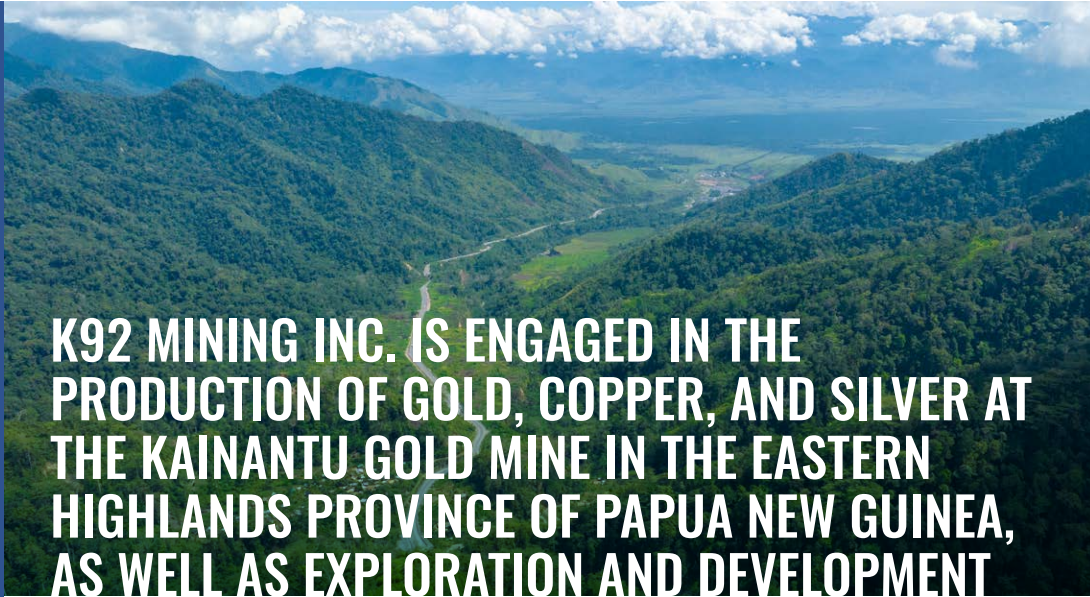




2022 SUSTAINABILITY REPORT

# SOCIALLY RESPONSIBLE MINING



**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, AS WELL AS 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. THE COMPANY IS CARRYING OUT A SERIES OF EXPANSIONS AT THE MINE AND 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 fourth annual Sustainability Report, which provides an overview of our environmental, social and governance (ESG) performance for 2022. The report has been prepared in alignment with the Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard. Sustainability performance data covers our 2022 fiscal year (ended December 31, 2022) unless otherwise indicated and relates to all our operations and activities. Sustainability performance data tables can be found on [pages 33–41](#). All financial figures are in United States dollars unless otherwise indicated.

We continue to closely monitor external sustainability reporting expectations and needs of our stakeholders, including the newly released ISSB Standards. We will also continue to closely monitor forthcoming decisions of the Canadian Securities Administrators (CSA) in relation to climate-related and general sustainability disclosure requirements. 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.

## MESSAGE FROM THE CEO

On behalf of the K92 team, I am pleased to welcome you to our 2022 Sustainability Report. The report presents our primary annual environmental, social, and governance (ESG) disclosures and summarizes our sustainability performance during the year.

In 2022, we continued to expand our operational capacity in both mining and processing, while significantly strengthening our financial position and achieving significant success in our exploration, both on our Mining Lease and on our Exploration Leases. We achieved record annual production with over 122,000 gold-equivalent ounces produced backed by record tonnes mined and processed. Importantly, we realized these achievements while maintaining an impressive safety record, with a lost-time injury frequency rate of 0.31.

Additionally, we achieved several major project development milestones during the year, aimed at transforming Kainantu into one of the industry's next world-class gold mines. In September 2022, we released the results of our Integrated Development Plan (IDP) for our Stage 3 and 4 expansions, which were subsequently approved for execution by our Board of Directors in December, concurrent with approval from the Government of Papua New Guinea to extend our

mining lease to 2034. The early approval of the mining lease is testament to the significant support among our stakeholders, including various levels of government and our host communities, for the continued advancement of Kainantu.

In 2022, we continued to work to further embed ESG across all levels of our business. At the Board of Directors level, we established a new, standalone Sustainability Committee, which will play a key role in overseeing ESG and sustainability matters across the company. We also continued to advance our Board diversity strategy, which establishes a target of 30% female representation on the Board of Directors. During the year, we surpassed this target with 33% female representation on the Board. We also worked in close partnership with PNG Power Limited by making a \$1M investment to upgrade the power infrastructure near the mine, increasing power reliability from the electrical grid and helping to further reduce our greenhouse gas emissions.

At K92, we pride ourselves on the significant value we generate for the economy of Papua New Guinea. By December 2022, the number of employees and contractors engaged in our operations increased to 1,477, approximately 94% of whom were Papua New Guinean nationals.

We paid over \$19.3M in salaries and benefits in Papua New Guinea as well as some \$17.3M in corporate taxes, making K92 the second largest tax contributor among mining companies in the country. We also procured over \$81M from local suppliers as well as \$21M in goods and services from unique, local Joint Ventures, which are structured so that local landowners work with established supplier partners to secure contracts with the mine.

We are also very proud of our local education and skills development initiatives, which, in 2022, included a total of 38 tertiary scholarships and 200 graduates from our adult literacy program, 90% of whom were women. We also invested over \$1.1M in community initiatives during the year and, based on a new Tax Credit Scheme enacted by the Government of Papua New Guinea in 2022, up to two percent of the company's assessable income can now be allocated by the company for spending on approved community projects, including local infrastructure, health programs, and educational initiatives, and deducted from future corporate tax payable. This is in addition to our various community and social programs.

While this report covers the 2022 fiscal year, we must acknowledge the tragic fatalities that occurred earlier in 2023 (as disclosed in our press releases



dated 5 May and 28 June 2023). We are committed to transparently disclosing information regarding these incidents and the steps that we have taken to help ensure that they do not happen again. We will provide additional disclosures on these matters in our 2023 Sustainability Report. Safety and the well-being of everyone at K92 is and always will be our highest priority, and I look forward to working diligently alongside the K92 team to deliver sustainable value for all our stakeholders in 2023 and beyond.

**John Lewins**  
Chief Executive Officer

**1,477**

full-time employees and contractors

**\$19.3M**

in salaries and benefits paid in PNG

**\$1.1M**

in direct community investments

**\$21.3M**

in Joint Venture payments in PNG

**\$81.3M**

in procurement in PNG

**\$31.8M**

taxes and royalties in PNG

**\$17.3M**

second largest corporate taxpayer  
in the mining industry in PNG

**66%<sup>1</sup>**

lower carbon intensity compared to  
global average

**25%**

GHG reduction target set against  
business-as-usual forecast by 2030

**~94%**

total workforce from PNG

**0.31 LTIFR**

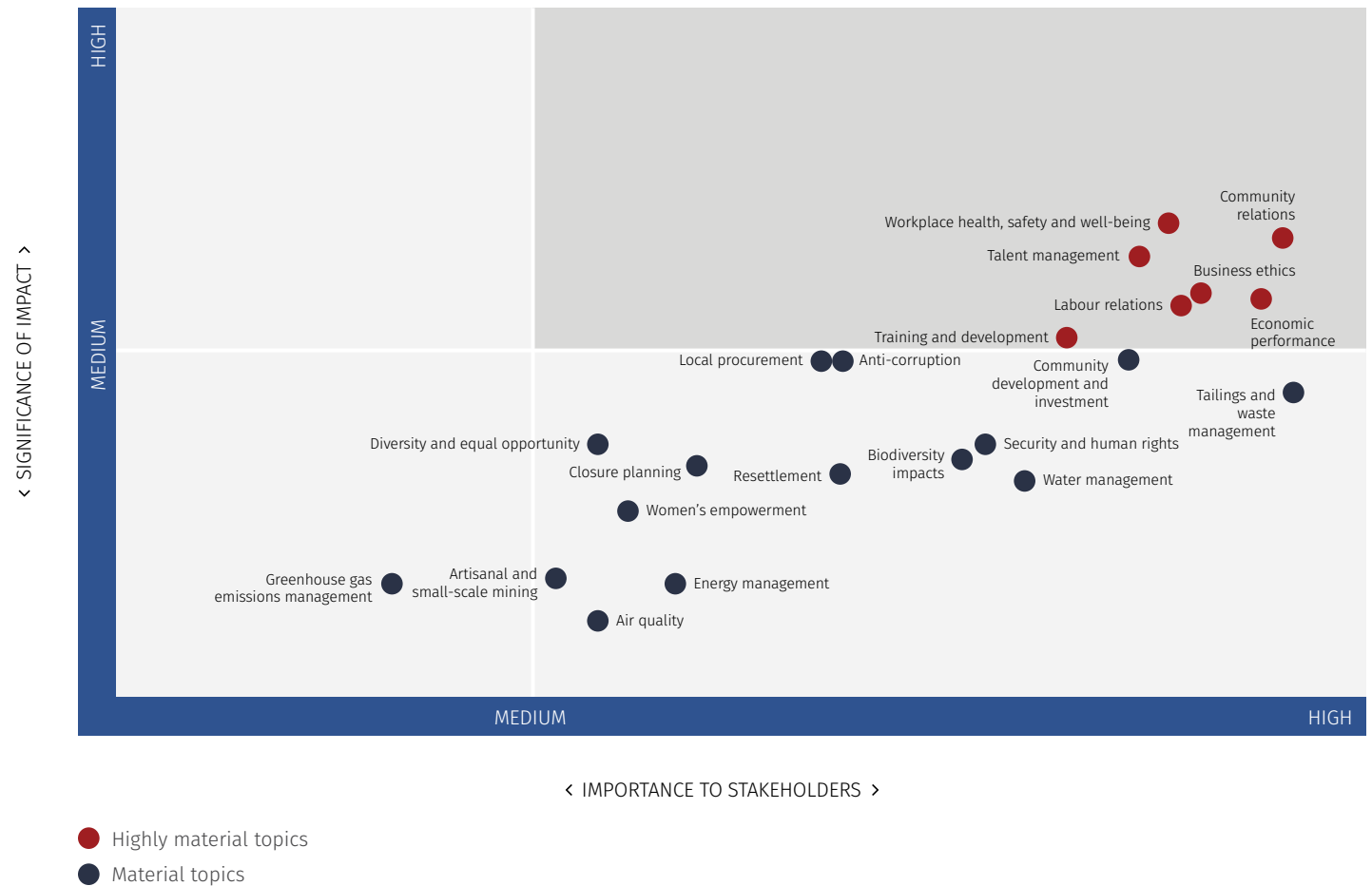
lost-time injury frequency rate

<sup>1</sup> Based on S&P Global Market Intelligence 2020 data on a tCO<sub>2</sub> equivalent per ounces of gold produced basis.

# MATERIALITY ASSESSMENT

Our materiality assessment process, facilitated by a qualified third-party organization, 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, impact, and interviews. 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 road map was drafted to identify immediate and mid-term steps to strengthen ESG governance and measurement.<sup>1</sup>



<sup>1</sup> We emphasize the long-term nature of our materiality judgments, while we also consider short- and medium-term factors.

## 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 core business strategy. The table below presents our key sustainability and ESG goals for 2023. We will report on our progress on achieving these goals in our 2023 Sustainability Report.

## Summary of 2023 Sustainability Goals and Targets



### Environmental

- Advance work to complete technical environmental studies for our environmental impact statement submission to regulatory authorities in PNG for our expansion projects
- Continue to advance our climate strategy and our multi-year roadmap for TCFD alignment
- Progress work to align with the Global Industry Standard on Tailings Management



### Social

- Continued implementation of our three-year Health, Safety, Environment, and Security Strategy
- Progress work on government signing of Memorandum of Agreement with local landowners and governments
- Continued implementation of Employee Wellness Program



### Governance

- Formalize an action plan for implementation of additional key corporate policies
- Provide additional director education and workshops focused on ESG
- Enhance ESG disclosures



### General

- Develop 3-year sustainability and ESG strategy, including enhanced ESG reporting systems



# RESPONSIBLE GOVERNANCE

We recognize that robust sustainability and ESG performance require a strong commitment from all levels of our organization, from our Board of Directors and senior management to our operations management, employees, and contractors.

Relevant SDGs





**Overview**

K92 considers strong corporate governance essential for effective, efficient operations, and we are committed to the highest standards of ethical conduct.

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 transparency, accountability, and ethical behaviour. The primary responsibilities of the Board include oversight of risk management as well as the Company’s strategy, business affairs, and policies.

K92’s governance policies help ensure that appropriate mechanisms are in place to oversee the Company’s development and that information on our progress, ethical business practices, human rights, health and safety, sustainability, economic performance, and material events are properly disclosed. As of mid-2023, our Board comprises seven directors with senior-level experience in their respective professions. Five directors are independent, and all key Board committee chairs are independent.

In 2022, the Board approved updates of its Board mandate as well as position descriptions for the Chair of the Board and the Company’s CEO. It developed position descriptions for the Chairs of the Board’s committees, the Lead Director, and CFO, so that these individuals understand their responsibilities and requirements to fulfill their roles adequately.

More information on K92’s directors can be found in the Management Information Circular dated May 19, 2023 on the Company’s website.

**Board Committees**

The Board of Directors is composed of 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 ESG oversight.

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 market best practices and applicable laws. The Chair of each committee reports on its activities to the Board.



**IN ITS STEWARDSHIP ROLE, THE BOARD IS COMMITTED TO FOSTERING A CULTURE OF TRANSPARENCY, ACCOUNTABILITY, AND ETHICAL BEHAVIOUR.**

**Board representation**

**43%**

female representation<sup>1</sup>

**29%**

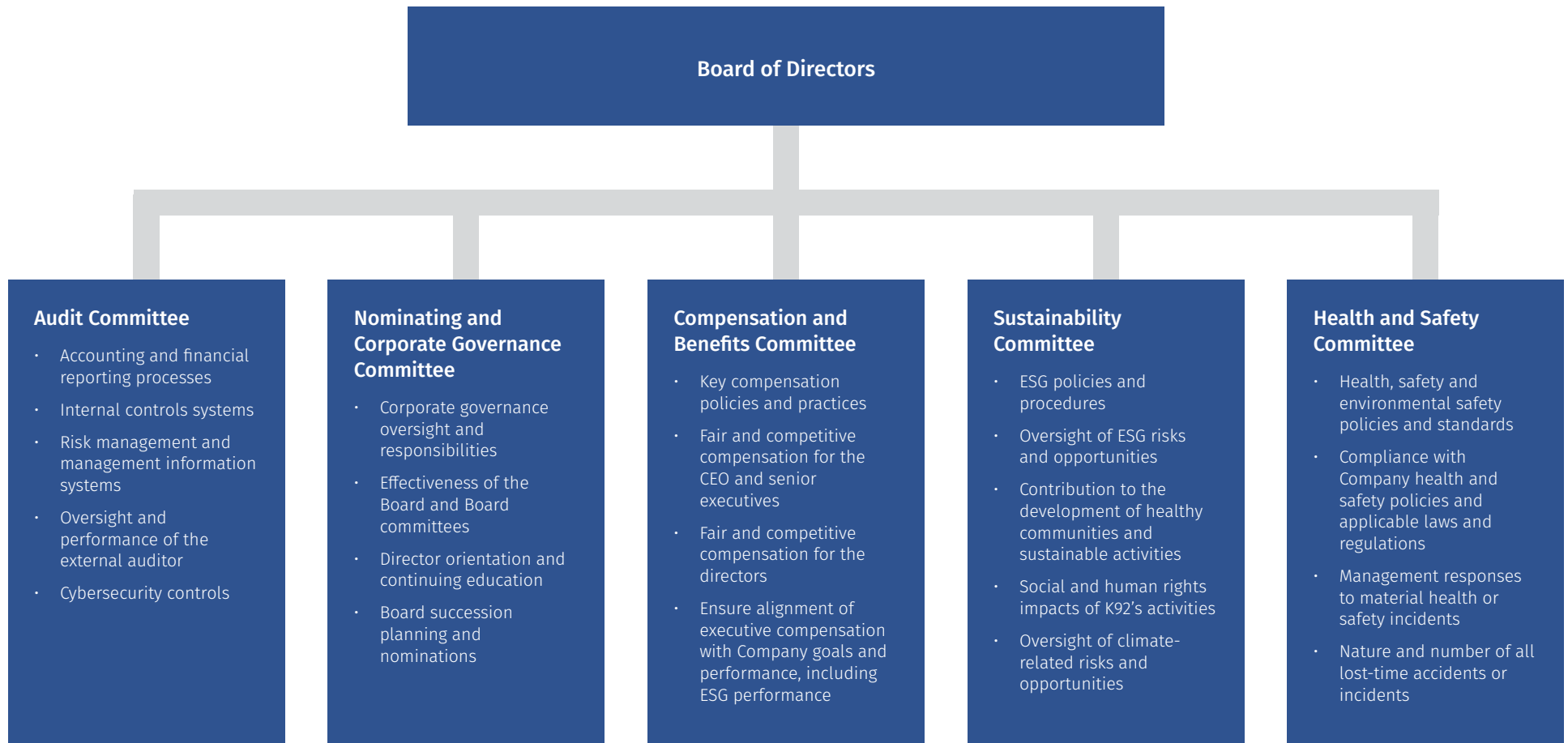
racial/ethnic diversity

**71%**

independent directors

<sup>1</sup> As of mid-2023

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 on our website.



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



The following table provides an overview of our Board composition as of mid-2023.

	Independent	Female	Ethnic/Racial Diversity	Committee Membership
<b>Mark Eaton</b>	I			A, C
<b>Anne Giardini</b>	I	F		C, NCG, SC
<b>Saurabh Handa</b>	I		E	A, C
<b>Cyndi Laval</b>		F		
<b>Nan Lee</b>	I	F	E	NCG, SC, H&S
<b>John Lewins</b>				SC, H&S
<b>Graham Wheelock</b>	I			A, NCG, H&S
	5 of 7 71%	3 of 7 43%	2 of 7 29%	

- A Member of Audit Committee
- C Member of Compensation and Benefits Committee
- NCG Member of Nominating and Corporate Governance Committee
- SC Member of Sustainability Committee
- H&S Member of Health and Safety Committee

### ESG at the Board Level: Sustainability Committee

K92’s Board of Directors provides oversight for the Company’s overall sustainability approach and performance, including identifying and evaluating ESG risks and opportunities. We maintain a Sustainability Committee of the Board, which is composed of three directors. The Sustainability Committee meets at least four times a year and reports and makes recommendations to the Board of Directors. ESG updates are also covered in each Board meeting, where discussions include detailed information on the Company’s progress in achieving key ESG performance objectives.

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.

Key functions of the Sustainability Committee include oversight and assessment of:

- Responsible management of social and human rights impacts of K92’s activities
- The contribution to the development of healthy communities and sustainable economic activities

- The protection of cultural and heritage resources in the communities in which we operate
- Engagement, relationships, and communication with local communities, governments, and other organizations
- Compliance with applicable laws, regulations and policies relating to ESG including staying apprised of changes that may affect the Company’s operations
- The Company’s approach to ESG, ensuring ethical, transparent, responsible, and sustainable behaviours and meaningful engagement with stakeholders

### ESG Policies

The Company’s policies reflect our values and commitment to operating responsibly and transparently. 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.

These policies reflect K92’s “**CARES**” value statement:

- Collaborative teamwork
- Accountability in everything we do
- Respect for others
- Excellence in outcomes
- Safety always

Our **Code of Business Conduct and Ethics** (the “Code”) sets our expectations for conducting business to the highest standards of ethics, integrity, honesty, and accountability. The Code applies to everyone working on behalf of our company, including contractors. The Code addresses respect for all our employees; honest and ethical conduct; avoiding conflicts of interest; disclosure in a full, fair, accurate and timely manner; compliance with all applicable government laws, rules, and regulations; and fostering a safe, secure, and healthy workplace for all employees.

## THE COMPANY’S POLICIES REFLECT OUR VALUES AND COMMITMENT TO OPERATING RESPONSIBLY AND TRANSPARENTLY.

Our **Whistleblower** Policy provides mechanisms for anonymously reporting any potential cases of financial irregularity, fraud, or misconduct. To ensure that all employees of the Company are aware of this policy, a copy of the policy is distributed to all employees and posted on the Company's website. All employees are informed whenever significant changes are made. Education on the policy is provided periodically.

Our **Anti-Bribery and Anti-Corruption** Policy provides a framework to ensure that K92, 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. It is also intended to prevent improper payments, improper employment of government officials, and sound record keeping.

Our **Human Rights** Policy outlines our commitment to respecting the human rights of our stakeholders in line with international human rights frameworks, including the United Nations Guiding Principles on Business and Human Rights. Key elements of this policy include our commitments to:

- Treat everyone with respect and dignity
- Foster a workplace free of harassment and discrimination

- Prevent forced and child labour, including in our supply chain
- Conduct human rights due diligence
- Promote diversity and inclusion across the workforce
- Implement a culturally appropriate grievance mechanism to resolve human rights complaints

In 2021, we adopted a **Board Diversity** Policy in support of our commitment to enhancing diversity and ensuring varying and valuable perspectives. Under this policy, the Company commits 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. In addition, the Board considers other under-represented groups, including Indigenous Peoples, persons with disabilities, and members of visible minority groups.

As part of the Board Diversity Policy, the Company has established a minimum of 30% female representation at the Board level. The Company met this goal in 2021, and by 2022, women comprised 33% of Board positions. As of mid-2023, the Board has three female directors, representing 43% of the Board,

including the Chair of the Board, the Chair of the Sustainability Committee, and the Chair of the Nominating and Corporate Governance Committee.

### Executive Compensation Linked to ESG Performance

Executive compensation is linked to ESG performance to ensure the Company's leadership team and site managers focus on safety, environmental protection, and social performance. The key performance indicators for 2022 short-term incentives demonstrated an increased focus on ESG, with 10% of total key performance indicators (KPIs) linked to environmental performance and ESG disclosure, and 20% KPI measurement linked to the Company's safety performance.

### Management's Role in ESG

The Company maintains an ESG Working Group that includes the President, the Chief Operating Officer (COO), the General Manager of External Affairs and Sustainable Development, the Manager of Sustainability and ESG and other managers and vice presidents of relevant areas. This group is collectively responsible for organizing ESG structure and disclosure.

### Long-term Incentive Program

Our long-term incentive compensation structure for management and staff is a mechanism to align strategic 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 increase in value as the Company's share price increases. Details regarding management's performance against climate measures are presented in the Management Information Circular dated May 19, 2023, available on the Company's website.

**AS OF MID-2023,  
THE K92 BOARD  
HAS THREE FEMALE  
DIRECTORS,  
REPRESENTING  
43% OF THE BOARD,  
INCLUDING THE  
CHAIR OF THE  
BOARD.**



# EMPOWERING OUR WORKFORCE

“We recognize that the dedication and commitment of our employees is critical to our business success. Recruiting, developing, and retaining talent is a key strategic driver for K92 and will play a key role in our expansion efforts going forward as K92 continues to mature and evolve.”

– Peter du Plessis, General Manager, Kainantu Gold Mine at K92 Mining

Relevant SDGs



### Health, Safety and Security

At K92, our employees’ well-being, protection, and security are paramount to us. We seek to embed a robust safety culture throughout all levels of our organization, from our Board of Directors and senior management team to our employees and contractors.

Our health and safety management system and procedures are based on the AS/NZS 4801 Standard. As part of the system, we maintain a Health, Safety, and Environment Policy through which we commit to continually improve our safety management systems and our hazard risk identification practices with the aim of achieving zero harm.

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** → creating a physical barrier to the hazard
- **Administrative control** → procedures, policy, rules, and/or training
- **PPE** → last line of defense 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**

Our joint Occupational, Health, and Safety (OHS) Committee, which consists of safety representatives from all departments, holds quarterly meetings to address current concerns, brainstorm ideas for improvement, and identify training requirements. This committee also leads awareness initiatives, sharing health and safety advice that is relevant not only to mitigate risk in the workplace but also for employees after their workday, in their homes, and communities.

In 2022, we implemented several health and safety enhancements across the operations. We reviewed our Health, Safety, and Environment management standards as well as all our Critical Control Standards. Additionally, we reviewed and formalized our Golden Rules, including through on-site promotion on noticeboards and discussions in conjunction with the Safety Topic of the Month program. We also launched weekly lifestyle checks, providing opportunities for personnel medical check-ups.

Also in 2022, a three-year Health, Safety, Environment, and Security (HSES) strategic plan was developed and approved by senior site management. 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 healthcare
- Effective emergency response capability

Artisanal and small-scale mining (ASM) is closely monitored and often detected around exploration sites in areas of higher geological importance. We are actively engaging with relevant government agencies in relation to ASM, as it could potentially develop into a more significant issue, posing safety risks like injuries or fatalities

due to landslides and collapses. We continue to seek this support and conduct ongoing training to raise awareness about the safety implications of ASM to keep our people and those in the community safe.

### Performance figures

2

lost-time injuries

0.31

lost-time injury frequency rate

1.24

total recordable injury frequency rate

## Talent Management

With significant and steady growth on the horizon for K92, our talent management strategy must ensure a robust pipeline of available skilled workers. Our current strategy involves attracting, training, and developing people to grow a broad base of talent to work across our business in professional, trades, and operator roles.

A talent pipeline from the trades stream is critical to K92's business. In 2022, more than 60 workers completed either pre-trade testing, which tests the readiness of employees to undertake trades testing, or Level 1 or 3 trades testing. Eleven employees successfully passed their Level 1 or 3 trades testing in 2022.

An application to be a registered training organization was submitted in 2022 to the Department of Higher Education. Upon approval and additional sign-off from the National Training Council and the National Higher and Technical Education Board, we can formally administer the K92 four-year Apprenticeship Program.

Foundational elements of K92's professional talent pipeline are partnerships with academia, the K92 Graduate Program, and memberships with professional institutions.

### Memorandum of Understanding

K92 has established memorandums of understanding with the University of Papua New Guinea in Port Moresby and the PNG University of Technology in Lae, which include utilizing MED laboratories for mineralogical & metallurgical test work, technical assessments of underground mining methods, and other areas of engineering studies and research work.

### K92 Mining Host Community Scholarships

K92 provided a total of 38 total tertiary scholarships to qualifying students from host communities in 2022, which amounted to a contribution of \$0.27M. The scholarships will cover half of the school fees, boarding fees, books, pocket money, and flights home.



**WITH SIGNIFICANT AND STEADY GROWTH  
ON THE HORIZON FOR K92, OUR TALENT  
MANAGEMENT STRATEGY MUST ENSURE  
A ROBUST PIPELINE OF AVAILABLE  
SKILLED WORKERS.**

Japhet Yasia from the Bilimoia village receives his Level 3 Trades Certificate from Peter Du Plessis, General Manager and John Lewins, CEO. Japhet is the first employee from K92 to complete a trade level test.

### The K92 Mining Tertiary Scholarship Program

This program was established in 2019 to recognize academic excellence, leadership, and character of students in their third year of study in the fields of mining, geology, and metallurgy. The K92 Mining Tertiary Scholarship Program is completed in partnership with the University of Papua New Guinea, PNG University of Technology, and the University of Goroka. Recipients will have their full tuition covered in their final year of study in addition to boarding fees, a monthly allowance, and airfares during the holidays. In 2022, a Women in Mining Scholarship was added to the existing Mining, Geology, and Metallurgy scholarships.

### Advancing Women in Mining

In 2022, K92 partnered with Pagini Kainantu Ltd., which specializes in providing heavy equipment services to our operations, to award two additional scholarships to female students, with a focus on fields related to logistics, commercial, or business management.

### The K92 Mining Industrial Trainee Program

This program was formalized in 2022 to establish a program to enable third or final year students to complete the practical curriculum required for the completion of their degrees and to further their professional development. In 2022, 11 students completed their industrial trainee programs with K92.

### The K92 Mining Graduate Program

The K92 Mining Graduate Program is a two-year program allowing recently graduated students to complete their first two years of work under a formal program. The first employee joined the graduate program in July 2022.

### Memberships with Professional Institutions

K92 supports each employee in a professional field to obtain a professional membership by funding the cost of the professional membership. Most of the professional memberships are held with the Institution of Engineers Papua New Guinea (IEPNG), with the second largest group held with Certified Practising Accountants (CPA) PNG.



**THE WOMEN IN MINING SCHOLARSHIP IS AN AWARD FOR FEMALE STUDENTS WHO ARE IN A FIELD RELATED TO LOGISTICS, COMMERCIAL, OR BUSINESS MANAGEMENT.**

Vanessa Tapi from the University of Goroka, recipient of the Daisy Taylor Medal and Scholarship for Women In Mining pictured with John Lewins, CEO and Daisy Taylor, PNG Director.



Jamie Ovuru from the Bilimoia village is the first employee to join the two-year K92 Graduate Program. Jamie joined K92 as an employee in July 2022.



### K92 Professional and Trades Program: 2022 Highlights

Program	Metric
K92's investment in professional, training and trades programs	\$1.3M
Total tertiary scholarships	38
Pre-trades tests completed	54
Industrial traineeship participants	11
Employees who passed trades testing	11
Graduate program participants	2

### Employee Engagement

Directly engaging with our employees regularly enables us to provide a safe and positive working environment and comply with the laws of PNG. For example, in September 2022, in partnership with Safetrac, we launched a leadership and compliance training program for 100 K92 leaders including the following five modules: Risk Management Awareness, Social Media in the Workplace, Anti-bullying and Anti-harassment, Bribery and Corruption, and Cybersecurity.

Phase two of the training is focused on career skills for leaders and is being rolled out in 2023. Topics include good hiring practices, coaching and mentoring, employee performance management, and basic business and project management fundamentals.

K92 supports employees' involvement in culturally important public holidays or world days. On March 8th, 2022, K92 celebrated International Women's Day (IWD) to celebrate women's achievements and raise awareness about women's equality. For K92, our focus remains on driving positive visibility of women in mining and celebrating women's achievements.

In October 2022, a team of K92 employees engaged with local communities to raise awareness about women suffering from cancer. Hampers with essentials were delivered to cancer patients at the ANGAU Memorial Provincial Hospital and the Goroka Base Hospital. Awareness sessions were held in the villages of Watarais, Daub, Pomasi, Bilimoia, and Unantu.

### Employee Diversity and Inclusion

Since 2020, K92 has seen a modest but steady increase in female employees, from 6% of our workforce in 2020 to 8% in 2022. Currently, local legislation does not permit women to work underground; however, they are making strides and contributing to other vital areas of the business. Pictured on [page 18](#) are the first two Papua New Guinean females that were promoted to superintendent roles in 2022.



**ON MARCH 8TH, 2022, K92 CELEBRATED INTERNATIONAL WOMEN'S DAY (IWD) TO CELEBRATE WOMEN'S ACHIEVEMENTS AND RAISE AWARENESS ABOUT WOMEN'S EQUALITY.**

Employees seen on IWD standing in support of the campaign theme, #BreakTheBias.



## CASE STUDY: EMPOWERING WOMEN AT K92

**“Success for me means being open to ideas and embracing change. As a Geologist, I am willing to take on any challenge in this male-dominant profession. I am willing to shift the mindset and prove that women are suitable for leadership roles and in roles that will lead to change.”**

– Florence Apisai

Left: Florence Apisai, Exploration Geology Superintendent and K92’s first national female superintendent and the first female to deliver a technical presentation at the PNG Mining Petroleum Investment Conference.

Right: Joycelyn Pasmets, HR Superintendent and K92’s second national female superintendent.

Among the first employees in 2016 when K92 Mining started operating in PNG, Florence Apisai has an exemplary career trajectory on numerous levels.

In 2022, Florence became an Exploration Geology Superintendent, K92’s first female PNG National in a Superintendent role. This senior position heads up a unit with regular activities such as planning, executing, and evaluating exploration-related projects. Her involvement in developing a fieldwork program includes capturing, validating, and organizing field data and ensuring programs run efficiently and cost-effectively.

In addition to her promotion, in 2022, Florence was the first female PNG National to deliver a technical presentation at the PNG Mining Petroleum Investment Conference. “I had mixed feelings when our GM told me about the presentation; at first, I felt intimidated thinking about the large crowd of intellectuals, the variety of professions, and

the fact that this would be my first presentation overseas,” she said. “Despite this fear, a feeling of calm prevailed because I quickly realized that the CEO and others trusted me, which boosted my confidence and gave me the courage to get the job done.”

Working in a male-dominated field, especially at this senior level, had challenges, but Florence knows her perseverance sets the tone for other women. “My aim as one of the senior female employees at K92 Mining is to serve as a role model for other women within the company, in the mining industry, in PNG, and abroad,” she explained.

Florence recognizes K92’s commitment to empowering women. “As a woman in a male-dominated profession, both equality and equity exist in all aspects of our jobs,” she said. “Trust is given to employees of all genders, and so women have all the confidence to perform and deliver as well as our male counterparts, or even better than them.”

### Supporting Expatriate Employees

Launched in September 2022, the Expatriate Cultural Awareness Program supports employees new to PNG so that they can be better equipped to live and work in a new culture and foster the development of our local talent. The in-house program involves three phases: cultural awareness and capability development, a presentation on statutory requirements at the employee's 18-month work permit milestone, and a progress update on their training of citizen employees.

### New Paternity Leave Program

K92 recognizes the important role that family and personal development play in the lives of our employees. Adding to our benefits package, in 2022, we introduced Paternity Leave for fathers to attend the birth of their children and Education Leave to support self-study in tertiary fields.

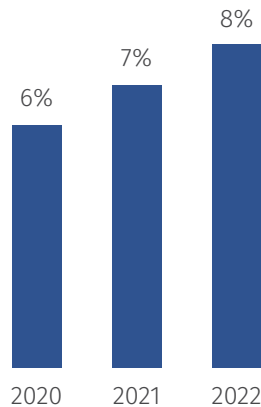
### Employee Wellness Program

A comprehensive program aimed at improving the health and well-being of our employees was approved in September 2022, with full implementation of three different streams planned for 2023.

Stream 1 focuses on health, fitness, and injury management, including rehabilitation of injured employees, workers' compensation and insurance claims, and management of sports and other fitness-related events. Stream 2 is focused on establishing a counselling service to assist national employees in navigating life challenges. A second phase involves training Advanced Dependent Practitioners, Health, and HR employees for immediate and appropriate action in response to domestic violence, which is common in PNG and requires a tailored approach. Stream 3 focuses on social events, with funding and coordination in place so that employees can come together in an organized way and strengthen their work relationships. The final stream is a program that has identified four charitable causes whereby K92 will match employees' contributions.



Female Employment (Operations)



### Employee metrics

**1,477**

employees and contractors

**~94%**

of total workforce<sup>1</sup> from PNG

**\$1.3M**

investment in professional, training, and trades programs

<sup>1</sup> Employees + contractors



# SOCIALLY RESPONSIBLE MINING

“Our engagement with our stakeholder communities is in the form of sustainable development projects, for and with them, to ensure they’re thriving into the 21st century, long after K92 Mining leaves.”

– Mark Schubert, General Manager, External Affairs and Sustainable Development

Relevant SDGs



### Community Relations

Effective and ongoing communication with local communities, government entities, and landowners in the vicinity of our operations are central components to the success of our business and for the programs we invest in to have meaningful impact. By engaging in culturally sensitive and timely interactions, we gain a deeper understanding of the expectations of our stakeholders, allowing us to implement programs that have a lasting and significant impact.

Our 40-person community affairs and sustainable development team continues to engage in regular, transparent, and two-way communication with our host communities and stakeholders. The team includes experienced community relations practitioners, including eight village-based liaison officers who help us understand local community dynamics and six women in specialist roles focused on empowering women, agricultural production, literacy, and running the Bilimoia health clinic.

We maintain a site-level grievance mechanism that enables local stakeholders to submit complaints and have issues resolved in a timely and culturally appropriate manner. A complaint/incident register is maintained, and our community teams facilitate investigations to support the effective resolution of issues.

### Memorandum of Agreement

In 2003, a Memorandum of Agreement (MOA) was signed by the previous operator of Kainantu and local stakeholders. The MOA provides for the allocation and use of the royalties derived from the project for the benefit of the provincial and local governments as well as local landowners.

In 2020, a review of the MOA was conducted with wide stakeholder participation. Key outcomes of the review were the development of K92's Supply and Procurement Plan (SPP) and Business Development Plan (BDP) produced by K92's External Affairs team. The SPP indicates the type and range of possible contracts and joint ventures for properly qualified landowner entities to participate in, while the BDP is a business training and instruction curriculum for local landowners.

The process of signing of the MOA has experienced delays, primarily due to the electoral focus in 2022 and delays related to COVID-19. K92 aims to have the MOA ratified by the government by 2024. We will report on our progress in achieving the formal signing of the MOA in our 2023 Sustainability Report.

### Investing in Communities and Economic Performance

We recognize the important role we can play as a catalyst for local economic development. 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.

Total procurement expenditures in PNG in 2022 were \$81.3M, representing 59% of our total procurement expenditures. 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 2022, JV payments totaled \$21.3M, an approximately 37% increase over 2021.

K92 is currently the second largest taxpayer among mining companies in PNG. In 2022, our annual corporate tax payment to the PNG Government was \$17.3M.

In 2022, K92's direct community investment totaled \$1.1M. Based on a new Tax Credit Scheme enacted by the Government of Papua New Guinea in 2022, up to two percent of the company's assessable income can now be allocated by the company for spending on approved community projects, including local infrastructure, health programs, and educational initiatives, and deducted from future corporate tax payable. This is in addition to our established community investment programs.

**WE ARE COMMITTED TO SHARING THE BENEFITS OF OUR OPERATIONS WITH OUR LOCAL STAKEHOLDERS THROUGH VARIOUS VALUE RETENTION INITIATIVES.**

### Literacy in the Community

K92 Mining’s Adult Literacy Program has been implemented since late 2019 and is one of K92’s flagship community initiatives. K92 views investments in developing literacy as an essential part of our local investment and a key component to sustainable development.

In 2022, some 200 local community members participated in the program, 90% of whom were women. We will continue to implement the program going forward as part of our community development programming.

### Sustainable Livelihoods Survey

In 2022, we recommenced our Sustainable Livelihoods Survey, which was paused due to COVID-19, in the Watarais-Marawasa, Unantu, Pomasi, and Bilimoia 1, 2, and 3 impacted communities. This social and economic household survey documents and models the various forms of capital and assets that communities have in place, those that are underutilized, and those that still need to be identified. We employ local youth to administer the questionnaire and record the data, which also serves as a census. We will conduct the survey every six months on a rolling basis. As of early 2023, three out of four communities’ households have been surveyed.

### Growing Self-sufficiency: Sustainable Agricultural Livelihoods Program

K92’s Sustainable Agriculture Livelihoods program continued to expand in 2022 with 180 participants, 80% of whom are women. K92 hired an agricultural scientist to maintain momentum in this program, which is demonstrating significant growth and success. Originally from Pomio and with international experience, the consultant is working through four phases of instruction with farmers from Markham, Pomasi, and the mountainous area near Kainantu that include gardening techniques, soil science, and new crop introductions.

In addition to the hands-on and in-class instruction related to food production, business skills like bookkeeping are provided to prepare participants for related JVs. The produce grown by the women supplies food for the K92 mess hall. In 2022, produce was sold in eight locations, including markets in Port Moresby and to wholesale buyers in Lae. Crops included onions, tomatoes, carrots, eggplant, beans, bok choy, chili, lettuce, bananas, pumpkin, aibika, watermelon, round cabbage, paw paw, corn, taro, and broccoli. Additionally, a demonstration farm was established near the mine, and with water pumped from the river, farmers saw their first bok choy harvest. In 2023, the Sustainable Agricultural Livelihoods program will continue this growth trajectory as it embarks on a large commercial farm within the K92 mine gates.



## K92 VIEWS INVESTMENTS IN DEVELOPING LITERACY AS AN ESSENTIAL PART OF OUR LOCAL INVESTMENT AND A KEY COMPONENT OF SUSTAINABLE DEVELOPMENT.

Mark Schubert, K92 General Manager of External Affairs and Sustainable Development and a local graduate of the K92 Adult Literacy Program during a graduation ceremony for the program.



# CASE STUDY: AGRICULTURAL LIVELIHOODS PROGRAM

“We wouldn’t have come this far in agri-business without K92 Mining’s Sustainable Agricultural Livelihoods team and collaborating with its agricultural scientists and water engineers. K92 Mining’s investment in us has been worthwhile.”

– Richie Bingmaru

Before joining K92 Mining’s Sustainable Agricultural Livelihoods program, Richie Bingmaru from the Watarais village in the Markham Valley, had a tire repair business. Now, Richie farms and supports other growers alongside K92 Mining’s Development Projects Officer, Joy Jack.

As the first farmer to commercialize bulb onion, carrot, and cucumber harvests in the early stage of K92 Mining’s Agricultural Livelihoods program, Richie is what development practitioners consider an innovator. Originally, he grew food for personal use, and now earns thousands of Kina per month in revenue from fresh produce sales and says he “aims to make an agricultural dream come true by owning transport for my own agricultural business.”

Through the program, K92 Mining equipped Richie and other farmers with technical knowledge and the skills to help scale and commercialize their efforts. Instruction includes building nursery sheds, planning and installing irrigation and storage systems, logistics, setting up seed schemes, operating tractors and solar dryers and acquiring market contracts.

K92 Mining Development officer Joy Jack notes that Richie is also a cultural innovator, given his sensitivity toward the inclusion and empowerment of women, who represent 80% of participants in the program. “This breaks the standard cultural practice of PNG men not working with women,” said Joy. “Richie encourages the women to assist their families financially and become economically independent.”

### Supporting Healthy Communities

We continue to contribute to our communities' health and well-being by supporting local health clinics. Our Health Team provides training for staff at two health clinics (Bilimoia and Punana) who operate them and continue to maintain the power upgrades provided by K92, connecting one clinic to the power grid (Watarais) and funding/installing a solar system in a second clinic (Punana).

We also continue to invest in educating employees about hygiene and prevention measures for typhoid and malaria to mitigate the infection rate on site and when employees return home. In early 2023, K92 funded and launched a community outreach mobile unit for preventative healthcare focusing on tuberculosis awareness and inoculations.

In 2022, we again donated over \$0.3M to Femili PNG, an NGO that works with clients, partners, and communities to improve responses to family and sexual violence through case management, partner support, training, monitoring, research, and advocacy.

### Supporting Critical Infrastructure

In 2022, K92 provided support for several essential infrastructure projects. K92 spent \$0.4M to complete the remainder of the road between the Unantu bridge to Bilimoia 1 village, which was close to completion at the end of 2021 but delayed due to heavy rain and landslides. In 2023, we plan to connect the road to Bilimoia 2 and 3 and seal/upgrade the road through the newly approved Tax Credit Scheme.

Making freshwater more easily accessible in local communities close to the mine is an ongoing activity. A water tank was installed at Papua village and water access was restored for students at Kainantu secondary school after K92 learned they were hauling buckets over far distances as their only water source.

Additionally, we are providing K50,000 to assist with the replacement of the student dormitories of the University of Goroka, which were damaged in an earthquake.

We have also pledged funds to help build new dormitories for the Kainantu Secondary School to assist students who have to travel far distances to attend school.



**IN 2023, WE PLAN TO CONNECT THE ROAD TO BILIMOIA 2 AND 3 AND SEAL/UPGRADE THE ROAD THROUGH THE NEWLY APPROVED TAX CREDIT SCHEME.**



# ENVIRONMENTAL STEWARDSHIP

“We are committed to implementing robust environmental management practices throughout all phases of the mine cycle, from planning and design to operations and closure.”

– Daan Van Pletzen, Head of Health, Safety, Environment, and Security, Kainantu Gold Mine

Relevant SDGs



## Our Approach

At K92, we are committed to conducting our operations in an environmentally responsible manner with the goal of minimizing our environmental footprint. Our operational Health, Safety and Environment Policy, approved by K92's General Manager, outlines our commitment to robust environmental management. To support implementation of the policy, we have established an Environmental Management System (EMS), which is based on the ISO 14001 standard. 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/preventative actions

As part of the EMS, we also implement a site-wide, CEPA-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 reviewed and updated every two years.

Our Head, Health, Safety, Environment and Security (HSES) has primary responsibility for the implementation of our EMS and EMP, and is supported by a team of environmental specialists, including a Manager, Health, Safety, and Environment (HSE). Overall accountability for the EMP and EMS rests with our CEO.

Lastly, 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

We recognize that climate change is one of the world's biggest global challenges. We also recognize the vital role the mining industry can and must play in contributing to climate solutions, including emissions reductions as well as supplying the world with the resources it needs to support the transition to a low-carbon economy.

The following sections of this report outline 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. We have developed a multi-year roadmap for full alignment with the TCFD framework and will work to continually improve our climate-related disclosures.



**WE HAVE DEVELOPED A MULTI-YEAR ROADMAP FOR FULL ALIGNMENT WITH THE TCFD FRAMEWORK AND WILL WORK TO CONTINUALLY IMPROVE OUR CLIMATE-RELATED DISCLOSURES.**

## Governance

We recognize the importance of keeping climate change considerations embedded throughout all levels of our business, from the Board to our operational teams. Our Sustainability Committee has been delegated responsibility for climate-related oversight, and identification of 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.

From a management perspective, our CEO and executive management are committed to monitoring and minimizing climate-related risks and carbon emissions at the Kainantu mine and at potential future sites to reduce our impact on climate change, protect the health and safety of our workers, and ultimately preserve business value.

## Risk and Opportunities

K92 is committed to reducing climate-related risks and impacts and capturing climate-related opportunities. To support this, we completed a qualitative climate scenario analysis in 2022 to identify and assess climate-related risks and opportunities. The analysis was conducted 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 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. In 2022, we invested approximately \$1M in partnership with PNG Power Limited to do so.

Increased demand for copper, a critical input required for global decarbonization efforts, was identified as another key climate transition opportunity. Copper currently represents a small portion of our overall production but could potentially represent a greater amount as we expand our operations.

In 2023, we will work to further formalize our climate risk management, focusing on embedding climate risk into our existing overall risk management processes.



**K92 IS COMMITTED TO REDUCING CLIMATE-RELATED RISKS AND IMPACTS AND CAPTURING CLIMATE-RELATED OPPORTUNITIES.**

### Strategy

In 2022, in conjunction with external energy experts, we developed a multi-year roadmap for minimizing our climate risk and maximizing climate-related opportunities, which, in turn, will enable us to enhance our overall climate management practices across our business and fully align with the TCFD recommendations. The plan is based on the following phased approach:

- **Phase 1 → Structure (2022-2023)**, with a focus on embedding climate management across the business and establishing GHG reduction targets
- **Phase 2 → Reinforce (2023-2024)**, with a focus on integrating climate strategy into overall strategic planning
- **Phase 3 → Continuous Improvement (2025 and onwards)**, with a focus on the continued implementation of action plans and reporting on progress against our objectives

We regularly assess GHG emissions and climate-related impacts in our project planning and decision-making processes. In our most recent Technical Reports for our expansion projects, we identified a variety of project design measures that will enhance our GHG emissions profile going forward, including:

- Increased power reliability from PNG Power Limited, who operates the grid in PNG, which will reduce our use of standby diesel-generated electricity and maximize our use of the clean hydroelectric power of the grid
- Eventual transitioning of the underground haulage fleet to BEVs from conventional, diesel-powered equipment
- Improved materials handling design
- Upgrading of the overhead power line

Based on these measures, GHG emissions associated with our mine expansions are expected to decline based on GHGs per tonnes milled. We will continue to work to design our expansion efforts with due regard for reductions in GHG emissions. This will include consideration of GHG offset projects. 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 offsets will play in achieving global net zero climate ambitions.



## WE REGULARLY ASSESS GHG EMISSIONS AND CLIMATE-RELATED IMPACTS IN OUR PROJECT PLANNING AND DECISION-MAKING PROCESSES.

Aerial of Yonki Dam reservoir, which is the primary source of hydroelectric power for the Ramu 1 power station in PNG, from which we source our grid electricity and an integral component of our GHG reduction strategy.

## Metrics and Targets

Operating a high-grade, underground mine, we have a significantly lower carbon footprint among gold mining companies globally, with an emissions intensity 66% below the global average.<sup>1</sup>

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.

The following table presents our key climate-related performance metrics for 2021 and 2022. More detailed climate data can be found in our Performance Data Tables on [pages 38–39](#) of this report.

Metric	2022	2021
Scope 1 emissions (t of CO <sub>2</sub> equivalent)	<b>24,338</b>	25,881
Scope 2 (location-based) emissions (t of CO <sub>2</sub> e)	<b>13,327</b>	12,507
Scope 2 (market-based) emissions (t of CO <sub>2</sub> e)	<b>3,546</b>	3,327
Total emissions (Scope 1 + Scope 2 (location-based)) (t of CO <sub>2</sub> e)	<b>37,666</b>	38,388
Total emissions (Scope 1 + Scope 2 (market-based)) (t of CO <sub>2</sub> e)	<b>27,884</b>	29,208
GHG emissions intensity (t of CO <sub>2</sub> e per oz gold equivalent produced)	<b>0.307</b>	0.368

In our 2021 Sustainability Report, we committed to setting a GHG reduction target. To help define the target, during 2022 and 2023, we completed energy and GHG emissions forecasting work based on our updated technical plans for our Stage 3 and Stage 4 expansions and evaluated our key GHG reduction options. We also conducted a peer review to align with evolving industry practices.

Following this review, it was clearly apparent that enhancing our access to grid electricity, and in doing so reducing our reliance on diesel-powered generation, represented a clear pathway to reducing our GHG emissions at an ambitious, yet achievable level. In 2022, we have already invested \$1M in partnership with PNG Power Ltd. to upgrade the grid power infrastructure near Kainantu, which has translated into significant enhancements to the reliability of the grid.

Following this work, we have established a preliminary target of a 25% reduction in our GHG emissions by 2030 against a business-as-usual forecast.<sup>2</sup> 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. We are also implementing and planning several mitigation measures to help lower our relative carbon footprint, such as power supply upgrades to better connect with the local electricity grid, fuel switching, and the eventual use of BEVs in our underground fleet.

In 2023, we will continue to engage with the PNG Government and PNG Power Ltd. to further enhance our grid electricity access. We will also conduct a comprehensive energy audit of our operations to further define energy reduction opportunities and help support achieving our target. We will report on our performance in achieving this in our annual Sustainability Reports.

**WE HAVE SET A TARGET OF A 25% REDUCTION IN OUR GHG EMISSIONS BY 2030 AGAINST A BUSINESS-AS-USUAL FORECAST, WITH 2021 AS OUR BASELINE YEAR.**

<sup>1</sup> Per gold equivalent ounce produced compared to global average. Based on S&P Global Market Intelligence 2020 data on a gold produced basis.

<sup>2</sup> 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.

No cyanide is used for processing ore at our operations and approximately 70% of the water from our TSF is recycled for re-use in the processing plant. Water quality checks are done through an accredited laboratory, and reports are submitted to environmental regulators. The tailings and treated wastewater discharge monitoring were consistent throughout 2022, and the discharge was within the permissible range.

We maintain a TSF integrity monitoring plan for robust maintenance and surveillance of the facility. This plan is integrated into our overall EMP. Our TSF Engineer of Record (EoR) conducts annual audits of the facility, conducts routine reviews and inspections (as required), and makes recommendations for continual improvement in management and performance.

Additional information and data related to our TSF can be found in the SASB Index on [page 44](#) of this report.

## TSF Expansion

We have completed extensive technical work to develop plans for expanding our TSF to enable increased storage capacity as production from the mine increases. The adopted tailings management solutions will follow local and international regulations, guidelines, and standards including:

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

A key element of the plans includes construction of a paste backfill plant. As part of the Stage 3 Expansion, once the plant commences operation, approximately half of the tailings generated will be processed to fill underground voids with the remaining portion deposited in the TSF. By doing so, we will significantly reduce our environmental footprint and provide enhanced underground geotechnical stability.

As part of the embankment construction, a wide range of monitoring instruments were installed to measure movement and internal pressures, linked with a live monitoring system, thereby enhancing the safe operation of the TSF.

For more information on our planned TSF expansion, please see our Independent Technical Report for the Kainantu Gold Mine Integrated Development Plan (October 2022) on our website.

In 2023, we will begin developing a multi-year roadmap to become aligned with the GISTM. We will report on our progress in our annual sustainability reports.



**WE HAVE COMPLETED EXTENSIVE TECHNICAL WORK TO DEVELOP PLANS FOR EXPANDING OUR TSF TO ENABLE INCREASED STORAGE CAPACITY AS PRODUCTION FROM THE MINE INCREASES.**

**Water Stewardship**

We recognize the importance of water as a shared resource requiring effective stewardship and collaboration with a broad range of stakeholders. To minimize our water-related impacts, we conduct detailed water assessments, including hydrogeological assessments, as part of our project planning process. We also maintain water balance models that are regularly updated.

We implement a variety of water-related management plans as part of our overall EMP and EMS, including:

- Water resources and aquatic fauna management
- Water abstraction and sewage management
- Site run-off management

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 re-circulated to our processing facilities.

We maintain a comprehensive water quality monitoring program for both surface water and groundwater, including for maintaining 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.

Water extraction monitoring at our bore water extraction sites continued during 2022 and water extracted for the camp's usage continues to increase, given the expanding accommodation blocks and infrastructure at camp.

Flow meters have been installed at our water extraction and discharge locations to measure extraction and discharge rates. The change in the volume of water extracted will be captured in our amended environmental permit. Water quality monitoring sites established at the TSF site are also monitored regularly.

**Environmental metrics**

**~173ML**

of bore water extracted in 2022

**~70%**

of tailings water re-circulated for processing



**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 RE-CIRCULATED TO OUR PROCESSING FACILITIES.**

### Waste Management

The Kainantu Gold Mine is designed in such a way that minimizes environmental risk from hazardous materials and waste.

Importantly, we do not use cyanide in our processing facilities. 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.

Additionally, although we generate waste rock in our underground mine, we currently do not have surface waste rock storage facilities at our operations. Underground waste rock

is used as backfill in the mine, and we transport a portion of the waste rock to surface for repurposing, including for construction materials for our TSF expansion and for civil works. In 2022, we repurposed over 436,000 tonnes of waste rock for these purposes, representing approximately 80% of the waste rock we generated underground.

In 2022, crushing and screening machines were purchased and commissioned on-site to refurbish the waste rock that will be used for road base or other construction needs. These machines eliminated the need to truck in 1,000 tonnes of crushed waste rock weekly.

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.

During the year, construction of the sewage treatment plant for the accommodation camp site was completed and, as of early 2023, is in the final stages before commissioning. Throughout 2022, a local landowner was awarded a contract through K92's JV program for managing 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 to 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, and we will be conducting further biodiversity technical work as part of the forthcoming Environmental Impact Statement (EIS) for our expansion projects. We also maintain a terrestrial flora and fauna management plan as part of our overall EMP and EMS.

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 2022, 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.



**WE DO NOT USE CYANIDE IN OUR PROCESSING FACILITIES. THIS ELIMINATES A KEY ENVIRONMENTAL AND HEALTH AND SAFETY RISK FOUND AT MOST OPERATING GOLD MINES GLOBALLY.**

Waste rock repurposed

**436,654 tonnes**

Waste oil recycled or reused offsite

**242,000 litres**

Scrap metals recycled

**219 tonnes**



# PERFORMANCE DATA

## Economic Benefits

Metric	2022	2021
<b>Economic value generated and distributed (millions of USD unless otherwise indicated)</b>		
Revenue	\$188.2	\$154.3
Net income	\$35.5	\$27.2
Production of finished metal (AuEq ounces)	122,806	104,196
Ore mined (t)	448,079	320,091
Ore processed (t)	448,087	336,221
Production costs	\$96.3	\$83.3
Salaries paid in PNG	\$19.3	\$15.0
Taxes and royalties in PNG <sup>1</sup>	\$31.8	\$26.7
Corporate tax paid	\$17.3	\$13.1
Direct community investments	\$1.1	\$1.1

Metric	2022	2021
<b>Local procurement spend (millions of USD)</b>		
Local suppliers <sup>2</sup>	\$81.3	\$64.9
Foreign suppliers	\$55.8	\$38.8
<b>TOTAL</b>	<b>\$137.1</b>	<b>\$103.7</b>

Business unit	2022	2021
<b>Local procurement spend (as % of total PNG spend)</b>		
Local suppliers <sup>2</sup>	59%	63%
Foreign suppliers	41%	37%

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

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

**Health and Safety**

Metric <sup>1</sup>	2022	2021
<b>Health and safety key performance indicators</b>		
Fatalities	0	0
Fatality rate	0	0
Lost-time injuries	2	1
Lost-time injury frequency rate (LTIFR)	0.31	0.30
Near-misses	39	30
Near-miss injury frequency rate (NMIFR)	6.06	9.03
Total recordable incidents	8	7
Total recordable injury frequency rate (TRIFR)	1.24	2.11

<sup>1</sup> Rates are calculated per 1,000,000 hours worked and include both employees and contractors.

Metric	2022	2021
<b>Safety training</b>		
Average hours of health and safety training for employees and contractors	7	12

## Employment

Metric	2022	2021
<b>Employment</b>		
<b>Corporate</b>		
Total employees (Canada)	8	7
Total employees (Australia)	4	1
Total corporate	12	8
<b>Operations</b>		
Total employees	946	873
Total contractors	531	410
Total workforce (employees + contractors)	1,477	1,283
% employees	64%	68%
% contractors	28%	32%

Metric	2022	2021
<b>Employee and contractor origin</b>		
<b>Operations</b>		
% workforce from Papua New Guinea	94%	95%
% workforce international	6%	5%

## Employment

Metric	2022	2021
<b>Employee turnover</b>		
<b>Corporate</b>		
Male turnover rate	0%	0%
Female turnover rate	0%	0%
Total turnover rate	0%	0%
<b>Operations</b>		
Male turnover rate (for year)	14%	11%
Female turnover rate (for year)	9%	16%
Total turnover rate (annualized)	13.9%	11.9%

Metric	2022	2021
<b>Diversity</b>		
<b>Corporate – CAN + AUS</b>		
Total female employment	2	2
Total female employment (as % of total employment)	17%	25%
Females in senior management (general manager or higher) (%)	9%	9%
<b>Operations – PNG</b>		
Total female employment	72	61
Total female employment (as % of total employment)	8%	7%

Metric	2022	2021
<b>Labour relations</b>		
<b>Operations</b>		
% of staff covered by collective bargaining agreements	0	0
Strikes or lockouts	0	0

## Employment

Metric	2022	2021
<b>Training</b>		
<b>Operations</b>		
Total hours of employee training	4,743	6,678
Average hours of training per employee	10	15
Total hours of anti-corruption training	96	Not reported

## Community Relations

Metric	2022	2021
<b>Community investment (millions of USD)</b>		
Direct community investment	\$1.1	\$1.1
Amount invested in local Joint Ventures	\$21.3	\$15.5

Metric	2022	2021
<b>Non-technical delays</b>		
Number and duration of non-technical delays	0	0
Workers covered by collective bargaining agreements	0	0

## Environmental Compliance

Metric	2022	2021
<b>Reportable environmental incidents</b>		
Reportable to regulatory authorities	0	0
Significant fines <sup>1</sup>	0	0
Significant spills <sup>2</sup>	0	0

1 Significant fines are defined as fines reportable to 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	2022	2021
<b>Energy consumption</b>		
Electricity purchased (GJ) <sup>1</sup>	66,477	62,364
Electricity generated (GJ)	40,473	56,043
Diesel (L) <sup>2</sup>	8,526,665	9,165,169
Gasoline (L)	1,200	2,800
Natural gas (L)	0	0
Propane (L)	32,000	38,786

1 All purchased electricity is electricity purchased from PNG Power Ltd.

2 Includes both sulfur and ultra-low sulfur fuel for diesel generators, mobile equipment, light vehicles, and fixed plant.

Metric	2022	2021
<b>Greenhouse gas emissions (tonnes of CO<sub>2</sub>e)</b>		
Scope 1 <sup>3</sup>	24,338	25,881
Scope 2 (location-based)	13,327	12,507
Scope 2 (market-based) <sup>4</sup>	3,546	3,327
Total Scope 1 + 2 (location-based) <sup>5</sup>	37,666	38,388
Total Scope 1 + 2 (market-based) <sup>5</sup>	27,847	29,208

3 Calculations include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Purchasing records were used to verify data.

4 Calculations include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Purchasing records were used to verify data, including purchase orders from local grid electricity provider, PNG Power Ltd.

5 Scope 1 + Scope 2 emissions.

## Energy and Emissions

Metric	2022	2021
<b>Greenhouse gas emissions intensity (tonnes of CO<sub>2</sub>e)</b>		
Per oz gold equivalent produced (market-based)	0.227	0.280
Per oz gold equivalent produced (location-based)	0.307	0.368
Per t ore processed (market-based)	0.062	0.087
Per t ore processed (location-based)	0.084	0.114

Metric	2022	2021
<b>Renewable and non-renewable energy consumption (as % of overall consumption)</b>		
Renewable	13	12
Non-renewable	87	88 <sup>1</sup>

## Waste, Water and Materials

Metric	2022	2021
<b>Waste management</b>		
Total material mined (ore plus waste) (t)	994,175	795,340
Waste rock generated (t)	546,096	475,284
Waste rock to surface for repurposing (t)	436,654	213,130
Tailings produced (t)	427,766	321,411
Domestic waste generated (t)	155	285
% of sites in high-risk areas for water stress <sup>2</sup>	0	0

1 2021 figure is re-stated from our 2021 Sustainability Report to account for renewable energy consumption as a percentage of overall energy consumption, per SASB disclosure requirements.

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

## Waste, Water and Materials

Metric	2022	2021
<b>Waste recycled</b>		
Waste oil (L)	242,000	65,800
Scrap metal (tonnes)	219	Not reported

Metric	2022	2021
<b>Water</b>		
Bore water withdrawal (m <sup>3</sup> )		
Kumian Camp	124,124	81,071
Process water	49,734	45,952
Total freshwater withdrawal <sup>1</sup>	173,858	127,023
Water discharge (m <sup>3</sup> )		
TSF water	255,264	41,246
Mine dewater	295,328	198,688

1 Includes bore water extraction. Does not include rainwater.

Metric	2022	2021
<b>Chemicals consumption</b>		
Cyanide (tonnes) <sup>2</sup>	0	0

2 The Kainantu Gold Mine does not use cyanide.

## Mine Closure

Metric	2022	2021
<b>Land rehabilitation</b>		
Operations covered by mine closure plans (%)	100	100
Mine closure provisions (millions USD) <sup>3</sup>	\$19.1	\$7.0

3 Values are undiscounted.



## Governance

Metric <sup>1</sup>	2022	2021
<b>Director independence and tenure</b>		
% of directors independent	78	75
% committee independence		
Audit Committee	100	100
Compensation & Benefits Committee	100	100
Nominating & Corporate Governance Committee	100	100
Sustainability Committee <sup>2</sup>	67	–
Health & Safety Committee	33	33

1 As at the end of the 2022 calendar year. Key metrics as of mid-2023 can be found on [pages 9–12](#) of this report.

2 The Environmental, Social, and Sustainability Committee was established as a standalone committee in 2022 and renamed the Sustainability Committee in 2023.

Metric <sup>3</sup>	2022	2021
<b>Director diversity</b>		
% of directors male	67%	75%
% of directors female	33%	25%

3 As at the end of the calendar year.

Metric	2022	2021
<b>Senior management diversity</b>		
% male	78%	75%
% female	22%	25%

Metric	2022	2021
<b>Anti-corruption and whistleblower metrics</b>		
Corruption incidents	0	0
Whistleblower complaints	0	0
Total hours of anti-corruption training	96	Not reported

# SASB INDEX

Code	Accounting Metric	Page Reference / Disclosure Response
<b>Greenhouse Gas Emissions</b>		
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Performance Data Tables, <a href="#">page 38</a> . 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	<a href="#">Pages 28–29</a> .
<b>Air Quality</b>		
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (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.
<b>Greenhouse Gas Emissions</b>		
EM-MM-130a.1	(1) Total energy consumed	Performance Data Tables, <a href="#">pages 38–39</a> .
	(2) Percentage grid electricity	Performance Data Tables, <a href="#">page 39</a> .
	(3) Percentage renewable	Performance Data Tables, <a href="#">page 39</a> .
<b>Water Management</b>		
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, <a href="#">page 40</a> .
	(2) Total fresh water consumed	See <a href="#">pages 31</a> and <a href="#">40</a> . 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 2023 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 2022.
<b>Waste and Hazardous Materials Management</b>		
EM-MM-150a.4	Total weight of non-mineral waste generated	Performance Data Tables, <a href="#">page 40</a> .
EM-MM-150a.5	Total weight of tailings produced	Performance Data Tables, <a href="#">page 40</a> .
EM-MM-150a.6	Total weight of waste rock generated	Performance Data Tables, <a href="#">page 40</a> .
EM-MM-150a.7	Total weight of hazardous waste generated	Performance Data Tables, <a href="#">page 40</a> .
EM-MM-150a.8	Total weight of hazardous waste recycled	Performance Data Tables, <a href="#">page 40</a> .

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, <a href="#">page 37</a> .
EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	<a href="#">Pages 26</a> and <a href="#">32</a> .
<b>Biodiversity Impacts</b>		
EM-MM-160a.1	Description of environmental management policies and practices for active sites	<a href="#">Pages 25–32</a> .
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.
<b>Security, Human Rights and Rights of Indigenous Peoples</b>		
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 <a href="#">page 12</a> .
<b>Community Relations</b>		
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	<a href="#">Page 21</a> .
EM-MM-210b.2	Number and duration of non-technical delays	K92 had no non-technical delays in 2022 related to conflicts within the local communities near the Kainantu mine site.
<b>Labour Relations</b>		
EM-MM-310a.2	Number and duration of strikes and lockouts	There were no strikes or lockouts at our operations in 2022.
<b>Workforce Health and Safety</b>		
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, <a href="#">page 34</a> . We calculate our safety metrics combining both employees and contractors.

Code	Accounting Metric	Page Reference / Disclosure Response
<b>Business Ethics and Transparency</b>		
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, <a href="#">page 12</a> .
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).
<b>Tailings Storage Facilities Management</b>		
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 – 1.124 million m <sup>3</sup> (7) Current amount of tailings stored – 1,219,685 tonnes (8) Consequence classification – Very low for environmental spill scenario and extreme for dam break scenario (9) Date of most recent independent technical review – June 2022 (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	<a href="#">Page 30</a> .
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.
<b>Activity Metrics</b>		
EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	Performance Data Tables, <a href="#">page 33</a> .
EM-MM-000.B	Total number of employees, percentage contractors	Performance Data Tables, <a href="#">page 35</a> .

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This 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 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 pandemics; 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 resources including uncertainty that mineral resources may never be converted into mineral reserves; the Company’s ability to carry on current and future operations, including development and exploration activities;

the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company’s ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the availability and costs of achieving the Stage 3 Expansion or the Stage 4 Expansion; the ability of the Company to achieve the 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 to, 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 Papua New Guinea and other jurisdictions in which it operates; 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 under the heading “Risk Factors” and filed on SEDAR or the Company’s website.

Estimates of 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. The estimation of mineral resources and mineral reserves is inherently uncertain and involves subjective judgments about many relevant factors. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation. 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. 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 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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