

K92 MINING INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**(Presented in thousands of United States Dollars)
(Unaudited)**

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

K92 MINING INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Presented in thousands of United States Dollars)

(Unaudited)

As at	September 30, 2025	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 185,424	\$ 140,073
Term deposits	-	1,213
Receivables (Note 4)	83,270	24,532
Inventories (Note 5)	49,718	38,886
Prepayments	8,950	3,595
Other current assets	<u>172</u>	<u>965</u>
	327,534	209,264
Restricted cash (Note 8)	-	20,540
Income tax prepayment	2,759	2,423
Deposits on equipment	7,812	1,317
Property, plant and equipment (Note 6)	<u>523,607</u>	<u>394,725</u>
	\$ 861,712	\$ 628,269
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 65,801	\$ 50,643
Income tax payable	12,449	11,902
Current portion of lease liabilities (Note 10)	1,729	1,954
Derivative liabilities (Note 17)	-	1,374
Current portion of Loan (Note 8)	<u>19,721</u>	<u>26,423</u>
	99,700	92,296
Deferred tax liabilities	27,517	16,779
Lease liabilities (Note 10)	3,963	4,784
Loan (Note 8)	34,517	32,788
Reclamation and closure cost obligations (Note 9)	<u>7,323</u>	<u>6,882</u>
	173,020	153,529
Equity		
Share capital (Note 11)	190,746	160,281
Contributed surplus (Note 11)	17,851	29,475
Accumulated other comprehensive loss	(257)	(257)
Retained earnings	<u>480,352</u>	<u>285,241</u>
	688,692	474,740
	\$ 861,712	\$ 628,269
Subsequent events (Note 19)		

Approved and authorized by the Audit Committee on November 9, 2025:

"Saurabh Handa"

Director

"Mark Eaton"

Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

K92 MINING INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND EARNINGS**

(Presented in thousands of United States Dollars, except share and per share amounts)

(Unaudited)

For the	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
REVENUE (Note 14)	\$ 177,547	\$ 122,749	\$ 418,491	\$ 230,338
COST OF SALES (Note 15)	<u>(43,809)</u>	<u>(41,024)</u>	<u>(110,301)</u>	<u>(109,655)</u>
Earnings from mine operations	\$ 133,738	\$ 81,725	\$ 308,190	\$ 120,683
EXPENSES				
General and administrative	(4,735)	(2,438)	(11,534)	(8,284)
Exploration and evaluation expenditures	(4,583)	(3,869)	(12,631)	(12,633)
Foreign exchange	606	(108)	1,676	(2,004)
Share-based payments	(637)	(1,342)	(3,678)	(3,330)
Loss on derivative instruments (Note 17)	<u>(1,388)</u>	<u>(4,860)</u>	<u>(4,787)</u>	<u>(8,439)</u>
Earnings from operations	\$ 123,001	\$ 69,108	\$ 277,236	\$ 85,993
OTHER				
Interest and finance expense (Note 16)	(255)	(186)	(779)	(1,492)
Interest income	<u>1,368</u>	<u>413</u>	<u>3,926</u>	<u>1,325</u>
Earnings before taxes	\$ 124,114	\$ 69,335	\$ 280,383	\$ 85,826
Income tax expense (Note 18)	<u>(38,443)</u>	<u>(22,839)</u>	<u>(85,271)</u>	<u>(30,126)</u>
Net earnings	\$ 85,671	\$ 46,496	\$ 195,112	\$ 55,700
Earnings per share (Note 11)				
Basic	\$ 0.35	\$ 0.20	\$ 0.81	\$ 0.24
Diluted	\$ 0.35	\$ 0.19	\$ 0.80	\$ 0.23
Weighted average number of shares outstanding (Note 11)				
Basic	242,685,068	237,435,452	240,884,756	236,279,923
Diluted	246,937,520	242,056,047	243,939,837	240,147,505

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

K92 MINING INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Presented in thousands of United States Dollars)

(Unaudited)

For the	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
CASH FROM OPERATING ACTIVITIES				
Net earnings for the period	\$ 85,671	\$ 46,496	\$ 195,112	\$ 55,700
Items not affecting cash:				
Unrealized foreign exchange (gain) loss	230	(365)	(878)	938
Interest and finance expense (income)	123	(459)	375	65
Derivative instruments (Note 17)	3,658	4,860	3,779	8,439
Deferred income tax (Note 18)	5,364	2,154	10,738	6,515
Share-based payments (Note 11)	1,832	1,657	5,064	4,368
Depreciation and depletion	7,187	9,778	19,843	27,105
Net payments for derivatives (Note 17)	(2,270)	(3,107)	(4,355)	(4,758)
Changes in non-cash working capital items:				
Inventories	(4,528)	2,962	(8,879)	513
Receivables	(39,025)	(8,148)	(58,738)	(5,760)
Income tax payable	(5,956)	-	547	-
Prepayments	(927)	1,682	(5,691)	1,755
Accounts payable and accrued liabilities	9,036	12,850	12,335	16,220
Net cash provided by operating activities	<u>\$ 60,395</u>	<u>\$ 70,360</u>	<u>\$ 169,252</u>	<u>\$ 111,100</u>
CASH FROM INVESTING ACTIVITIES				
Deposits for equipment	(6,096)	(967)	(7,809)	(1,572)
Redemption of term deposits and restricted cash	415	-	22,168	6,569
Purchase of investments	-	-	-	(20,000)
Acquisition of property, plant and equipment	<u>(52,116)</u>	<u>(39,858)</u>	<u>(146,248)</u>	<u>(105,524)</u>
Net cash used in investing activities	<u>\$ (57,797)</u>	<u>\$ (40,825)</u>	<u>\$ (131,889)</u>	<u>\$ (120,527)</u>
CASH FROM FINANCING ACTIVITIES				
Proceeds on exercise of stock options (Note 11)	5,416	566	13,777	3,251
Proceeds from loan	-	20,000	20,000	60,000
Loan transaction costs	-	-	(200)	(1,066)
Loan principal payments	(5,000)	-	(25,000)	-
Principal lease payments (Note 10)	<u>(482)</u>	<u>(1,166)</u>	<u>(1,506)</u>	<u>(4,046)</u>
Net cash (used in) provided by financing activities	<u>\$ (66)</u>	<u>\$ 19,400</u>	<u>\$ 7,071</u>	<u>\$ 58,139</u>
Change in cash and cash equivalents during the period	2,532	48,935	44,434	48,712
Effect of foreign exchange on cash	(43)	318	917	(1,038)
Cash and cash equivalents, beginning of period	<u>181,229</u>	<u>71,073</u>	<u>140,073</u>	<u>72,652</u>
Cash and cash equivalents, end of period	<u>\$ 183,718</u>	<u>\$ 120,326</u>	<u>\$ 185,424</u>	<u>\$ 120,326</u>
Cash paid for interest	\$ (3,246)	\$ (697)	\$ (8,049)	\$ (2,549)
Cash received for interest income	\$ 1,368	\$ 448	\$ 3,926	\$ 1,252
Cash paid for taxes	<u>\$ (35,949)</u>	<u>\$ -</u>	<u>\$ (64,819)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

K92 MINING INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Presented in thousands of United States Dollars, except share and per share amounts)

(Unaudited)

	<u>Share capital</u>		<u>Contributed surplus</u>	<u>Accumulated other comprehensive loss</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>				
Balance at December 31, 2023	234,879,174	\$ 146,161	\$ 30,972	\$ (257)	\$ 174,016	\$ 350,892
Shares issued on exercise of stock options (Note 11)	2,054,850	5,027	(1,776)	-	-	3,251
Shares issued on vesting of RSUs (Note 11)	242,888	1,303	(1,303)	-	-	-
Shares issued on vesting of PSUs (Note 11)	374,289	1,564	(1,564)	-	-	-
Share-based payments (Note 11)	-	-	4,368	-	-	4,368
Net earnings for the period	-	-	-	-	55,700	55,700
Balance at September 30, 2024	237,551,201	\$ 154,055	\$ 30,697	\$ (257)	\$ 229,716	\$ 414,211
Shares issued on exercise of stock options (Note 11)	631,000	4,807	(1,870)	-	-	2,937
Shares issued on vesting of RSUs (Note 11)	276,065	1,410	(1,410)	-	-	-
Shares issued on vesting of PSUs (Note 11)	2,203	9	(9)	-	-	-
Share-based payments (Note 11)	-	-	2,067	-	-	2,067
Net earnings for the period	-	-	-	-	55,525	55,525
Balance at December 31, 2024	238,460,469	\$ 160,281	\$ 29,475	\$ (257)	\$ 285,241	\$ 474,740
Shares issued on exercise of stock options (Note 11)	3,063,000	23,776	(9,999)	-	-	13,777
Shares issued on vesting of RSUs (Note 11)	579,670	3,171	(3,171)	-	-	-
Shares issued on vesting of PSUs (Note 11)	1,046,695	3,518	(3,518)	-	-	-
Share-based payments (Note 11)	-	-	5,064	-	-	5,064
Net earnings for the period	-	-	-	-	195,111	195,111
Balance at September 30, 2025	243,149,834	\$ 190,746	\$ 17,851	\$ (257)	\$ 480,352	\$ 688,692

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

1. NATURE OF BUSINESS

K92 Mining Inc. (the “**Company**”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on March 22, 2010. The Company’s shares are listed on the Toronto Stock Exchange (TSX) under the symbol “KNT” and quoted on the OTCQX under the symbol “KNTNF”. The Company is currently engaged in the production of gold, copper and silver at the Kainantu Gold Mine as well as exploration and development of mineral deposits in the immediate vicinity of the mine, including Blue Lake and Arakompa.

The Company’s head office, principal, registered and records office is 488 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

2. BASIS OF PREPARATION**Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements are compliant with IAS 34 and do not include all of the information required for full annual financial statements.

Basis of Presentation

These condensed consolidated interim financial statements are presented in United States dollars. Financial information for the Company and each of its subsidiaries is measured using its functional currency, being the currency of the primary economic environment in which the entity operates.

The condensed consolidated interim financial statements were approved and authorized for issue by the Audit Committee on November 9, 2025.

3. MATERIAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The material accounting policy judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty are substantially the same as those applied in the consolidated financial statements for the year ended December 31, 2024, except for the commissioning judgement described below. These condensed consolidated interim financial statements should be read in conjunction with the Company’s most recent annual consolidated financial statements for the year ended December 31, 2024.

The Company’s accounting policies are the same as those applied in the Company’s annual consolidated financial statements for the year ended December 31, 2024.

Judgement relating to commissioning of the new processing plant

The Company is currently commissioning its new 1.2 million tonnes per annum processing plant. Determining when the plant is ready for its intended use requires judgement based on sustained indicators including throughput, metallurgical recovery, and product quality, and in limited circumstances management may determine readiness based on overall evidence of capability. Once readiness is achieved the Company ceases capitalizing commissioning and related borrowing costs and commences depreciation of the related assets.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

4. RECEIVABLES

As at	September 30, 2025	December 31, 2024
Trade receivables	\$ 77,400	\$ 20,208
GST receivable	4,912	3,682
Other	<u>958</u>	<u>642</u>
Total	\$ 83,270	\$ 24,532

5. INVENTORIES

As at	September 30, 2025	December 31, 2024
Mine supplies, consumables and fuel	\$ 35,325	\$ 31,461
Ore stockpile	8,008	3,848
Concentrate and doré	<u>6,385</u>	<u>3,577</u>
Total	\$ 49,718	\$ 38,886

During the nine months ended September 30, 2025, the cost of inventory recognized as an expense in cost of sales amounted to \$110.3 million (2024 - \$109.7 million).

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

6. PROPERTY, PLANT AND EQUIPMENT

	Mineral Properties	Plant and Equipment	Mobile Fleet and Vehicles	Right-of-Use Assets	Stage 3 Expansion	Other Construction in Progress ¹	Total
Cost							
Balance, December 31, 2023	\$ 120,250	\$ 73,525	\$ 53,089	\$ 17,055	\$ 12,137	\$ 69,383	\$ 345,439
Additions	22,546	13,445	7,864	6,827	85,638	31,547	167,867
Write-downs	-	(5,706)	(1,809)	-	-	-	(7,515)
Reclamation changes in estimate	(2,593)	-	-	-	-	-	(2,593)
Transfers	-	13,265	8,523	-	-	(21,788)	-
Balance, December 31, 2024	140,203	94,529	67,667	23,882	97,775	79,142	503,198
Additions	30,971	10,023	8,434	689	58,489	41,779	150,385
Reclamation changes in estimate	66	-	-	-	-	-	66
Transfers ²	58,335	8,883	1,716	-	-	(68,934)	-
Balance, September 30, 2025	\$ 229,575	\$ 113,435	\$ 77,817	\$ 24,571	\$ 156,264	\$ 51,987	\$ 653,649
Accumulated depreciation							
Balance, December 31, 2023	\$ 23,036	\$ 19,617	\$ 26,246	\$ 12,508	\$ -	\$ -	\$ 81,407
Depreciation and depletion	5,243	8,980	13,601	4,419	-	-	32,243
Write-downs	-	(3,459)	(1,718)	-	-	-	(5,177)
Balance, December 31, 2024	28,279	25,138	38,129	16,927	-	-	108,473
Depreciation and depletion	3,945	5,498	10,857	1,269	-	-	21,569
Balance, September 30, 2025	\$ 32,224	\$ 30,636	\$ 48,986	\$ 18,196	\$ -	\$ -	\$ 130,042
Carrying amounts							
As at December 31, 2024	\$ 111,924	\$ 69,391	\$ 29,538	\$ 6,955	\$ 97,775	\$ 79,142	\$ 394,725
As at September 30, 2025	\$ 197,351	\$ 82,799	\$ 28,831	\$ 6,375	\$ 156,264	\$ 51,987	\$ 523,607

¹ Other Construction in Progress at September 30, 2025 consists of \$Nil (2024 - \$52.1 million) in Twin Incline expansion costs, \$14.3 million (2024 - \$11.2 million) in Puma Ventilation Drive costs and \$37.7 million (2024 - \$13.9 million) in other expansion costs.

² During the nine months ended September 30, 2025, \$58.3 million related to the Twin Incline was transferred from Other Construction in Progress to Mineral Properties upon commencement of use.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

6. PROPERTY, PLANT AND EQUIPMENT (cont'd...)**Mining Lease 150 (“ML 150”)**

The Company holds the mining rights to ML 150 and on December 6, 2022, the Government of Papua New Guinea granted an extension of ML 150 for a period of 10 years to June 13, 2034.

Capitalization of interest

During the nine months ended September 30, 2025, the Company capitalized a total of \$9.9 million in interest (2024 – \$3.0 million), which included \$4.0 million in interest on loan liabilities and \$5.9 million in interest on early settlement of concentrate sales with the Company’s offtaker.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	September 30, 2025	December 31, 2024
Trade payables	\$ 10,922	\$ 9,002
Other accounts payable and trade-related accruals	21,604	14,579
Employee accruals	11,236	9,545
Landowners’ compensation accrual	<u>22,039</u>	<u>17,517</u>
Total	<u>\$ 65,801</u>	<u>\$ 50,643</u>

Landowners’ compensation

The Company has obligations to compensate landowners annually who are affected by the operations of the Kainantu Gold Mine. The actual recipients of the compensation and landowners’ share of sales royalty cannot be paid as required until the legitimate landowners have been identified by the Papua New Guinean Land Titles Commission (“LTC”). Therefore, compensation payments to landowners not yet confirmed by the LTC have been accrued but not paid.

8. LOAN

Loan Agreement with Trafigura: On June 19, 2024, the Company and its subsidiary, K92 Mining Limited, entered into two separate credit facilities with Trafigura Pte Ltd (“**Trafigura**”), under which each K92 entity may borrow up to US\$100.0 million each, subject to a combined borrowing cap of US\$120.0 million (the “**Loan**”). From the date of the agreement up to December 31, 2024, the aggregate commitment was limited to US\$100.0 million. From January 1, 2025 onwards, if the credit facility associated with the Company’s subsidiary is repaid (in whole or in part), the Company’s borrowing capacity increases by the amount repaid, up to a maximum of US\$120.0 million. The Loan also includes an accordion feature (the “**Accordion Feature**”), exercisable by mutual agreement between the Company and Trafigura, allowing the total commitment to be increased to up to US\$150.0 million. Proceeds from the Loan may be used for general corporate purposes, working capital, and capital expenditures.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

8. LOAN (cont'd...)

The Loan matures on June 19, 2028, and bears interest at the applicable reference rate based on the Secured Overnight Financing Rate plus a margin of 3.4%. Principal payments are due quarterly in equal instalments on March 31, June 30, September 30 and December 31 of each year beginning September 30, 2025. Interest is treated on an accrual basis, with interest payable at the end of each three-month period commencing after the withdrawal date. The Loan has been recorded as a financial liability at amortized cost and is measured net of transaction costs. Transaction costs associated with the Loan were \$1.3 million and are amortized over the life of the Loan.

All conditions precedent for the advance of \$100.0 million under the K92 Mining Inc. credit facility (“**Canadian Credit Facility**”) and up to \$20.0 million of the \$100.0 million under the K92 Mining Limited credit facility (the “**PNG Credit Facility**”) were satisfied. The Canadian Credit Facility is secured by a pledge of the shares in the Company’s subsidiaries and, in the event of a default, contains a conversion right into common shares of the Company.

During the nine months ended September 30, 2025, the Company drew \$20.0 million under the Canadian Credit Facility of which \$5.0 million was subsequently repaid and fully repaid the remaining \$20.0 million outstanding under the PNG Credit Facility. The PNG Credit Facility had been secured by \$20.0 million in restricted cash, funded through an advance from the Canadian Credit Facility. Following the full repayment of the PNG Credit Facility, the Company no longer holds any restricted cash designated as security under that loan. As at September 30, 2025, the Company had \$55.0 million drawn under the Canadian Credit Facility, \$Nil drawn under the PNG Credit Facility, and \$60.0 million remaining available under the Loan.

Loan	September 30, 2025	December 31, 2024
Loan, beginning of year	\$ 59,211	\$ -
Loan proceeds	20,000	60,000
Transaction costs	(200)	(1,076)
Principal payments	(25,000)	-
Amortization of transaction costs	227	287
Balance, end of period	\$ 54,238	\$ 59,211
Loan, current portion	\$ 19,721	\$ 26,423
Loan, non-current portion	\$ 34,517	\$ 32,788

9. RECLAMATION AND CLOSURE COST OBLIGATIONS

When the Company exhausts or abandons a mining property or an exploration site, it is required to undertake certain reclamation and closure procedures as a result of constructive obligations and to comply with legislative requirements established by the Government of Papua New Guinea.

	September 30, 2025	December 31, 2024
Balance, beginning of year	\$ 6,882	\$ 8,884
Change in estimate	66	(2,593)
Accretion	375	591
Balance, end of period	\$ 7,323	\$ 6,882

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

9. RECLAMATION AND CLOSURE COST OBLIGATIONS (cont'd...)

The provision has been measured as the present value of the estimated future rehabilitation costs using an estimated mine life of 12 years. The estimated cash-flows used to measure the provision were discounted to a present value using a Papua New Guinea discount rate of 11.8% (2024 – 12.0%) and an inflation rate of 4.6% (2024 – 4.6%). The underlying costs in the provision are calculated using the Papua New Guinea Kina as the reclamation costs will be incurred in Papua New Guinea. As such, the discount and inflation rate used in the calculation reflect the economic factors for Papua New Guinea.

On an annual basis, the Company reviews the estimate of future costs of required reclamation and closure work. The current total estimate for all properties anticipates undiscounted future cash outflows to meet constructive obligations for reclamation and closure work in the amount of \$19.4 million (2024 - \$19.6 million), with first expenditures anticipated in 2037.

10. LEASE LIABILITIES

The Company leases assets including mining equipment and buildings. The assets associated with the lease liabilities are included as Right-of-Use assets within property, plant and equipment (Note 6). During the nine months ended September 30, 2025, the Company incurred \$0.4 million (2024 - \$0.2 million) related to interest and finance expenses on the lease liabilities.

The following table summarizes the Company's lease activity and the carrying amounts of the lease liabilities at the present value of the remaining lease payments that are recognized in the statement of financial position:

Lease Liabilities as at	September 30, 2025	December 31, 2024
Lease liabilities, beginning of period	\$ 6,738	\$ 4,760
Additions	689	6,827
Payments	(1,911)	(4,826)
Interest expense	405	361
Adjustment on currency translation	(229)	(384)
Balance, end of period	\$ 5,692	\$ 6,738
Lease liabilities, current portion	\$ 1,729	\$ 1,954
Lease liabilities, non-current portion	\$ 3,963	\$ 4,784

The Company's lease liabilities at September 30, 2025, are summarized as follows:

	Within 1 Year	2-4 Years	Total
Future undiscounted lease payments	\$ 2,156	\$ 4,414	\$ 6,570
Future finance charges	(427)	(451)	(878)
Total discounted lease liabilities	\$ 1,729	\$ 3,963	\$ 5,692

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

11. SHARE CAPITAL AND RESERVES**Authorized share capital**

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued share capital

As at September 30, 2025, the Company had 243,149,834 common shares issued and outstanding.

Share issuances

Except on the exercise of stock options and the conversion of RSUs and PSUs, no other shares were issued during the nine months ended September 30, 2025.

Equity compensation

The Company's share compensation plan (the "**Share Compensation Plan**") provides for the issuance of stock options, RSUs, and PSUs. The Share Compensation Plan was amended effective June 27, 2024 (the "**Amended Plan**").

The Amended Plan allows the Company to grant stock options, RSUs and PSUs to its executive officers, directors, employees, and consultants. The total number of shares issuable under the Amended Plan cannot exceed 6.0% of the issued and outstanding common shares, on a non-diluted basis. The maximum number of common shares issuable through stock options cannot exceed 2.3% of the number of issued and outstanding common shares at the time of grant. For RSUs and PSUs, the total number of common shares that may be issuable cannot exceed 3.7% of the number of outstanding common shares at the time of grant.

Stock options

Stock option transactions are summarized as follows:

	Number Outstanding	Weighted Average Exercise Price (CAD)
Outstanding, December 31, 2023	7,328,850	\$ 5.48
Exercised	(2,685,850)	3.18
Forfeited	<u>(720,000)</u>	<u>7.26</u>
Outstanding, December 31, 2024	3,923,000	\$ 6.73
Exercised	(3,063,000)	6.45
Forfeited	<u>(30,000)</u>	<u>8.02</u>
Outstanding, September 30, 2025	830,000	\$ 7.68
Number currently exercisable	830,000	\$ 7.68

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

11. SHARE CAPITAL AND RESERVES (cont'd...)**Stock options (cont'd...)**

The following stock options were outstanding at September 30, 2025:

Range of exercise prices (in \$CAD)	Number of outstanding options	Number of options exercisable	Weighted-average exercise price (in \$CAD)	Weighted- average years to expiry
6.00 – 8.99	<u>830,000</u>	<u>830,000</u>	7.68	0.43
	830,000	830,000	7.68	0.43

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, expected volatility, forfeiture rate, and expected life of the options. Under the Amended Plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant.

During the nine months ended September 30, 2025, the Company granted Nil stock options (2024 – Nil).

The weighted average share price at the time of exercise for the nine months ended September 30, 2025, was CAD\$12.96 (2024 – CAD\$7.62).

During the nine months ended September 30, 2025, the Company recorded share-based payment expense of \$Nil (2024 – \$Nil) related to the vesting of options.

Restricted share units

RSUs vest in three installments; one-third vesting one year from the grant date, one-third vesting two years from the grant date and the remainder vesting three years from the grant date. At the discretion of the Company, RSUs can be settled in either cash or common shares, or a combination of both. RSUs are recorded at fair value based on the Company's share price on the date of grant, adjusted for an estimated forfeiture rate, and then charged to share-based compensation over the period during which the RSUs vest.

During the nine months ended September 30, 2025, the Company granted 376,356 RSUs. The estimated grant date fair value of \$3.5 million is being recognized over the vesting period.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

11. SHARE CAPITAL AND RESERVES (cont'd...)**Restricted share units (cont'd...)**

	Number Outstanding	Fair Value
Outstanding, December 31, 2023	1,686,653	\$ 8,535
Granted	816,621	4,658
Vested and converted to common shares	(518,953)	(2,713)
Forfeited	<u>(99,545)</u>	<u>(478)</u>
Outstanding, December 31, 2024	1,884,776	\$ 10,002
Granted	376,356	3,512
Vested and converted to common shares	(579,670)	(3,171)
Forfeited	<u>(120,851)</u>	<u>(655)</u>
Outstanding, September 30, 2025	<u>1,560,611</u>	<u>\$ 9,688</u>

During the nine months ended September 30, 2025, the Company recorded a share-based payment expense of \$2.5 million (2024 – \$2.2 million) related to the vesting of RSUs.

In 2023, the Kainantu Employee Trust Ltd. (the “**Trust**”) was established with the purpose of managing RSUs to be used to pay performance incentives for certain employees. The Trust allows for the receipt of RSUs, facilitates the sale of these shares once they have vested and converted into common shares, and manages the distribution of the resulting proceeds to employees. As of September 30, 2025, the Trust held 287,500 RSUs.

Performance share units

PSUs vest in three installments; one-third vesting one year from the grant date, one-third vesting two years from the grant date and the remainder vesting three years from the grant date, subject to certain performance criteria having been met. The vesting of the PSUs is based on the Company’s share price performance in comparison to its peer group with the final number of vested PSUs ranging from 25% to 150% of the initial number of PSUs granted. At the discretion of the Company, PSUs can be settled in either cash or common shares, or a combination of both.

PSUs are recorded at fair value based on a Monte Carlo pricing model at the date of grant, adjusted for an estimated forfeiture rate, and then charged to share-based compensation over the period during which the PSUs vest. For the fair value calculation of granted PSUs during the period ended September 30, 2025, the Monte Carlo pricing model used historical share price volatility of 47% (2024 – 46% - 49%), historical share price volatility of the Company’s peer group ranging from 32% to 37% (2024 – 32% to 37%) and a Canadian risk-free rate of 2.8% (2024 – 4.0% - 4.2%).

During the nine months ended September 30, 2025, the Company granted 564,541 PSUs. The estimated grant date fair value of \$4.3 million is being recognized over the vesting period.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

11. SHARE CAPITAL AND RESERVES (cont'd...)**Performance share units (cont'd...)**

	Number Outstanding	Fair Value
Outstanding, December 31, 2023	1,640,529	\$ 7,027
Granted	805,576	3,197
Vested and converted to common shares	(359,951)	(1,573)
Forfeited	<u>(137,538)</u>	<u>(521)</u>
Outstanding, December 31, 2024	1,948,616	\$ 8,130
Granted	564,541	4,304
Vested and converted to common shares	(769,594)	(3,518)
Forfeited	<u>(181,265)</u>	<u>(810)</u>
Outstanding, September 30, 2025	1,562,298	\$ 8,106

During the nine months ended September 30, 2025, the Company recorded a share-based payment expense of \$2.6 million (2024 – \$2.2 million) related to the vesting of PSUs.

Earnings per share

The following summarizes the calculation of basic and diluted earnings per share:

For the	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Income for the period	\$ 85,671	\$ 46,496	\$ 195,112	\$ 55,700
Basic weighted average number of shares outstanding	242,685,068	237,435,452	240,884,756	236,279,923
Effect of dilutive securities:				
Stock options	428,609	686,810	338,426	523,262
Restricted share units	1,818,258	1,926,234	1,375,385	1,688,934
Performance share units	2,005,585	2,007,551	1,341,270	1,655,386
Diluted weighted average number of shares outstanding	<u>246,937,520</u>	<u>242,056,047</u>	<u>243,939,837</u>	<u>240,147,505</u>
Earnings per share				
Basic	\$ 0.35	\$ 0.20	\$ 0.81	\$ 0.24
Diluted	\$ 0.35	\$ 0.19	\$ 0.80	\$ 0.23

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The levels in the fair value hierarchy into which the Company's financial assets and liabilities that are measured and recognized at fair value were categorized as follows:

As at	September 30, 2025		December 31, 2024	
	Level 1	Level 2	Level 1	Level 2
Trade receivables (Note 4)	\$ -	\$ 77,400	\$ -	\$ 20,208
Derivative assets (Note 17)	-	3	-	801
Derivative liabilities (Note 17)	-	-	-	(1,374)
	\$ -	\$ 77,403	\$ -	\$ 19,635

The fair value of the Company's trade receivables, derivative assets and derivative liabilities were determined using observable market prices and market-derived inputs. There were no transfers between Level 1 and Level 2 during the period ended September 30, 2025.

As at September 30, 2025, and December 31, 2024, the carrying amounts of cash and cash equivalents, term deposits, other receivables, current loan liability, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments. The fair value of the Company's non-current loan liability also approximates its carrying amount, as it bears a floating interest rate and the Company's credit spread has remained relatively stable.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk arises from the possibility that a counterparty may fail to meet its contractual obligations, resulting in a financial loss to the Company. This risk primarily relates to cash and cash equivalents as well as trade receivables. The Company mitigates credit risk by maintaining its cash and cash equivalents with high-credit-quality financial institutions. Trade receivables are associated with the sale of concentrates and doré, which are exclusively sold to well-established, creditworthy counterparties with a strong payment history. For the period ended September 30, 2025, the Company sold 100% of its concentrate to a single offtaker and 100% of its doré to a single refiner. The Company continuously monitors the creditworthiness of its customers and financial institutions and does not consider there to be a significant credit risk at this time.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**Financial risk factors (cont'd...)***Liquidity risk*

The Company has in place a planning and budgeting process to manage its liquidity risk and ensure it has sufficient liquidity to meet liabilities when due. As at September 30, 2025, the Company had cash and cash equivalents of \$185.4 million (2024 - \$140.1 million), and operating cash-flow for the period ended September 30, 2025 of \$169.3 million (2024 - \$111.1 million) to settle current liabilities of \$99.7 million (2024 - \$92.3 million). The Company's accounts payable and accrued liabilities typically have contractual maturities of 30 days and are subject to normal trade terms or are due on demand.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's financial assets and liabilities that are exposed to interest rate risk consist of cash and cash equivalents, term deposits and loan liabilities. The Company's current policy is to invest excess cash in highly liquid short-term interest-bearing investments issued by its banking institutions. The following outlines the impact to pre-tax earnings (loss) of a 1% change in interest rates on cash and cash equivalent balances held as of September 30, 2025:

	Impact of interest rate change on pre-tax earnings (loss)	
	1% increase	1% decrease
Interest income	\$ 1,385	\$ (1,385)

The following outlines the impact of a 1% change in interest rates on capitalized interest amounts included in property, plant, and equipment related to loan liability balances held as of September 30, 2025:

	Impact of interest rate change on capitalized interest amounts	
	1% increase	1% decrease
Capitalized interest	\$ 475	\$ (475)

b) Foreign currency risk

The Company is subject to foreign currency risk on financial instruments denominated in currencies other than the United States Dollar. Through this, the Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, prepayments, income tax prepayments, accounts payable, accrued liabilities, and reclamation and closure cost obligations, which may be denominated in Australian Dollars, Papua New Guinean Kina, or Canadian Dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations. As these exchange rates fluctuate against the United States Dollar, the Company will experience foreign exchange gains and losses.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**Financial risk factors (cont'd...)****b) Foreign currency risk (cont'd...)**

The following table outlines the impact to pre-tax earnings (loss) of a 10% change in foreign exchange rates on cash and cash equivalent balances held in currencies other than the United States Dollar as of September 30, 2025:

Funds held in	Impact of foreign exchange rate change on pre-tax earnings (loss)	
	10% increase	10% decrease
Canadian Dollars	\$ 3,089	\$ (3,089)
Australian Dollars	\$ 2,648	\$ (2,648)
Papua New Guinea Kina	\$ 2,187	\$ (2,187)

c) Price risk

The Company is exposed to commodity price risk from fluctuations in market prices of the commodities that the Company produces. Gold concentrate is “provisionally priced” whereby the selling price is subject to final adjustment at the end of a period normally ranging from 30 to 90 days after delivery to the customer. Revenue is recognized on provisionally priced sales based on estimates of fair value of the consideration receivable which is based upon then current market prices. At each reporting date, the trade receivable is marked to market based on the estimated settlement price. As at September 30, 2025, the fair value of trade receivables was calculated using an estimated forward gold price of \$3,747 per ounce (2024 - \$2,649 per ounce) and using an estimated forward copper price of \$4.72 per pound (2024- \$4.08 per pound).

The following table outlines the impact on trade receivables of a 10% change in gold and copper commodity prices to pre-tax earnings (loss) as of September 30, 2025:

	Impact of price change on pre-tax earnings (loss)	
	10% increase	10% decrease
Trade receivables – gold	\$ 17,696	\$ (17,696)
Trade receivables – copper	\$ 789	\$ (789)

Concentration of Credit Risk

The Company's cash and cash equivalents are held with financial institutions in Canada, Papua New Guinea, and Australia. As of September 30, 2025, a single Canadian chartered bank holds approximately 50% of the total cash and cash equivalents. Substantially all of the Company's cash and cash equivalents exceed government insured limits. The Company continually assesses and manages its exposure to the credit risk of financial institutions.

Concentration of sales

The Company sells exclusively to well-established, creditworthy counterparties with a strong payment history. For the period ended September 30, 2025, the Company sold 100% of its concentrate to a single offtaker and 100% of its doré to a single refiner.

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

13. SEGMENTED INFORMATION

Operating segments are components of an entity that engage in business activities from which they incur expenses and whose operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. The Chief Executive Officer is responsible for allocating resources and reviewing operating results of each operating segment on a periodic basis.

The Company's only operating segment is the operating and development of gold mining activities at the Kainantu Project in Papua New Guinea. Corporate & Other includes the Company's head office function in Canada.

Nine months ended September 30, 2025	Kainantu Project	Corporate & Other	Total
Revenue	\$ 418,491	\$ -	\$ 418,491
Cost of sales	\$ 110,301	\$ -	\$ 110,301
General and administrative	\$ -	\$ 11,534	\$ 11,534
Exploration and evaluation expenditures	\$ 12,631	\$ -	\$ 12,631
Income tax expense	\$ 85,271	\$ -	\$ 85,271
Net earnings (loss)	\$ 202,977	\$ (7,865)	\$ 195,112
Capital expenditures	\$ 145,795	\$ 4,590	\$ 150,385

As at September 30, 2025			
Property, plant and equipment	\$ 517,255	\$ 6,352	\$ 523,607
Total assets	\$ 724,627	\$ 137,085	\$ 861,712
Total liabilities	\$ 114,039	\$ 58,981	\$ 173,020

Nine months ended September 30, 2024	Kainantu Project	Corporate & Other	Total
Revenue	\$ 230,338	\$ -	\$ 230,338
Cost of sales	\$ 109,655	\$ -	\$ 109,655
General and administrative	\$ -	\$ 8,284	\$ 8,284
Exploration and evaluation expenditures	\$ 12,633	\$ -	\$ 12,633
Income tax expense	\$ 30,126	\$ -	\$ 30,126
Net earnings (loss)	\$ 70,968	\$ (15,268)	\$ 55,700
Capital expenditures	\$ 102,318	\$ 779	\$ 103,097

As at December 31, 2024			
Property, plant and equipment	\$ 392,500	\$ 2,225	\$ 394,725
Total assets	\$ 508,737	\$ 119,532	\$ 628,269
Total liabilities	\$ 109,573	\$ 43,956	\$ 153,529

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

14. REVENUE

For the	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Gold in concentrate	\$ 139,342	\$ 95,047	\$ 333,458	\$ 180,775
Copper in concentrate	5,519	5,926	13,512	14,971
Silver in concentrate	1,013	873	2,172	1,738
Gold and silver in doré	11,934	13,012	34,889	26,566
Treatment and refining charges	<u>(2,340)</u>	<u>(2,324)</u>	<u>(6,522)</u>	<u>(5,433)</u>
Revenue from contracts with customers	155,468	112,534	377,509	218,617
Gain on receivables at fair value	<u>22,079</u>	<u>10,215</u>	<u>40,982</u>	<u>11,721</u>
Total	\$ 177,547	\$ 122,749	\$ 418,491	\$ 230,338

15. COST OF SALES

For the	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Mining	\$ 10,463	\$ 5,704	\$ 24,677	\$ 18,088
Processing	3,114	2,863	7,967	6,984
Maintenance	5,008	4,566	13,668	11,774
Other site costs	15,388	11,672	40,249	36,150
Royalty and levy	3,586	2,771	9,076	5,605
Change in inventories	<u>(2,065)</u>	<u>3,117</u>	<u>(6,134)</u>	<u>4,399</u>
	35,494	30,693	89,503	83,000
Non-cash costs				
Depreciation and depletion	7,117	10,130	19,616	25,617
Share-based payments	<u>1,198</u>	<u>201</u>	<u>1,182</u>	<u>1,038</u>
Total	\$ 43,809	\$ 41,024	\$ 110,301	\$ 109,655

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

16. INTEREST AND FINANCE EXPENSE

For the	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Interest expense	\$ 132	\$ 40	\$ 404	\$ 1,045
Accretion expense	<u>123</u>	<u>146</u>	<u>375</u>	<u>447</u>
Total	\$ 255	\$ 186	\$ 779	\$ 1,492

17. DERIVATIVE INSTRUMENTS

The Company purchased gold put option contracts that give it the right to settle financially at a predetermined strike price. As at September 30, 2025, the Company held contracts for 15,000 ounces per month from October to December 2025 with a strike price of \$3,000 per ounce. The settlement value is based on the monthly average of the London Bullion Market Association's PM fixing price.

The details of the open put options contracts as at September 30, 2025, were as follows:

Contracts Outstanding	Quantity (ounces)	Strike Price (\$/ounce)	Settlement Term	Settlement Date
Gold put contracts – purchased	15,000	\$3,000	September 2025	October 2, 2025
Gold put contracts – purchased	15,000	\$3,000	October 2025	November 4, 2025
Gold put contracts – purchased	15,000	\$3,000	November 2025	December 2, 2025
Gold put contracts – purchased	15,000	\$3,000	December 2025	January 5, 2026

The realized and unrealized (losses) on the derivative instruments were as follows:

For the	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Realized losses	\$ (2,270)	\$ (3,107)	\$ (4,355)	\$ (4,758)
Unrealized gains (losses)	<u>882</u>	<u>(1,753)</u>	<u>(432)</u>	<u>(3,681)</u>
Net realized and unrealized losses	\$ (1,388)	\$ (4,860)	\$ (4,787)	\$ (8,439)

K92 MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

(Presented in thousands of United States Dollars, except share and per share amounts, unless otherwise noted)

(Unaudited)

17. DERIVATIVE INSTRUMENTS (cont'd...)

The fair value of the derivative instruments are presented on the statement of financial position as follows:

As at	September 30, 2025	December 31, 2024
Derivative assets	\$ 3	\$ 801
Derivative liabilities	-	(1,374)

Fair values for derivative financial instruments are determined using valuation techniques, and assumptions based on market conditions existing at the statement of financial position date.

18. INCOME TAXES**Income tax expense**

The Company's income tax expense is composed of the following:

For the	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Current income tax expense	\$ 33,079	\$ 20,685	\$ 74,533	\$ 23,611
Deferred income tax expense	5,364	2,154	10,738	6,515
Income tax expense	\$ 38,443	\$ 22,839	\$ 85,271	\$ 30,126

19. SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the Company:

- remitted \$25.6 million in income tax installments to the Papua New Guinea government; and
- purchased 120,000 gold put option contracts providing the Company with the option to financially settle 10,000 ounces of gold per month over a twelve-month period, beginning January 2026, at a strike price of \$3,500 per ounce. The settlement value will be based on the average gold price each month. The company paid \$5.9 million for the put options or \$48.875 per ounce.