

## INVESTOR UPDATE

15 December 2022

### ABOUT

Summit Gold Limited's wholly owned subsidiary, Summit Development Limited, formerly held the Licence (EL1093) for the Mt Kare 2.5Moz Au-Ag Project in Papua New Guinea.

In December 2015 the PNG Government elected not to renew the Licence.

Summit Development is an applicant in the new licence round for Mt Kare.

Summit is actively engaged in seeking out new corporate and strategic opportunities.

### BOARD AND MANAGEMENT

**Brian Rodan**  
Executive Chairman

**Jon Edwards**  
Non-Executive Director

**David Nixon**  
Non-Executive Director

**Sebastian Andre**  
Company Secretary

### ISSUED CAPITAL

**Shares:** 48,059,021  
**Options:** 10,000,000  
exercisable at \$0.05 each on or before 31/12/2025

### CONTACT

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## COMPANY UPDATE

**Summit Gold Limited (Summit Gold Limited or the Company)** provides the following update in respect to its activities and those of its wholly owned subsidiary, Summit Development Limited (**Summit**):

### Background

On 27 April 2018 the PNG National Court upheld the decision by the Minister for Mining to refuse the **Renewal** of Summit's exploration licence (**EL 1093**) over the **2.5Moz Mt Kare Au-Ag Project**.

On 10 July 2018 Summit lodged an **Appeal** against the decision of the PNG National Court. The appeal was heard on 26 February 2019 in PNG's Supreme Court.

On 17 December 2021 PNG's Supreme Court **Dismissed** Summit's appeal and the orders restraining any dealings with the Mt Kare tenement were dissolved, enabling the Mineral Resources Authority (**MRA**) to commence the **new licence round** for Mt Kare.

Summit is an applicant in the new Licence round.

### New Licence Round

**MRA** has accepted and registered thirteen (13) applications from different parties, including Summit's application numbered ELA 2447 lodged on 1 March 2016. Summit's application is the 4<sup>th</sup> in time. The procedure to be adopted by the MRA in awarding a new licence was detailed in Summit's announcement dated 10 February 2022.

The **1<sup>st</sup> in time** application for the New License round is **GMG Global Mining Group Limited (GMG)**. The **2<sup>nd</sup> in time** applicant is **New Britain Lime and Cement Limited** (now known as Tribune Mt Kare Gold Limited) (**Tribune**).

Subsequent to the decision of the Supreme Court, Tribune applied to have GMG's application set aside on the basis that MRA accepted GMG's application in breach of the PNG Mining Act. On 11 November 2022 the PNG National Court dismissed Tribune's application. Tribune has up to 60 days to lodge an appeal.

Summit has entered into an agreement with the **3<sup>rd</sup> in-time applicant**, ACM Contract Mining (PNG) Limited (**ACM PNG**). Pursuant to this agreement, Summit and ACM PNG will, if either of them is granted the new licence, co-operate to complete the exploration of and to develop a world class gold mine at Mt Kare in the interests of all stakeholders, in particular the Mt Kare landowners, the Enga Provincial Government, and the Hela Provincial Government.

Summit and ACM PNG continue to engage with GMG and Tribune to formulate a mutual tripartite agreement to procure the grant of the Licence and commence exploration without further legal process and delays. Summit's PNG legal advisers believe the MRA will be receptive to this proposal.

**Summit** is the only applicant in the new licence round with significant local knowledge of Mt Kare, a genuine understanding of the Mt Kare geology and the support of the Mt Kare landowners.



Summit is also the only applicant in the new licence round that has successfully hosted warden's hearings at Mt Kare. A warden's hearing is a key component of licence renewal that involves engagement with landowners on site at **Mt Kare**.

Unlike the other licence applicants, Summit has a long history of working closely with the Mt Kare landowners and the Enga Provincial Government. These matters give Summit an advantage over the other applicants for the new licence. One of the key issues to be determined at a warden's hearing is whether the applicant is accepted by and able to work with the local landowners.

### **Promises of Support**

Summit has received promises of support for its plans for Mt Kare and its new licence application from the highest levels of PNG's National Government and the Enga Provincial Government. Summit looks forward to working with both those parties and the relevant local government bodies should its application for a new licence at Mt Kare be successful.

The Enga Provincial Government and the Hela Provincial Government, representing as they do the two provinces in which Mt Kare is located, will each have the opportunity of making representations to the Mining Advisory Council concerning who should be granted the new licence.

The licence to develop Mt Kare will most likely be granted to an applicant who has the support of the Provincial Governments. Summit enjoys a particularly good relationship with the Enga Provincial Government.

### **Social Licence to Operate at Mt Kare**

In 2019 the Mt Kare landowners, in an open letter of support, expressed their desire for Summit to recommence operations at Mt Kare. The letter is dated 12 November 2019 and was signed by 156 Mt Kare landowners. A copy of the letter is available on the Company's website at <https://summitgold.com.au/site/investors/announcements>.

As already noted, Summit's long-standing relationship with the Mt Kare landowners is unique among the applicants for the new license. Landowner relationships are a very important consideration when the Minister for Mining decides who should be granted the new licence.

### **PNG National Election**

The outcome of the 2022 PNG National Elections was determined in August 2022. The Pangu Party, together with its coalition partners secured a majority in the 117-seat parliament, with the Pangu Pati's Hon. James Marape MP sworn back in as Prime Minister with a mandate to lead PNG for the next 5 years.

The Governor of the Enga Province, Grand Chief, Hon. Sir Peter Ipatas MP, was returned with a very substantial majority.

Prime Minister Marape appointed the Hon. Sir Ano Pala MP as the new Mining Minister. Sir Ano is a Pangu Pati member who represents the Rigo electorate in the Central Province.

Summit looks forward to working with elected officials in PNG as it seeks to secure the grant of the Exploration licence and to recommence activities at Mt Kare early in 2023.



## Audit

The Audit of the Company's 2022 financial statements is nearly complete and once finalised will be uploaded to the Summit web site (<https://www.summitgold.com.au/site/investors/reports>).

## Future Funding

A capital raising of A\$250,000 is planned with the funds raised to go towards:

- Ongoing working capital requirements
- Continuing to promote Summit's exploration strategy and development plans with the Enga and Hela Provincial Governments and the returned National government of PM James Marape.
- Continue to engage with the local Mt Kare landowners to maintain and build support for Summit's plans to recommence exploration works at Mt Kare if it is awarded the new licence.
- Continue with the assessment of new strategic opportunities.

The capital raising would be limited to sophisticated and professional investors.

Summit Gold Limited continues to engage with its corporate advisers, Morgan's Corporate Limited (**Morgans**). If Summit's application for a new licence at Mt Kare is granted, Morgans will assist Summit Gold Limited in raising the required capital to relist on the Australian Securities Exchange (ASX) and to recommence the exploration programme at Mt Kare.

## Strategic Opportunities

With the ongoing commitment of the Company directors, the strong support from key shareholders and the valued assistance from **Morgan's Financial** the Company will continue to evaluate new strategic opportunities designed to create value for shareholders and enable the Company to re-list on the ASX.

The Board encourages those who may be interested in participating in the capital raise by contacting the company secretary via email at [sandre@summitgold.com.au](mailto:sandre@summitgold.com.au).

For further information, please contact:

### Sebastian Andre

Company Secretary  
Summit Gold Limited

[sandre@summitgold.com.au](mailto:sandre@summitgold.com.au)

– Ends –

## ABOUT SUMMIT GOLD LIMITED

**Summit Gold Limited's wholly owned subsidiary, Summit Development Limited** formerly held the exploration licence for the ~2.5Moz Mt Kare Au-Ag Project in Papua New Guinea. In December 2015 the PNG Government elected not to renew the Licence. Summit Development Limited is now an applicant in the new licence round for Mt Kare.

Summit Development Limited acquired the Mt Kare Project for ~A\$27M in cash and the issuance of fully paid ordinary shares in the capital of the Company in 2011. Since then, Summit Development Limited has invested over A\$70M directly in exploration, evaluation, mine feasibility and landowner investigation studies as well as ~A\$15M in indirect costs including social and community support, security, maintenance, helicopter support and provision of finance and administration functions to support activities at site, for a total investment exceeding A\$100M.