

COMPANY UPDATE

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12 January 2024

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 also actively engaged in seeking out new corporate and strategic opportunities.

BOARD AND MANAGEMENT

Brian Rodan
Executive Chairman

Jon Edwards
Executive Director

David Nixon
Non-Executive Director

Adam Taylor
Non-Executive Director

Sebastian Andre
Company Secretary

ISSUED CAPITAL

Shares: 48,059,021

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

Highlights

- 2021 and 2022 Notices of Meeting were sent to Shareholders on 19 December 2023. The 2021 and 2022 Annual General Meetings will be held on 15 January 2024.
- Audited financial statements for FY2023 are available on the Company's website. The notice of meeting to hold the 2023 annual general meeting will be circulated as soon as possible.
- The financial position of Summit has changed materially, as evidenced by the 2023 annual report, and the Company is now funded to pursue the new licence for the Mt Kare Au-Ag project.
- Following the Supreme Court's December 2021 decision not to allow Summit Development's appeal (**Appeal**) against the Minister for Mining's earlier non-renewal of Summit's Development's Mt Kare licence, Summit's operating structure and ongoing expenditures were significantly reduced.
- Mr Adam Taylor appointed to the board of Summit.
- Summit continues to position itself for the new licence round, which includes engaging with other applicants.
- Positive signs for Papua New Guinea (PNG) evidenced by the impending re-opening of the Porgera Gold Mine, completion of the purchase of the Tolukuma Gold Mine by Tolu Minerals Limited and subsequent listing on the ASX, as well as the continuing success of the Kainantu Gold Mine owned by TSX listed K92 Mining Inc.
- At the same time, Total Energies Limited is moving forward with the early works for the Papua LNG Project and the Newmont/Harmony joint venture to develop the Wapi Golpu gold and copper prospect in Morobe Province has applied for its special mining lease.
- 2023 was a period of relative political stability in PNG with the Marape/Rosso Government moving forward with its political, economic and social agenda on a number of fronts.
- 2024 promises to be a year of significant economic growth in PNG with the World Bank substantially upgrading its forecasts for PNG.

Shareholder Meetings

The 2021 and 2022 annual general meetings will be held at 10 am (WST) on Monday, 15 January 2024, at the Company's office in West Perth. Eligible shareholders are encouraged to attend.

A notice of meeting for the 2023 annual general meeting will be circulated as soon as possible.



FY2023 Annual Report

The audit of the FY2023 financial statements has been completed and the annual report is available on the Company's website.

During the financial year the secured creditor signed a deed of forgiveness in relation to loans and associated interest totalling \$44,715,665. As a result, these loans have been written off in the books of the Company.

Operating Structure and Expenditure

The Company's operating structure and resultant expenditure incurred during FY2022 were the consequence of Summit's appeal in the Supreme Court of PNG. The appeal was against a previous decision of PNG's National Court upholding a decision by the Minister for Mining not to renew Summit's exploration licence EL1093 over the 2.5Moz Mt Kare Au-Ag Project.

Costs were incurred to employ consultants in PNG to manage stakeholder relationships, fund the Company's PNG and Perth based legal teams, maintaining a small office in both Port Moresby and in Perth, and ongoing accounting and company secretarial roles commensurate with a public company.

Following the Supreme Court's dismissal of the Appeal on 17 December 2021, the Company's operating structure was reduced, and costs decreased by 54% from \$944,088 in FY2022 to \$440,389 in FY2023. After FY2023 financial year end, Summit directors were able to negotiate a discount on unpaid FY2023 expenditure, which reduced the \$440,389 to \$166,466, a reduction of 82% on the FY2022 expenses.

	FY2022	FY2023	Write Off's	FY2023 Adjusted
Professional	\$271,243	\$108,346	(\$24,000)	\$84,346
Insurance	\$41,670	\$40,240		\$40,240
Travel	\$45,224	\$4,474		\$4,474
Consultancy	\$241,876	\$164,082	(\$152,422)	\$11,659
Administration	\$344,075	\$123,247	(\$97,500)	\$25,747
Total	\$944,088	\$440,389		\$166,466

Appointment of New Director and Change of Auditor

Mr Adam Taylor has been appointed a director of the Company. Adam is an experienced CEO with a history in the civil construction and mining sectors and brings skills covering business management, strategy development, contract negotiation and implementation of innovation to the Summit board.

Crowe Perth resigned as auditors of the Company following ASIC's consent to the resignation. Hall Chadwick WA Audit Pty Ltd (Hall Chadwick) has been appointed as auditor of the Company. The appointment of Hall Chadwick follows a review of the Company's external audit arrangements and the board selected Hall Chadwick based upon their expertise and competitive fee structure.



New Licence Round

Mineral Resources Authority of PNG has accepted and registered thirteen (13) applications for the Mt Kare Ag Au Project from different parties, including Summit's application numbered ELA 2447 lodged on 1 March 2016. Summit's application is the 4th in time. The procedure which MRA adopts when awarding a new licence was detailed in Summit's announcement dated 10 February 2022.

The 1st in time applicant in the new licence round is GMG Global Mining Group Limited (**GMG**). The 2nd in time applicant is New Britain Lime and Cement Limited (now known as Tribune Mt Kare Gold Limited) (**Tribune**).

Summit has entered into an agreement with the 3rd 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.

Subsequent to the Supreme Court's decision on the Appeal, 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. We understand Tribune has lodged an appeal.

Summit welcomes the opportunity to continue to work with other applicants 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 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 a warden's hearing at Mt Kare. A warden's hearing is a key step in the granting or renewal of any mining licence in PNG and 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 factors 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.

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 Summit's website <https://summitgold.com.au/site/investors/announcements>.

Positive signs for the Mining Sector in PNG

Porgera Gold Mine

Barrick Gold Corporation announced its intention to recommence mining at the Porgera Gold Mine in December 2023 with the first gold pour expected in Q1 or Q2 2024. At the recent PNG Mining and Investment Conference in Sydney Prime Minister James Marape hailed the recommencement of mining at Porgera as a major contributor to the country's economy.

The Porgera Gold Mine originally commenced production in 1999 and has produced in excess of 27 Moz of gold. The mine is situated 15km northeast of the Mt Kare Au-Ag Project.

The recommencement of mining at Porgera will help to provide employment and economic and social stability to the region, which in turn is expected to benefit Mt Kare.



Tolukuma Gold Mine

Tolu Minerals Limited (ASX: TOK) (**Tolu**) recently completed the purchase of the Tolukuma Gold Mine and operations have recommenced at the project. In November 2023 Tolu successfully raised A\$17.5M at A\$0.50 per share and relisted on the ASX, which **evidences investment support for PNG mining projects**. Tolu shares are currently trading at \$0.55 per share with a market capitalisation of \$31.2M.

Kainantu Gold Project

K92 Mining Inc. announced the purchase of the Kainantu Gold and Copper Mine in PNG in August 2014. The price paid was CAD22.0M (AUD24.5M) with settlement completed in March 2015.

At the time the Indicated and Inferred Resource was 2.1 Moz at 10g/t (+).

The resource has since grown to:

- Measured and Indicated of 8.1Kt @ 10g/t = 2.6 Moz Au equivalent
- Inferred resource of 16.5Mt @ 8.48g/t = 4.5 Moz Au equivalent

Market capitalisation has increased to CAD1,526M (AUD1,702M).

The success of K92 indicates the investor support for mining and the value which can be created from successful exploration and subsequent production in PNG.

Capital Raise and Future Funding

In December 2023 the Company received applications for the issue of 4,000,000 Fully Paid Ordinary Shares to raise \$200,000. Funds raised were used to pay outstanding creditors and provide for ongoing working capital requirements in PNG associated with Summit's application in the new licence round.

The Board encourages shareholders to express their interest in participating in any proposed future capital raising via email (admin@summitgold.com.au). It is likely that capital raising initiatives in the short term will be limited to sophisticated and professional investors. If you are interested in participating in such activities, please also provide a sophisticated investor certificate that is no more than 6 months old with your expression of interest.

With the strong commitment from the Directors and Board of Summit Gold, the unwavering support from its major shareholders and with the assistance from Morgans our corporate advisers, the Company will continue to evaluate new strategic opportunities that are designed to create value for shareholders and enable the Company to re-list on the ASX.

For further information, please contact:

Sebastian Andre

Company Secretary

Summit Gold Limited

admin@summitgold.com.au

ABOUT SUMMIT GOLD LIMITED

Summit Gold Limited's wholly owned subsidiary, Summit Development Limited formerly held the exploration licence for the **~2.5 Moz 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.