

## INVESTOR UPDATE

22 June 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 Limited sought a Judicial Review of the decision but was unsuccessful. 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**  
Non-Executive Director

**David Nixon**  
Non-Executive Director

**Sebastian Andre**  
Company Secretary

### ISSUED CAPITAL

**Shares:** 45,246,521  
**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 **2Moz 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** does not expect a new licence to be granted until after the PNG national election is concluded and a new Government is sworn in by the end of August or early September 2022.

### 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 **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**).

**Summit** has been advised that the **2<sup>nd</sup> in time** applicant has applied to have the **1<sup>st</sup> in-time** application set aside on the basis that MRA accepted the GMG application in breach of the Mining Act. This legal process is ongoing.

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 are also open to the possibility of working with Tribune Mt Kare Gold Limited should the **2<sup>nd</sup> in time** application be successful.

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



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>

Notwithstanding its disappointment in losing the court case and subsequent appeal against the non-renewal of EL1093, Summit has continued to assist the Mt Kare landowners whenever possible.

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

### **PNG National Election**

PNG is in the middle of a national election. Campaigning has commenced and voting will start on 2 July and run for 3 weeks. Counting of votes will start on 23 July and conclude on or about 29 July 2022. A new government is expected to be sworn in by the end of August 2022.

The election is being vigorously contested and it is currently unclear which party will gain the greatest number of seats and be asked to form the new government.

The mining portfolio, which includes the title of Minister for Mining, is a much sought-after position in the PNG Government. It is the Minister for Mining who makes the final decision concerning the granting of the new license and this decision is expected within a reasonable period following the election.

The Enga Provincial Government and the Hela Provincial government are keen to see Mt Kare developed as soon as possible and can be expected to make representations to the Minister for Mining about this.

Summit has developed friendly relations with several prominent PNG politicians and is happy to work with whoever becomes Prime Minister and Minister for Mining following the election.



## **Audit**

The Audit of the Company's 2021 financial statements has been completed and the Annual Report has been uploaded to the Summit Gold Limited web site (<https://www.summitgold.com.au/site/investors/reports>).

## **Capital Raise**

Summit Gold Limited completed a \$500,000 capital raising earlier this year. Funds raised have been used to meet the Company's ongoing working capital requirements in PNG in relation to the licence renewal.

## **Future Funding**

A further capital raising of A\$500,000 is planned with the funds raised to go towards:

- Continue to promote Summit's exploration strategy and development plans with the Enga and Hela Provincial Governments and the incoming National government during and after the national election.
- 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.
- Ongoing working capital requirements and assess a number of new strategic opportunities

The new 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 strong commitment of its directors, the support of key shareholders and with assistance from Morgan's and other external advisors, 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 future capital raising by contacting the company secretary via email [info@summitgold.com.au](mailto:info@summitgold.com.au)

For further information, please contact:

### **Sebastian Andre**

Company Secretary  
Summit Gold Limited

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

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## **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.