

INVESTOR UPDATE

10 February 2022

ABOUT

Summit Gold Limited's wholly owned subsidiary, Summit Development Limited, formerly held the Licence for the Mt Kare 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: 42,109,021
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 provides the following update in respect to its activities and those of its wholly owned subsidiary, Summit Development Limited (**Summit**):

Supreme Court Appeal

On 17 December 2021, the judgement in the Appeal was handed down in PNG's Supreme Court. The Appeal was commenced by Summit following the PNG Government's refusal to extend the term of its exploration licence EL 1093 in 2015.

The Appeal was dismissed. The orders restraining any dealings with the Mt Kare tenements were dissolved and Summit was ordered to pay the taxed costs of the other parties incidental to the Appeal.

The Appeal judgement acknowledges that the primary judge made a number of errors; however, the Appeal Court found those errors were not of sufficient magnitude to warrant the Supreme Court overturning the primary judge's decision.

New Licence Round

PNG's Mineral Resources Authority (**MRA**) will now proceed with the new licence round for Mt Kare (**EL 2429**). EL 2429 being the new license number applied to the tenement.

MRA has accepted and registered several applications from different parties for EL2429, including Summit's own application lodged on 1 March 2016.

The following procedures will apply to the awarding of the new licence:

1. All applications are reviewed by MRA and, if they are compliant, the applications are approved for processing and registered. This step has already occurred;
2. The applications are processed in the order they were received by MRA. There is no guarantee however that the first in time applicant will be granted the new licence.
3. For each application, commencing with the first-in-time application, this process involves the following:
 - (a) MRA prepares an initial report on the application for the Mining Advisory Council (**MAC**);
 - (b) A copy of the application is sent to each provincial government in whose province the land to which the application relates is situated and the provincial government may submit a report on the application to MAC;
 - (c) Details of the application are published in the National Gazette and in a daily newspaper;
 - (d) Objections to the application are invited;

- (e) A warden's hearing is conducted on site with the local landowners present;
- (f) The warden submits a report on the hearing to MAC;
- (g) MAC considers the application, the various reports submitted to it and any objections to the application;
- (h) In the case of an exploration licence, MAC also considers the work programme submitted with the application.
- (i) MAC then makes a recommendation to the Minister concerning the grant or refusal of the application;
- (j) The Minister may, on recommendation of MAC, approve or refuse to approve the application or approve the application subject to conditions;
- (k) The applicant is notified of the Minister's decision;
- (l) Where the Minister refuses the application, the above process commences again for the next-in-time application and is repeated until an application is approved or all the applications are refused; and
- (m) Where the Minister approves the application, the Registrar of Mining Tenements records the grant of the tenement in the register of mining tenements.

Competing Applications

As the applications are processed, Summit (the 4th in-time applicant) will, in accordance with the Mining Act 1992 (**Mining Act**), have the opportunity to object to each of the prior in-time applications.

Summit will object to the 1st in-time application submitted by Global Mining Group Limited (**GMG**). MRA accepted GMG's application in breach of Section 30 of the Mining Act, which Section specifically prohibits an application for a new licence being made or accepted within the period of 30 days immediately following the expiry of the old EL 1093.

Summit may also object to the 2nd in-time application submitted by New Britain Lime & Cement Limited (now called Tribune Mt. Kare Gold Limited) (**Tribune**). Notwithstanding this, Summit is open to the possibility of developing this asset in conjunction with Tribune on agreed terms. Discussions between Summit and Tribune have been constructive and are on-going.

In the meantime, 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, in the event that 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 and the Enga Provincial Government. Again, Summit and ACM PNG are open to the possibility of Tribune becoming part of this JV.

Summit has successfully hosted warden's hearings at Mt Kare in the past and looks forward to the new warden's hearing in relation to its own application for EL 2429.

Summit is in regular contact with the Mt Kare landowners, the Enga Provincial Government and the National Government concerning Summit's plans for Mt Kare and has received strong support for those plans.

As the only applicant with the knowledge and geological understanding of the Mt Kare project and with its long history of working closely with the Mt Kare landowners and the Enga Provincial Government, Summit is confident that in due course its application for the new licence will be granted.



Social Licence to Operate at Mt Kare

As previously announced, 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 was 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>

Audit, Capital Raise and Future Funding

The Audit of the Company's 2021 financial statements is nearing completion.

Summit Gold Limited has recently received applications for the issue of 3,137,500 Fully Paid Ordinary Shares to raise \$251,000. Funds raised will be used to meet Summit's ongoing working capital requirements in PNG.

Summit Gold Limited has continued to engage with its corporate advisers, Morgans Corporate Limited (**Morgans**) in preparation for a successful outcome for Summit's application in the new licence round. As previously announced, Morgans will assist Summit Gold Limited in raising the required capital to recommence the exploration programme at Mt Kare.

It will become necessary for Summit Gold Limited to raise funds in the future and the Board will continue to prioritise existing shareholders in any such capital raising activities, subject to compliance with all relevant securities laws. The Board encourages shareholders to express their interest in participating in any proposed future capital raising via email (info@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.

Strategic Opportunities

With the strong commitment from the Directors and Board of Summit Gold, the unwavering support from its major shareholders and with the assistance from Morgan's the Company will continue to evaluate various 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

info@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.