

5. KOMA prepared cut-off grades for Peak Gold JV. Calculations exclude Fort Mining Plant.

Considering the chosen highway transport rate (3,000 stpd ore) is the downstream bottleneck, ore stockpiles must be maintained to disconnect the ex-pit ore mining rate and ore delivery rate, as there are periods in the LOM plan with more or less than the requisite 3,000 stpd. Maintaining a consistent delivery rate is important to allow the transport contractor to maintain



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steady-state operations and for the Project not to incur standby charges due to lack of ore available to transport.

The ore stockpiles enable the Project to employ an elevated cut-off grade strategy. In every planning period, the LOM plan selects from available ex-pit sources or from the highest-grade stockpile to maximize the in-period cash flow of the ore delivered to Fort Knox.