

27 November 2024

ASX RELEASE

\$1.385M rights issue shortfall funding secured; North Queensland gold Earn-in; Proposed Board changes

AuKing Mining Limited (ASX: AKN, AuKing) is pleased to advise that it has secured important funding for ongoing exploration activities together with initial funding for a proposed earn-in right in respect of a gold project near Cloncurry in northern Queensland. As part of the proposed activities, additional Board members are proposed to be appointed – adding substantial mining and exploration experience to the Board.

HIGHLIGHTS

- **Rights Issue Shortfall funding secured:** Agreement has been reached with Benwest Investment Services Pty Ltd to place to a group of sophisticated and professional investors the shortfall that arose from AuKing's recent rights issue entitlement offer – a total of 197,963,982 new shares will be issued at \$0.007 per share to raise \$1.385M before issue-related costs. A further 98,981,991 free-attaching options to subscribe for shares at an exercise price of \$0.03 each exercisable on or before 30 April 2027 will also be issued.
- **Earn-in right to secure 15% of project interests near Cloncurry, north Qld:** Earn-in agreement entered into with Orion Resources Pty Ltd (**Orion**), which is acquiring a substantial package of mining and exploration tenures, and mining processing facilities near Cloncurry. AuKing has the right to earn a 15% interest in these project assets by incurring \$1.5M on exploration expenditure on or before 31 December 2025.
- **Existing Projects now funded and work can proceed:** Immediate steps are now being taken to commence drilling at the Mkuju uranium project in Tanzania. Activities on AuKing's other projects are under consideration, pending weather conditions.
- **Board Changes:** Proposed new Board appointments to add many years of international and local exploration and mining expertise.

AuKing's Managing Director, Mr Paul Williams, said that the proposed Orion transaction presents an exciting opportunity for the Company to take advantage of potentially stronger investment markets in the key commodity sectors of gold, uranium and copper.

"The funding received as part of this transaction not only enables AuKing to advance its key existing projects but also to secure an interest in the Cloncurry project assets that are being

acquired and developed by Orion. The intention is for AuKing's exploration expertise to make a significant contribution to the proposed development activities of Orion. In addition, we are fortunate to secure the services of three experienced senior mining professionals as additional directors," said Mr Williams.

Rights Issue Shortfall Placement

As announced on 16 October 2024, the Company announced that it had closed its entitlement rights issue offer to existing shareholders (**Entitlement Offer**). The Entitlement Offer was an offer of new fully paid ordinary shares in the Company (**New Shares**) on a 2 for 3 basis at an issue price of A\$0.007 per New Share (**Offer Price**) plus 1 attaching option exercisable at \$0.03 and expiring 30 April 2027 (**New Option**) for every 2 New Shares.

The Entitlement Offer was substantially under-subscribed, with a net shortfall remaining of \$1,385,747.87 (197,963,982 New Shares) (**Shortfall**). Under the terms of the Entitlement Offer Prospectus dated 12 September 2024 (Section 2.3), the Board of AuKing reserved the right, in the case that there is less than a full subscription by eligible shareholders under the Entitlement Offer, (and as contemplated within the ASX Listing Rules), to issue any shortfall within three months after the Closing Date at an issue price being not less than the Offer Price.

Accordingly, agreement has been reached with Benwest Investment Services Pty Ltd (AFSL No. 258832) to subscribe for the Shortfall by way of a placement to sophisticated and professional investors on the same terms as were offered under the Entitlement Offer. A total of approximately \$1,385,000 will be received by the Company shortly, upon completion of the placement and is proposed to be allocated as follows:

- Cloncurry Project earn-in expenditure - \$350,000
- Existing project expenditure - \$180,000
- Transaction costs - \$85,000
- Working capital/payment of creditors - \$770,000
- Total** **\$1,385,000**

Cloncurry Project

Orion Resources Pty Ltd (**Orion**) has entered into an asset sale agreement (**ASA**) to acquire the existing Lorena processing plant and associated facilities, situated approximately 15 kms east of Cloncurry in northern Queensland, together with various exploration and mining tenements in that area. The Lorena plant is a conventional carbon in leach gold processing facility. In addition, Orion has acquired under the ASA additional exploration and mining tenements approx. 30kms to the south of the Lorena plant, described as the "Mt Freda/Golden Mile Project". The overall tenure package being acquired by Orion covers an area of 447km² in the Cloncurry Region.

Orion is developing plans to re-establish mining and processing operations at Lorena, with a focus on mining first ore from the Mt Freda/Golden Mile deposits subject to further . As part of a broader production strategy, Orion proposes to establish a central gold and copper processing hub for the region.

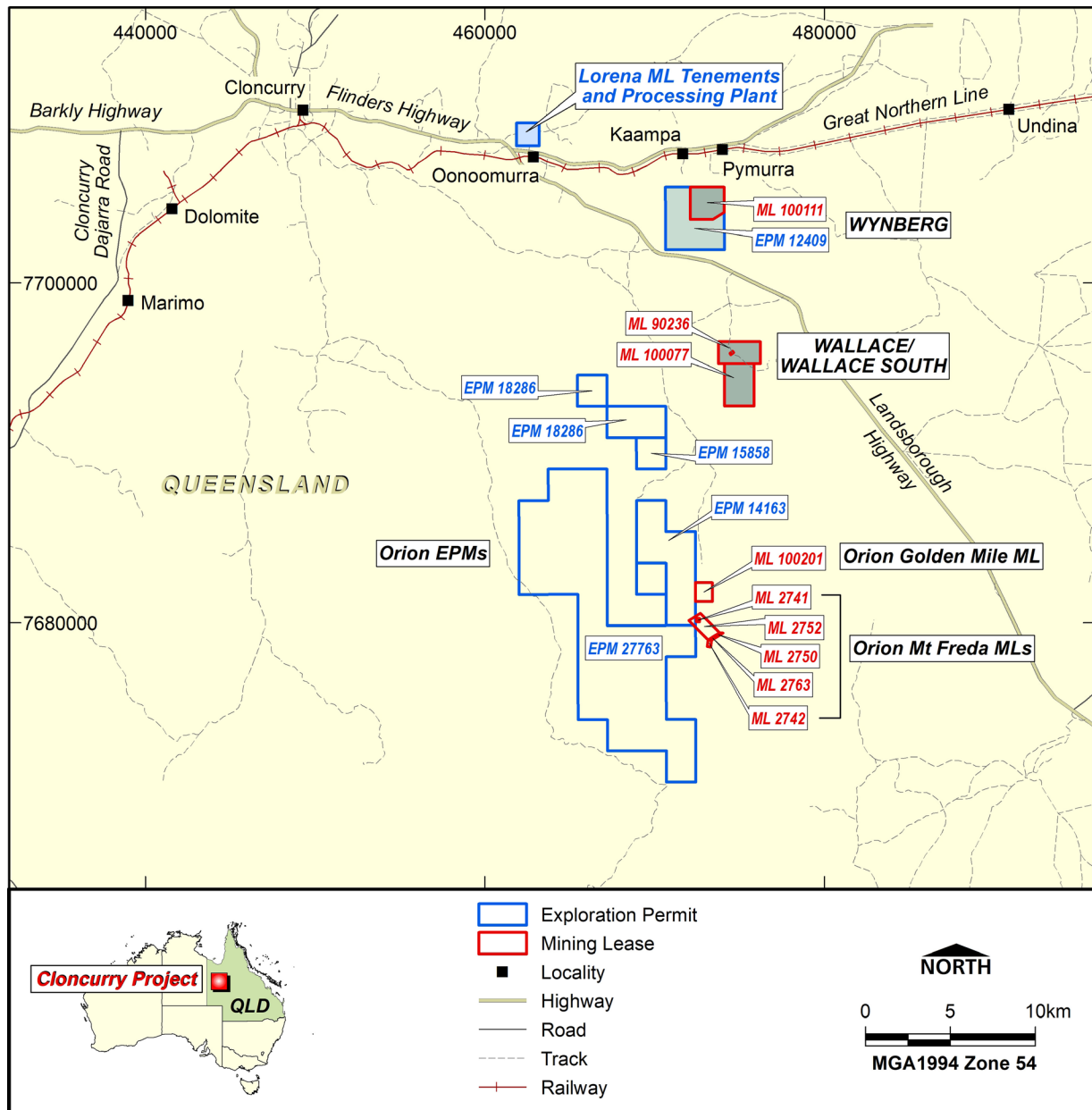


Figure 1 – Orion's Cloncurry Project interests, including the Mt Freda/Golden Mill mining leases. [Note the nearby Wynberg and Wallace/Wallace South gold projects are not assets being acquired by Orion]

Mt Freda/ Golden Mile Project

On 4 March 2021 Ausmex Mining Group Limited (ASX: AMG) reported an upgraded mineral resource for the Mt Freda deposit (as shown in Table 1 below). The resource is located in three zones of gold mineralization that fall within a shear zone; the Main Lode, the NW Lode, and the NE lode. Mt Freda has been mined historically, with remaining resources below the historical open pit controlled in their lateral and vertical extents by a geological model. This model was created from lithological descriptions and geochemical data collected from holes drilled by various explorers since the 1980s.

RL	Material	Indicated			Inferred			Total			Cut-off (g/t Au)
		Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	
≥160	Oxide	234,000	2.95	22,100	103,000	2.4	7,900	337,000	2.78	30,000	0.5
	Fresh	146,000	2.29	10,700	40,000	1.85	2,400	187,000	2.19	13,200	
<160	Oxide	155,000	3.57	17,700	126,000	2.57	10,400	280,000	3.12	28,100	1.0
	Fresh	78,000	2.66	6,700	124,000	2.01	8,000	202,000	2.26	14,700	
	Total	613,000	2.91	57,300	393,140	2.27	28,700	1,006,000	2.66	86,100	-

Table 1 – Mt Freda mineral resource estimate (Refer AMG release to ASX 4 March 2021)

A central component of Orion's plans is the conduct of additional drilling and mineral resource estimation work in and around the Mt Freda/Golden Mile Project. The nature of the proposed work will be the primary focus of the AuKing Earn-in agreement (see below) and includes the following:

- Further drilling to identify additional gold resources and provide greater definition of existing resources;
- Re-assessment of previous geological and related modelling;
- Preparation of an upgraded mineral resource estimate for Mt Freda and the nearby Golden Mile areas; and
- General tenement administration and maintenance.

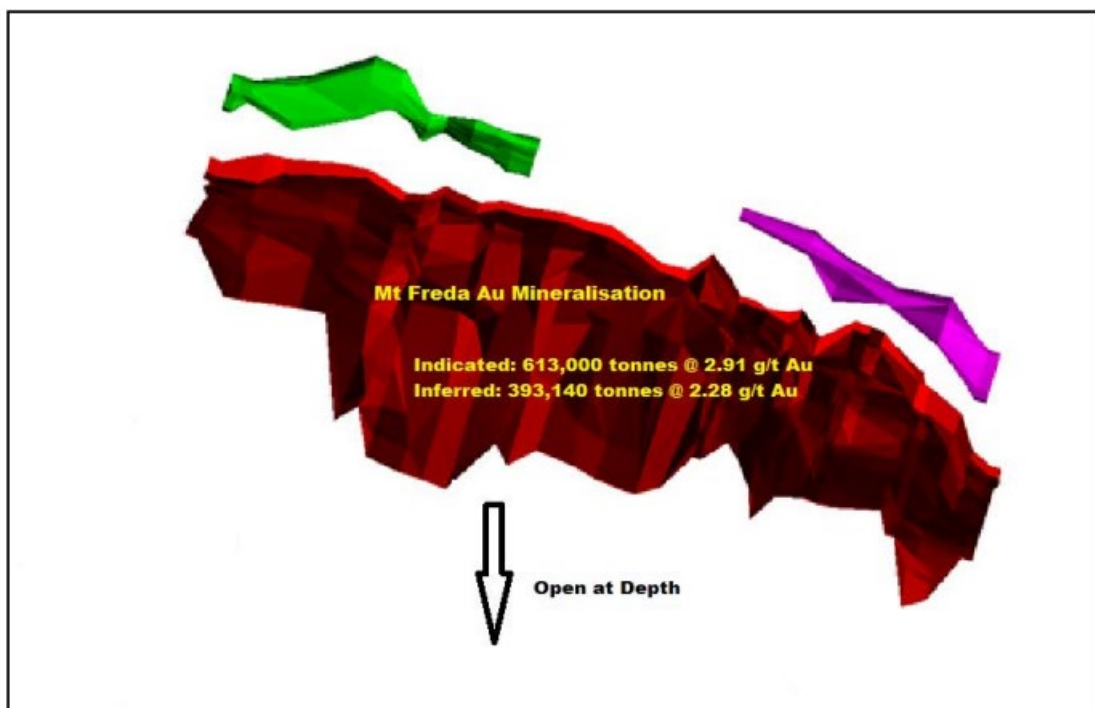


Figure 2 – Mt Freda gold mineralization showing Main Lode (red), NW Lode (green) and NE Lode (pink) (Refer AMG release to ASX 4 March 2021)



Figure 3 – Lorena Processing Facility

Earn-in Agreement Terms

AuKing has entered into an agreement with Orion making provision for AuKing to earn up to a 15% interest in the Cloncurry Project in accordance with the following terms:

- The focus of activities by AuKing will be exploration, drilling and resource estimation work associated specifically with the Mt Freda/Golden Mile Project areas, which are the contemplated first areas for mining under Orion's development program.
- AuKing will have the right to earn a 15% interest in the total package of assets (comprising the Cloncurry Project) that are being acquired by Orion by spending \$1.5M on proposed exploration, drilling and resource estimation work at Mt Freda/Golden Mile on or before 31 December 2025.
- AuKing will be the manager of project activities that it is providing the funding for at Mt Freda/Golden Mile.
- On completion of the AuKing earn-in, a Joint Venture will be established between AuKing and Orion on normal terms for a mining joint venture, with the participating interests of 15% (AuKing) and 85% (Orion) respectively.
- In the event of AuKing failing to meet the \$1.5M expenditure amount, its interests in the Cloncurry Project will lapse.
- Some other features of the agreement between AuKing and Orion include:
 - Orion will meet the purchase price obligations for the purchase of the Cloncurry Project from its own sources and no funds are payable by AuKing; and
 - There are no additional rights for AuKing to acquire further interests in the Cloncurry Project after it acquires the 15% holding. To the extent any further rights are created, that will be a matter for future negotiation.

AuKing is obliged to pay a corporate services fee in the form of 20,000,000 options exercisable at \$0.03c on or before 30 April 2027 to Pelican Corporate Pty Ltd, on account of the introduction to the Company of both Benwest Investment Services Pty Ltd and Orion Resources Pty Ltd and assisting with co-ordination of the transactions summarized above. In accordance with the “placement holiday” that the Company is currently subject to (see ASX announcement on 15 November 2024), the Company cannot issue these options to Pelican Corporate until after shareholder approval is obtained at an extraordinary general meeting and not before 21 March 2025.

Existing AuKing Project Activities

The placement of the rights issue shortfall noted above now enables AuKing to allocate some funding to its existing project activities including the following:

- Immediate steps will be taken to commence the proposed drilling at the Mjuku uranium project in southern Tanzania. There remains a small window to carry out some initial drilling prior to the onset of the wet season in that region;
- It is proposed to carry out mineral resource upgrade and scoping study upgrade work in relation to the Koongie Park copper/zinc project in north-eastern Western Australia;
- Initial field work at the Company’s two Canadian project (Grand Codroy and Myoff Creek) are now likely to be postponed until 2025, now that significant snowfalls have been recorded in those areas;
- Finally, work continues with AuKing’s JV partner in Saudi Arabia to finalise formal grant of the Shaib Marqan gold exploration licence over the next few weeks, prior to commencement of exploration activities.

The overall corporate philosophy with these projects is to seek to maximise their value through initial (and relatively inexpensive project work) and then form a view as to whether further expenditure is appropriate.

Board Changes

As a consequence of completion of the rights issue shortfall placement, certain changes will be made to the existing Board of AuKing as follows:

- Three new highly experienced exploration and mining professionals will shortly join the board as additional directors;
- Peter Tighe will remain in his role as non-executive Chairman;
- Paul Williams will remain as Managing Director; and
- Shizhou Yin will retire as a director.

The appointments (and CVs) of the proposed new directors will be effected and announced shortly.

ASX Disclosure re Historical Exploration Results

This ASX release contains information derived from public disclosures of Ausmex Mining Group Limited (ASX:AMG), a former owner of the Mt Freda project area. In accordance with ASX disclosure requirements the following additional matters need to be noted:

- The historical mineral resource estimates reported in this release were made by a company other than AuKing namely, Ausmex Mining Group Limited – a company that was listed (at the time) on the ASX;
- Copies of the historical resource estimates can be obtained from the ASX announcements platform;
- The historical mineral resource estimate was reported under the requirements of the JORC Code 2012;
- AuKing's Competent Person believes that it is reasonable to rely on the resource estimate in the manner presented in this release;
- AuKing intends (from now on) to report its own exploration results after the conduct of planned activities in accordance with the JORC Code 2012, utilizing historical data as a general background rather than the basis for future reporting;
- Details of the proposed future activities and funding of those activities are set out elsewhere in this release;
- A statement by Mr Chris Bittar, Competent Person is set out below;
- A cautionary statement in relation to the historical exploration results included in this release is set out above; and
- AuKing has no other reason to suspect that the historical mineral resource estimate as reported in this release are misleading.

This announcement has been authorised by Paul Williams, Managing Director, AuKing Mining Limited.

For more information, please contact:

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Competent Persons' Statement

The information in this report that relates to historical mineral resource estimate at the Mt Freda Project is based on information reviewed by Mr Chris Bittar who is a member of the Australasian Institute of Mining and Metallurgy. Mr Bittar is an employee of AuKing Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Bittar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.