

27 February 2023

ASX RELEASE

Manyoni Project Update

Summary

- On Monday, 20 February 2023 AuKing received notices from the Tanzanian Mining Commission (“Commission”) advising proposed revocation of two of the five Prospecting Licences (PLs) held by AuKing subsidiary 92U Tanzania Limited at Manyoni. The basis for these notices was cited as *“due to a flexicadastre system malfunction that led to double allocation of mineral rights over the same area”*.
- After receipt of these notices AuKing took immediate action on Tuesday morning, 21 February 2023 to enter a trading halt with ASX, pending clarification of the matter.
- AuKing’s PLs were issued by the Commission on 26 January 2023. Subsequently, two further PLs were issued by the Commission to another group on 3 February 2023 over the exact same area.
- Efforts to resolve the double allocation of mineral rights have been unsuccessful and AuKing will now lodge a formal Appeal with the Tanzanian Minister of Minerals.
- The proposed exploration and drilling program will continue but with focus directed to extending uranium resources on the other three PLs at Manyoni.
- An independent consulting geologist (H&S Consultants) was recently commissioned by AuKing to review the historical exploration and drilling data for the Manyoni uranium project. This review has identified various zones across the Manyoni project area with potential to significantly increase the known resources.
- Ven Capital has committed to ensuring completion of the \$2.2M T2 placement at 10c per share and as approved by AuKing shareholders on 16 December 2022.

AuKing Mining Limited (ASX: AKN) will continue with its Manyoni exploration and drilling program in March despite action from the Tanzanian Mining Commission impacting two Manyoni PLs.

AuKing's CEO, Mr Paul Williams, said that the action of the Commission to revoke the two PLs was taken without prior notice and, based on AuKing's legal advice, contrary to the provisions of their Mining Act. While AuKing intends to work constructively with the Commission, this matter will now need to be resolved pursuant to an appeal that AuKing will urgently file with the Minister of Minerals in Tanzania.

"While the Commission's decision is a surprise and disappointing, our remaining Manyoni licence holdings are in good standing and this presents us with an opportunity to focus more on areas where there is significant potential to expand existing resources at Manyoni as part of our proposed drilling program. The recent report from H&S Consultants provides additional independent consensus that our proposed drilling can significantly extend the existing Manyoni uranium resource from these areas," said Mr Williams.

"AuKing has also secured an important commitment from Ven Capital Pty Ltd to complete the \$2.2M T2 share placement at 10c per share and otherwise in accordance with AuKing shareholder approval on 16 December 2023," he said.

Manyoni Licences

As announced to ASX on 31 January 2023, AuKing was granted 12 PLs in Tanzania, including 5 PLs that comprise the Manyoni uranium project. Almost all of the historical resource estimate for Manyoni was comprised within those 5 PLs. Notices were then received by AuKing on the evening of Monday 20 February 2023 from the Commission indicating that 2 of these 5 licences were to be revoked due to a flexicadastre system malfunction that led to double allocation of mineral rights over the same areas. There had been no prior indication that such notices would be issued. In response to these notices, AuKing took immediately action the next morning to obtain a trading halt with the ASX, pending clarification of the matter.

A significant portion of the historical Manyoni resource estimate is contained within the 2 PLs that are the subject of revocation. AuKing has spent the past few days identifying the holder of the double allocation of mineral rights. Another Tanzanian company was issued PLs on 3 February 2023 over the exact same areas as AuKing's PLs. Discussions with representatives in Australia of this other company to resolve the matter have proven unsuccessful.

In the meantime, AuKing's local legal advisors in Tanzania have prepared an appeal to the Minister of Minerals under the relevant provisions of the *Mining Act 2010* and will file this appeal immediately. The legal advice AuKing has received is that there are strong grounds to assert that various provisions of the Mining Act have not been followed in this matter. At this stage there is no indication as to how long the appeal process will take nor of the final outcome. However, despite this situation, AuKing remains committed to making a significant contribution to the Tanzanian mining sector and intends to work co-operatively with the Commission.

Proposed Manyoni Program

AuKing has previously reported to ASX that in June 2010 Hellman & Schofield prepared a resource estimate for Manyoni. This mineral resource estimate (MRE) for Manyoni comprised **92Mt (@ 100ppm cutoff) containing 29 million pounds of U₃O₈**.

As part of the proposed exploration and drilling program, AuKing engaged H&S Consultants (the successor firm of Hellman & Schofield) to undertake a detailed review of the historical data that supported their 2010 MRE. That review was also to provide recommendations for the drilling program to the extent that re-drilling and twinning of previous areas might be required in order to provide confidence for future resource estimation work at Manyoni.

Included in the H&S Consultants review was an indication that various areas across the known uranium resources at Manyoni have not been explored to any detail (or at all) and provide the potential for significant extension of the known uranium resources at Manyoni. The PL areas at Manyoni that are the subject of revocation have already been well-defined by significant historical exploration and drilling. Accordingly, AuKing now has an opportunity to focus its proposed exploration and drilling program on the other, less-explored areas at Manyoni where there is greater potential resource extension areas.

T2 Placement

At AuKing's EGM on 16 December 2022, shareholders approved the T2 placement comprising the issue of up to 21,260,000 shares at an issue price of 10c to raise \$2.12M before issue costs, together with free attaching 30 September 2025 options exercisable at 20c on a 1:2 basis. Under the ASX Listing Rules, the T2 placement must be completed by 16 March 2023, being 3 months from the date of the EGM.

Ven Capital Pty Ltd (who successfully managed the T1 placement for AuKing in October last year) has committed to completing the T2 placement at the 10c share issue price prior to the 16 March due date. In addition, although he cannot participate in the T2 placement (being a director), Co-Chairman Asimwe Kabunga has also committed to assist Ven Capital with the placement.

ASX Disclosure – Listing Rule 5.13

The MRE for Manyoni as reported above was initially reported to ASX on 30 June 2010 by UNX. Accordingly, the MRE was prepared in accordance with the JORC 2004 reporting standards. In addition:

- AuKing is not in possession of any new information or data relating to the MRE that materially impacts on the reliability of the estimates or AuKing's ability to verify these estimates;
- All supporting information in the UNX report of 30 June 2010 continues to apply and has not materially changed; and
- For the purposes of Listing Rule 5.12.9:
 - The MRE is in accordance with an earlier version of the JORC Code (2012);

- A competent person hasn't done sufficient work to classify the MRE as mineral resources in accordance with the JORC Code (2012); and
- It is uncertain that further work/evaluation will enable the resources to be reported as mineral resources in accordance with the JORC Code (2012).

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

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About AuKing Mining

AuKing Mining (ASX:AKN) is a mining exploration company focused on uranium, copper and zinc projects in both Tanzania and Australia.

Our flagship Koongie Park Copper Zinc Project in Western Australia's Halls Creek Region hosts a JORC resource and is neighboured by several significant mining and development operations including Nicholson's Gold Mine, Panton PGM Project, and Savannah Nickel Mine. Koongie Park has already been the subject of significant exploration drilling and analysis since the 1970's, hosting over 300 RC and diamond drill holes consisting of more than 60,000m of drilling in total. The predominant focus of drilling has been at the Sandiego, Onedin and Emull deposits, the latter of which offers the potential to establish an open pit mine.

In January 2023, AuKing acquired several uranium and copper licences in Tanzania including:

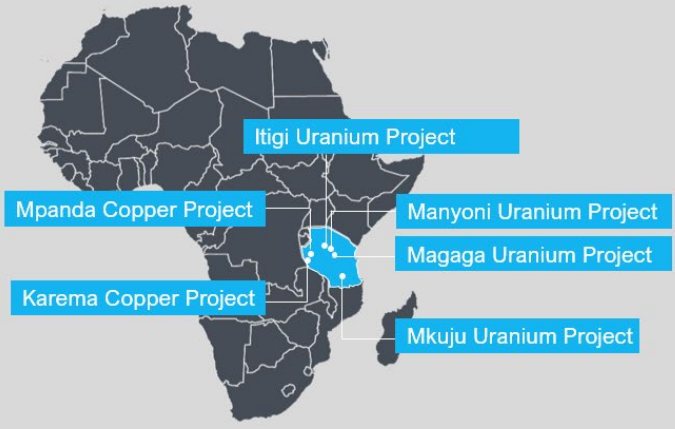
Mkuju – near to the world class Nyota uranium project in southern Tanzania; the subject of significant previous exploration

Manyoni/Itigi – the subject of significant historical exploration situated in central Tanzania, just west of Dodoma

Mpanda/Karema – prospective copper areas in western Tanzania that were the subject of historic mining operations but largely untouched by modern exploration methods.

For further information
www.aukingmining.com

AUKING PROJECTS



Tanzania, Africa

Western Australia, Australia

