

19 October 2022

ASX RELEASE

AuKing acquires uranium and copper projects in Tanzania.

Highlights

- A 100% interest acquired in six projects in Tanzania – four prospective for uranium (Mkuju, Manyoni, Itigi and Magaga) and the other two prospective for copper (Mpanda and Karema).
- The uranium projects are either nearby or include areas subject to significant prior exploration and development up until 2012/2013 including:
 - (a) Nyota (owned by Uranium One/ARMZ) – just north of Mkuju – previous owner (Mantra Resources Ltd) reported 108.9Mt @ 422ppm U₃O₈ (101.4Mlbs contained U₃O₈)¹
 - (b) Manyoni (previous owner Uranex NL) – 92Mt @ 144ppm U₃O₈ (29Mlbs contained U₃O₈)².
- The Mpanda copper project is approx. 10kms away from the historic Mukwamba copper mine that operated between 1930 and 1960.
- Two-staged funding exercise proposed for exploration:
 - (a) T1 (which has now been completed) – issuing 13,750,000 new shares at 10c to raise \$1.37M under an existing placement capacity; and
 - (b) T2 (subject to shareholder approval) – issuing approx. 20,000,000 new shares at 10c to raise a further \$2M.

The 10c issue price for the T1 and T2 placements represents a 17% premium to AKN's 30 day VWAP. These funds will be utilised (together with existing cash reserves) towards further exploration and development of the company's flagship Koongie Park Project, initial exploration and data review of the Tanzanian projects, and working capital.

- Perth-based businessman, Mr Asimwe Kabunga, joins the AKN Board as Chairman with Ms Anna Nahajski-Staples remaining as Co-Chair.

¹ See Mantra ASX release 6 May 2011 and Competent Person's Statement in Appendix A to this Report

² See Uranex (ASX: MNS) ASX release 30 June 2010 and Competent Person's Statement in Appendix A to this Report



AuKing Mining Limited (ASX:AKN) has confirmed acquisition of a substantial portfolio of tenures in Tanzania that are prospective for uranium and copper development opportunities.

Tanzania Projects

The company proposes to acquire 12 Prospecting Licences covering six project areas – Manyoni, Mkuju, Itigi and Magaga (uranium) and Mpanda, Karema (copper) as shown in Figure 1. The total tenure portfolio includes several Prospecting Licence applications that will be processed for grant in due course.

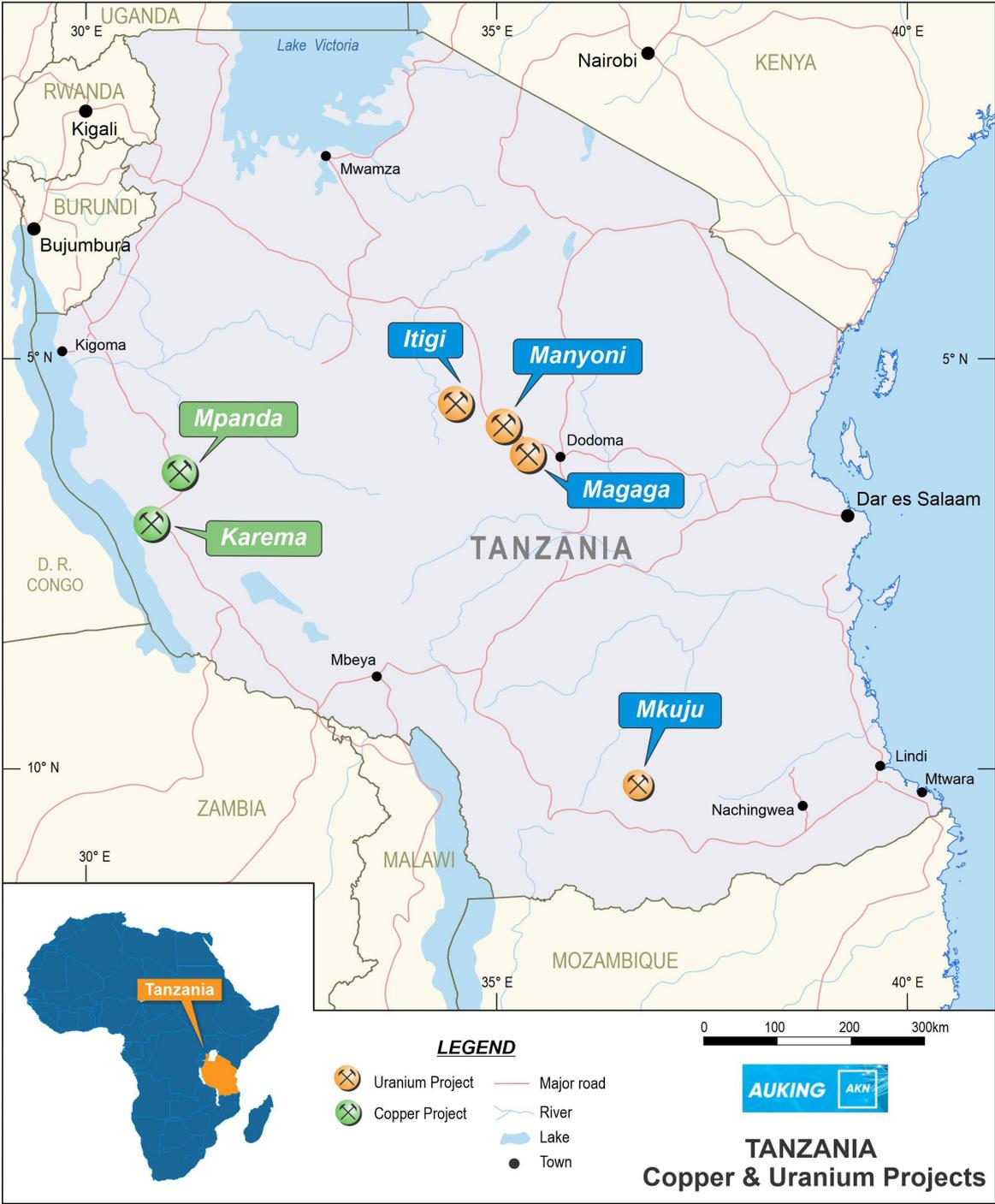


Figure 1. Location of Tanzanian project areas

Auking CEO, Paul Williams said *“The proposed acquisition of highly prospective Tanzanian uranium and copper assets is an important and exciting opportunity for AuKing. The company now has the ability to pursue and develop uranium assets in a stable African jurisdiction at a time when there is significantly renewed interest in the development of uranium projects. At the same time, the company will be able to continue with its focus on developing the Koongie Park copper/zinc project in Western Australia.*

“In addition, the appointment of Mr Kabunga as Chairman will add another person to the Board extremely focused on generating shareholder value as well as establishing a successful mining operation to create jobs and opportunities in Tanzania – a country clearly promoting its mining sector.”

Incoming Co-Chairman, Asimwe Kabunga said *“This is an outstanding acquisition for AKN that delivers a significant value opportunity for shareholders. The potential of the uranium areas (especially Manyoni and Mkuju) cannot be over-stated when you consider the volume of historical exploration work that has already been undertaken in these areas and the fact the ground has been highly sought after in recent years. A focus of AKN will be to work constructively with the Tanzanian government and take all possible steps to bring projects into production, take advantage of a strong uranium market and deliver meaningful benefits to the Tanzanian mining sector. In addition, AKN has the potential to bring its Koongie Park copper/zinc project closer to production – thereby affording shareholders with a multitude of scenarios that can provide significant value growth.”*

Mining in Tanzania

According to an article in “Business Insider Africa” on 10 October 2022, the mining sector in Tanzania is on a growth trajectory and is set to be a significant contributor to the Tanzanian economy.

The contribution of the Tanzanian mining sector to the country’s GDP grew by 2.5% from 2018 to 2021, jumping to 7.3% from 4.8%, inching closer to government projections.

This information was disclosed by the Mining Commission executive secretary Yahya Samamba, who noted during a press briefing on the 9th of October, 2022 that the country's mining sector was following the intended trend based on the administration’s promise.

During her inaugural speech, the then newly elected president of Tanzania, President Samia Suluhu Hassan, promised that her administration would do everything within its power to increase the mining contribution to at least 10 percent of the gross domestic product (GDP) by 2025. Yesterday the mining commissioner remarked that they were right on track.

“We believe we will achieve the 10 percent target before 2025,” he said during a meeting broadcast live from Dodoma. The sector is growing fast, investors are coming and the government is creating a conducive environment for investment.” Yahya said.

Historic exploration and development activities

The tenure areas being acquired by AuKing (particularly Mkuju and Manyoni) have either been directly the subject of significant exploration and study activities or areas nearby have been. Prior to the Fukushima disaster in Japan in March 2011 (and the subsequent collapse in uranium price that occurred in the years following), there was a substantial amount of work undertaken in the Mkuju and Manyoni areas as summarised as follows:

Mkuju

This project is situated in southern Tanzania and was the primary focus of exploration and development feasibility studies by then ASX-listed Mantra Resources Limited (**MRU**). Not long after

reporting a resource estimate **108.9Mt @ 422ppm U₃O₈ (101.4Mlbs contained U₃O₈)** and completion of feasibility studies, MRU announced a A\$1.16Bn takeover offer from the Russian group ARMZ. The takeover was completed during 2011.

MRU's published resource estimate was mostly in respect of the Nyota Project which lays just to the north-west of Mkuju. However, on 22 January 2010 MRU reported the results of certain rock chip, auger and trenching results across areas that are now covered by AuKing's proposed tenures. These are shown in Figure 2 below.

Further activities across the project were carried out by ASX-listed Uranex NL (now Magnis Energy Technologies Ltd) (**UNX**) and in particular at its Likuyu North project, near to the tenures being acquired by AKN.

The previous work at Mkuju by both MRU and UNX provides significant confidence that the project is very prospective for uranium mineralisation.

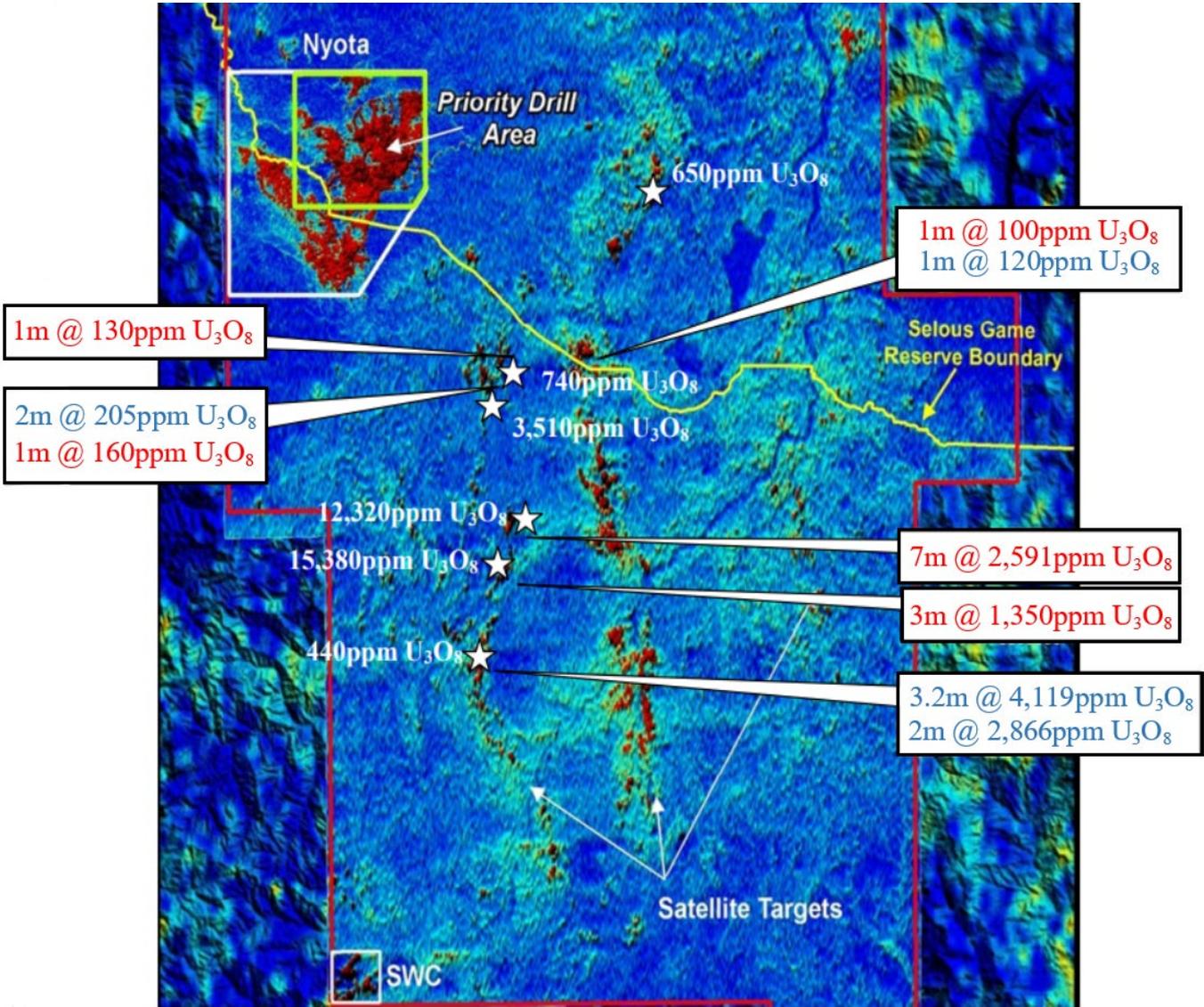


Figure 2. MRU assay results across the tenure package from auger (red), trenching (blue) and rock chips (white stars)

Manyoni/Itigi

This project is situated nearby the central Tanzanian city of Dodoma and on the railway line that runs to the port city of Dar es Salaam. Manyoni was the subject of extensive exploration work undertaken by UNX up until 2011. After publication of a resource estimate for Manyoni to the ASX on 30 June 2010 of **92Mt @144ppm U₃O₈**, UNX identified the potential to significantly increase those resources by further exploration at Manyoni and at the nearby Itigi prospect. As illustrated below, Manyoni occurs as a series of near-surface ancient playa deposits and Itigi carries an intense and extensive radiometric anomaly that is 40km long and 120km wide. The potential future mining conditions at Manyoni are also quite benign – flat terrain, shallow mineralisation and generally free-dig mining.

Magaga

This project is situated to the south of Manyoni but has largely not been the subject of exploration. Initial studies of available data suggest the geological setting at Magaga could be similar to Manyoni.

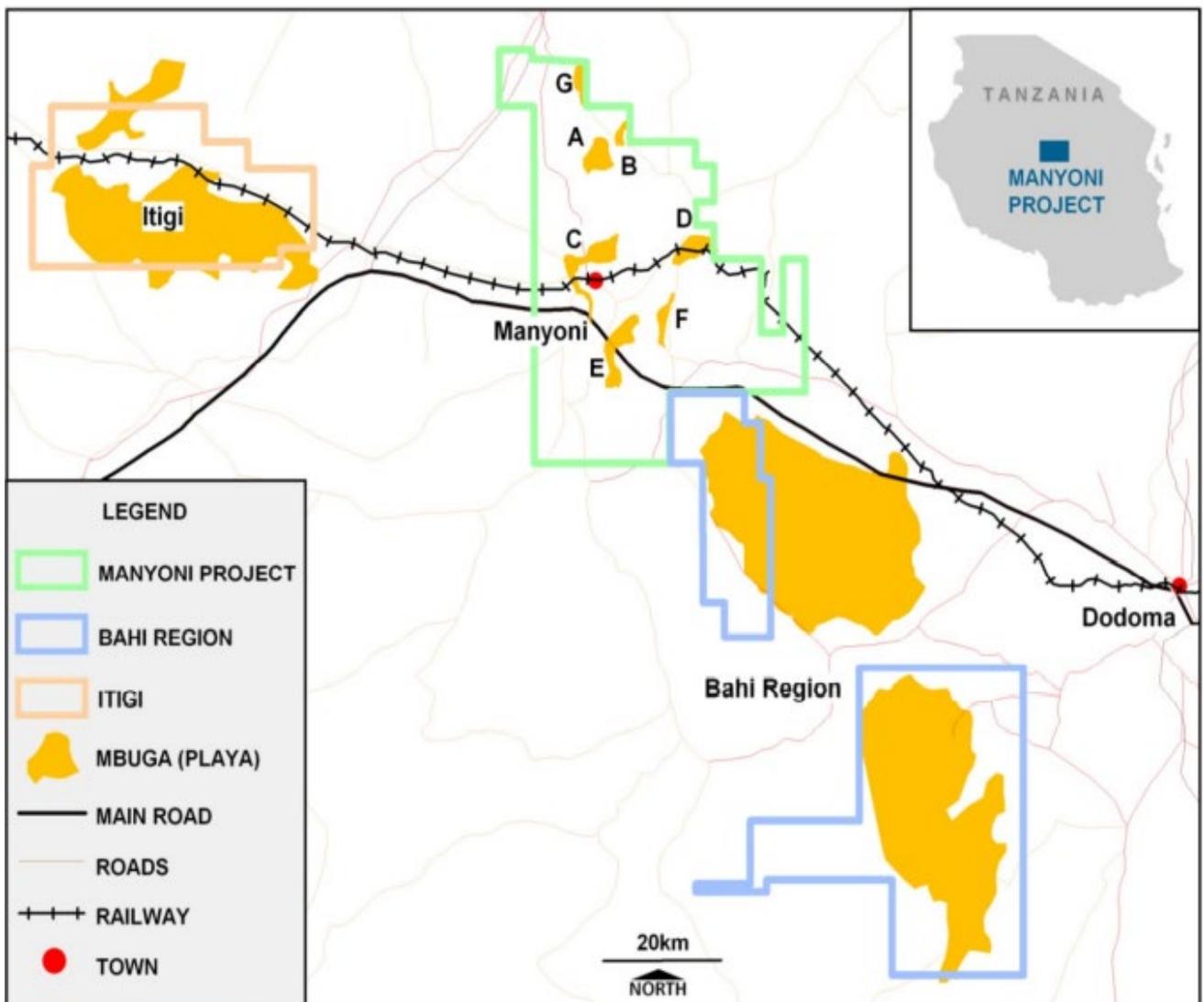


Figure 3. Manyoni and Itigi projects – extracted from UNX presentation dated 19 November 2010. Note the upper Bahi playa areas are not part of the proposed AKN tenure areas, but the lower zone is “Magaga”.

Mpanda and Karema copper prospects

These prospects are situated in the far western region of Tanzania, near Lake Tanyanyika. The Mpanda mineral field hosts the historical Mukwamba mine which is 10km north of the southern part

of the Mpanda tenures. The mine, which was historically owned by Uruwira Minerals Limited, produced 1000 tons/day of Cu ore averaging between 2% -3% including Au, Ag and Pb. Copper production from Mukwamba justified the construction of the railway to link up with the Ujiji to Tabora railway enabling concentrates to be transported to the port at Dar es Salaam.

The copper, gold, and base metals bearing reefs are within a NW–SE/NNW–SSE trend and coincide with an elongated regional magnetic low that cuts across the Mpanda project. See image in Figure 4 below.

At Karema there is a significant number of historic artisanal copper and base metals mines.

Both Mpanda and Karema have yet to be subjected to modern exploration techniques.

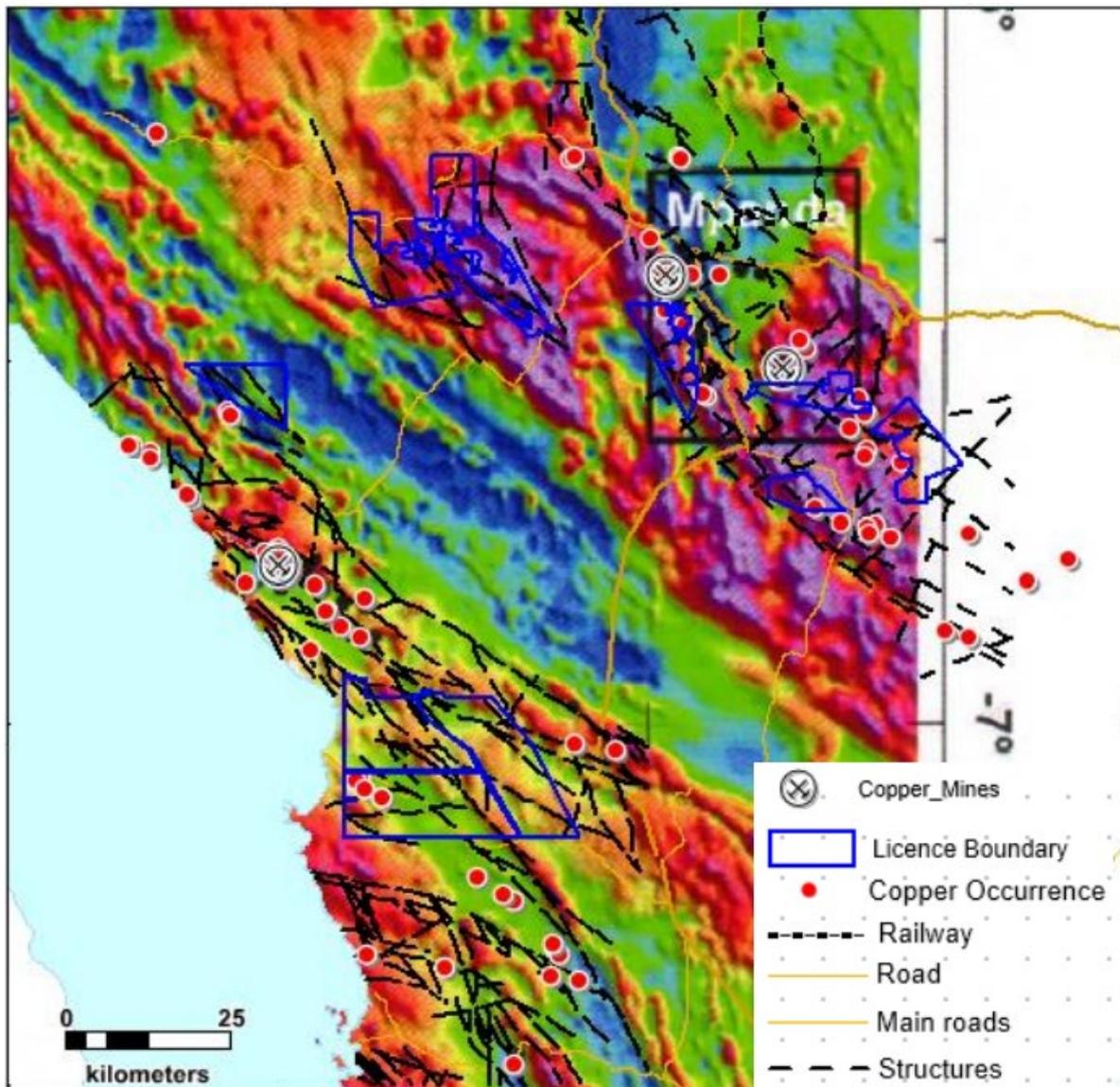


Figure 4. Mpanda and Karema copper prospects – showing structures and mineral occurrences superimposed on regional magnetics

Geology

All of the Mkuju tenures are situated within the very prospective uranium-enriched Karoo Supergroup sediments of Permian to Jurassic age. Mkuju is stratigraphically a series of sub-

horizontal, very coarse, claystone and siltstones. The sediments are interpreted to have been deposited within a braided river system. Mineralisation is a roll-front style in tabular sandstone that is very shallow dipping and controlled by faulting and oxidation/reduction boundaries.

In the case of Manyoni, Itigi and Magaga, the local geology is dominated by outcropping granites and granite gneisses which are intruded by uranium-enriched pegmatites. Mineralisation within the shallow calcareous playas (Mbugu layer) is schrockingerite – a uranium-bearing carbonate while carnotite (a uranium-bearing vanadate mineral) is found in the saprolite underlying the near-surface Mbugu layer.

Mpanda and Karema are set in a structure shears along which most of the small scale and artisanal copper and base metal workings occur. The gold and base metal bearing quartz–carbonate veins are structurally and lithologically controlled and occur in shear and/or breccia zones.

Acquisition Terms

AuKing proposes to acquire all of the issued shares in Australian-incorporated 92 U Pty Ltd (**92 U**) for the purchase price of A\$6M (**Acquisition**). 92 U is the legal and beneficial owner of all the shares in two Tanzanian companies – 92 U Tanzania Limited and Monaco Copper Limited. These entities in turn, own various Prospecting Licence (**PL**) applications. Under the terms of the Acquisition, completion cannot occur until the vendors have secured the grant of twelve (12) PLs from this group of applications which have been prioritized due to prospectivity. The remaining applications will be processed for grant in due course.

The purchase price will be discharged by AuKing in the form of 60,000,000 ordinary shares and 30,000,000 options exercisable at 20c on or before 30 September 2025. The vendors have agreed to have their shares restricted from trading for a six-month period after completion and no person will hold more than 19.9% of AuKing's issued shares after completion.

Completion of the Acquisition is conditional upon the following occurring:

- AuKing completing a satisfactory due diligence of the projects and related interests;
- Shareholder approval for the issue of the shares and options to complete the Acquisition, approval of the T1 and T2 share placements (see below), and approval for certain advisor shares and options associated with the Acquisition; and
- Confirmation of the formal grant of twelve of the PLs.

AuKing proposes to shortly convene an extraordinary meeting of its shareholders for the purpose of approving the Acquisition and the associated issues of shares and options (**EGM**).

The company will also issue (subject to shareholder approval) to Vert Capital Pty Ltd a total of 5,000,000 new shares and 10,000,000 options (exercisable at 20c on or before 30 September 2025) in recognition of the introduction of these project interests to AuKing and assistance in securing the Acquisition.

The principal vendor is Perth-based Mr Asimwe Kabunga. As part of the Acquisition, it is proposed that Mr Kabunga will be appointed a non-executive Chairman of AuKing. In that regard, recently appointed Chair (Ms Anna Nahajski-Staples) will continue in her role as Co-Chair with Mr Kabunga. Mr Kabunga has already enjoyed significant success with other ASX-listed entities and a short CV is as follows:

Mr Asimwe Kabunga

Mr Kabunga is a Tanzanian born Australian entrepreneur who holds a Bachelor of Science, Mathematics and Physics and has extensive technical and commercial experience in Tanzania, Australia, and the United States. Mr Kabunga has extensive experience in the mining industry, logistics, land access, tenure negotiation and acquisition, as well as a developer of technology businesses.

Mr Kabunga has been instrumental in establishing the Tanzanian Community of Western Australia Inc., and served as its first President. He was also a founding member of Rafiki Surgical Missions and Safina Foundation, both NGO's dedicated to helping children in Tanzania.

Mr Kabunga serves as a Non-Executive Chairman of Volt Resources Limited (ASX: VRC), Executive Chairman of Lindian Resources Limited (ASX:LIN) and Executive Chairman of Resource Mining Corporation (ASX:RMI).

AuKing Funding

At the same time as the Acquisition, AuKing proposes to carry out a two-staged capital raising exercise – seeking to raise approx. \$3.5M. Funds will be placed to private sophisticated investors introduced to the company by Perth-based firm Ven Capital Pty Ltd. The first stage (**T1 Placement**) involves the issue of 13,740,000 new shares at 10c per share together with 6,870,000 free-attaching options exercisable at 20c on or before 30 September 2025. The T1 Placement has already been effected with a total of \$1,370,000 funds either already received or committed to AKN. Accordingly, the final T1 Placement is expected to close later today or tomorrow.

The second stage (**T2 Placement**) involves the issue of approx. 21,260,000 new shares and 10,630,000 free-attaching options exercisable at 20c on or before 30 September 2025. Ven Capital will also manage this placement to private sophisticated investors.

As manager of both the T1 and T2 Placements, Ven Capital will be entitled to a consulting fee of 6% of the funds raised and these fees may be paid in cash or AuKing shares (at the 10c issue price) or a combination of both. Issue of any shares to Ven Capital will be subject to AuKing shareholder approval at the EGM. It should be noted that the participants in the T1 and T2 Placements are not associated with Mr Kabunga or the other vendors.

Proposed Future Activities

Upon completion of the Acquisition, a summary of the activities to be conducted by AuKing utilising the funds raised from the T1 and T2 Placements include the following:

Koongie Park

- Establish initial resource estimate for Emull
- Further drilling at Emull seeking to extend the existing copper/zinc resource
- Continuation of metallurgical testwork at Onedin and assessment of project development options
- Assessment of other prospects in the tenure holding including additional resource tonnes at depth at both Onedin and Sandiego.

Tanzania

- Mkuju – further sampling and ground scintillometer surveys; follow up field sampling and auger drilling and trenching
- Manyoni – review existing data and identify additional information needed to upgrade existing resource estimate; assess further drilling to expand existing resources
- Itigi/Magaga – develop initial sampling programs
- Mpanda/Karema – initial site access, soil sampling, review of available historic data.

-ENDS-

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

AuKing Mining's (ASX:AKN) flagship Koongie Park Copper Zinc Project in Western Australia's Halls Creek Region hosts an estimated JORC resource and is neighbored by several significant mining and development operations including Nicholson's Gold Mine, Panton PGM Project, and Savannah Nickel Mine. AuKing has secured an 80% ownership of the Koongie Park Project, acquiring this interest under the terms of the Joint Venture with Astral Resources (ASX:AAR). Prior to that, Astral held full ownership of the project since 2003. The tenure holding comprises an area of more than 500km² covering over 40km of the base metals prospective Koongie Park Formation. Koongie Park has already been the subject of significant exploration drilling and analysis since the 1970's, often in line with movements in commodity prices. Since its discovery Koongie Park has been the subject of 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 two of which offer the potential to establish an open-pit mine.

For further information - www.aukingmining.com



ANNEXURE A - Reporting of historical resource estimates

Set out in this Report are references to historical resource estimates as follows:

- (a) **Nyota (owned by Uranium One/ARMZ) – just north of Mkuju – previous owner (Mantra Resources Ltd) reported 108.9Mt @ 422ppm U₃O₈ (101.4Mlbs contained U₃O₈); and**
- (b) **Manyoni (previous owner Uranex NL) – 92Mt @ 144ppm U₃O₈ (29Mlbs contained U₃O₈).**

For the purposes of ASX Listing Rule 5.12, the following is noted in relation to these historical resource estimates:

(a) Nyota Resource

- Full details of this resource estimate were published to ASX by Mantra Resources Limited on 6 May 2011 (“Mantra MRE Report”);
- None of these resources were in categories other than those defined in Appendix 5A (JORC Code);
- The relevance of this reported resource is the proximity of the Nyota resource to the areas being acquired by the Company;
- For the purposes of Listing Rule 5.12.9:
 - The estimate is in accordance with an earlier version of the JORC Code (2012)
 - A competent person hasn’t done sufficient work to classify the estimate 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);
- The Mantra MRE Report included statements by Competent Persons and accordingly, the Company considers this information to be reliable based upon those statements;
- The work programs forming the basis of the Mantra MRE Report are not known but the Company believes it is reasonable to rely on the Competent Persons’ statements; and
- As the area to which the Mantra MRE Report relates is not within the areas to be acquired by the Company, no statement can be made about work required to verify the historic estimates or any proposed evaluation work.

(b) Manyoni Resource

- Full details of this resource estimate were published to ASX by Uranex NL (as it was then known) on 30 June 2010 (“UNX MRE Report”);
- None of these resources were in categories other than those defined in Appendix 5A (JORC Code);
- The relevance of this reported resource is the proximity of the Manyoni resource to the areas being acquired by the Company;
- For the purposes of Listing Rule 5.12.9:
 - The estimate is in accordance with an earlier version of the JORC Code (2012);

- A competent person hasn't done sufficient work to classify the estimate 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);
- The UNX MRE Report included statements by Competent Persons and accordingly, the Company considers this information to be reliable based upon those statements;
- The work programs forming the basis of the UNX MRE Report are not known but the Company believes it is reasonable to rely on the Competent Persons' statements; and
- As the area to which the UNX MRE Report relates is partially within and partially outside of the areas to be acquired by the Company, and therefore no statement can be made about work required to verify the historic estimates or any proposed evaluation work.

Competent Person's Statement

The information in this report that relates to the published historical Mineral Resource Estimates at Nyota and Manyoni have been reviewed by Mr Ian Hodkinson who is a member of the Australian Institute of Geoscientists and the Society for Geology Applied to Mineral Deposits. Mr Hodkinson is a non-executive director 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.' Based solely on the separate reports to the ASX by Mantra Resources Ltd and Uranex NL (as it was then known), Mr Hodkinson considers the representation of those resource estimates in this Report to be an accurate representation of the available data and studies for the respective projects. Mr Hodkinson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.