

20 December 2022

ASX RELEASE

Mining study work commences at Sandiego deposit, Koongie Park Project; MoU with Cazaly Resources.

Highlights

- **AuKing has commenced a Scoping Study to assess the development of an open-pit and underground mining operation at the Sandiego deposit , Koongie Park Project.**
- **Potential contribution of sulphide ores from the nearby Emull deposit to be considered in the Study process.**
- **Memorandum of Understanding (MoU) signed with Cazaly Resources to include their Mt Angelo North and Bommie deposits (situated nearby to Sandiego) in the Study as additional mining feedstock options.**
- **Study findings likely by March 2023.**

Auking Mining Limited (ASX:AKN) has commenced a Scoping Study to assess the development of an open-pit and underground operation at the Sandiego deposit at its flagship Koongie Park copper/zinc project in north-eastern Western Australia.

AuKing chief executive officer, Mr Paul Williams, said the Scoping Study would draw on historical study reports and data but also the detailed additional work that the company has undertaken over the past year or so.

“We are pleased to establish Sandiego on a mining study footing and hope that strong findings from the Scoping Study will then enable us to take more formal steps to developing a copper/zinc mine just outside of the Halls Creek township,” Mr Williams said.

“We are also delighted to be working closely with our project neighbour at Sandiego – Cazaly Resources – which owns projects that have the potential to significantly enhance the project economics and overall viability of an operation at Sandiego.”

Wave International has been engaged to assist with the preparation of the Study which will consider all proposed aspects of a proposed mine development and is expected to be completed by the end of March 2023.

Sandiego Scoping Study

The Study will form a “base case” scenario that involves a combined open pit and underground mining operation at Sandiego and will include the following aspects:

- Preliminary mine planning
- Project design
- Preliminary processing flowsheets
- Concept layouts
- Mechanical equipment requirements
- Capex/Opex estimates
- High level economic assessment.

In addition, consideration will be given to nearby deposits with similar mineralogy that are likely to process via flotation techniques – these include the following options:

- Additional resources (at depth) at Sandiego
- Emull deposit
- Mt Angelo North (CAZ asset – see MoU details below)
- Bommie (CAZ asset – see MoU below)

The intention with these additional deposits is to create an optimal economic mine development case utilising deposits that are all situated within a radius of approximately 10kms from the Sandiego deposit.

There is already a substantial body of available study and technical data for Sandiego, based on the prefeasibility work undertaken several years ago by Astral Resources (then Anglo Australian Resources – ASX:AAR). This material will be referred to for the purposes of the Scoping Study wherever possible.

At this stage, the Onedin deposit will continue to operate under a separate metallurgical testwork program and not be included in the Scoping Study. In the event of a successful process being established for the near-surface Onedin oxide and transition ores, the process is likely to be different to the planned flotation circuit at Sandiego.

Cazaly Resources Limited MoU

AuKing has signed a Memorandum of Understanding with Cazaly Resources Limited (ASX:CAZ) for the purposes of recording an agreed collaboration for the development of their respective mining deposits in the Halls Creek region utilising a common processing facility centred on the Sandiego deposit.

Cazaly holds two significant deposits situated no more than 10kms from the Sandiego deposit –Mt Angelo North and Bommie (See Figure 1 below). These deposits both have published Resource Estimates as follows (See CAZ release to ASX on 2 December 2022):

- Mt Angelo North – 1.72Mt @ 1.4% Cu, 1.4% Zn and 12.3g/t Ag
- Bommie – 95Mt @ 0.27% Cu

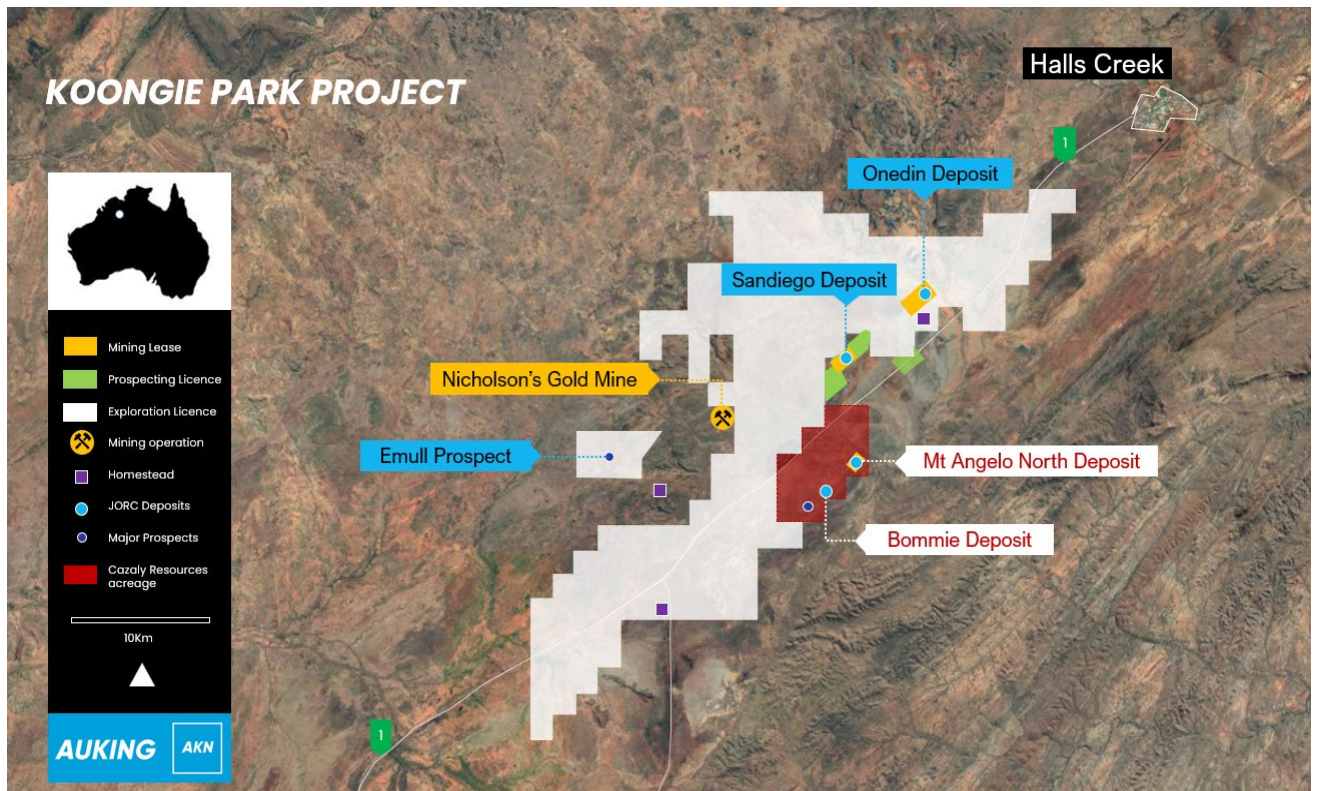


Figure 1. Locations of Cazaly Resources' tenures, nearby Sandiego

There are strong indications that the Mt Angelo North and Bommie deposits could have metallurgical characteristics that are consistent with the Sandiego deposit – thereby making these additional deposits extremely complementary to a proposed flotation processing flowsheet at Sandiego.

AuKing and Cazaly have agreed to make available all relevant technical data to support the Scoping Study under the MoU, which contemplates a more formal commercial arrangement between the companies pending positive outcomes from the Study exercise.

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 neighbored 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 October 2022, AuKing acquired six 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 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.

Financial close of the Tanzanian acquisition is due by the end of December 2022.

For further information
www.aukingmining.com

