



## AuKing to acquire remaining Koongie Park interest and PGE rights nearby Pantoro's Lamboo PGE Deposit

5 April 2022

**AuKing Mining Limited**

**ABN 29 070 859 522**

**(ASX Code: AKN, AKNO)**

**Issued Capital:**

75,589,651  
Ordinary shares  
21,500,000  
Options (30 June 2023  
@ 25c each)

**Directors:**

Dr Mark Elliott  
*Chairman*  
Peter Tighe  
*Non-Executive Director*  
Ian Hodgkinson  
*Non-Executive Director*  
Shizhou Yin  
*Non-Executive Director*

**Chief Executive Officer:**

Paul Williams

**Company Secretary:**  
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### Highlights:

- Agreement has been signed with Anglo Australian Resources NL (AAR) to acquire AAR's:
  - 25% interest in the Koongie Park JV; and
  - PGE rights across the Koongie Park tenure package.
- Acquisition involves purchase price of A\$6M payable in three tranches as follows:
  - \$3M cash in May 2022;
  - \$1.5M in AKN shares to be issued after shareholder approval on or before 30 June 2022; and
  - \$1.5M cash by 31 October 2022.
- AKN aims to fund the purchase price from the proceeds of a combined proposed rights issue to existing shareholders and a strategic private placement to sophisticated investors, details of which will be made available shortly.
- The Koongie Park tenures include areas adjoining Pantoro Limited (PNR)'s Lamboo PGE Deposit where outstanding platinum group element (PGE) results have been reported and where PNR plans a further 20,000m of drilling during this year.
- Historic soil sampling on nearby Koongie Park tenures have also demonstrated anomalous zones of platinum, palladium, nickel and cobalt, providing confidence that the PNR mineralisation could extend into the AKN ground.

**AKN Chief Executive Officer, Paul Williams said** *"This transaction marks an incredibly important milestone for AKN. The proposed acquisition allows the Company to consolidate its ownership of Koongie Park to 100% and leaves AKN in a powerful position to progress the Onedin and Sandiego deposits.*

*"In addition, the AAR deal secures for AKN the PGE rights across the entire Koongie Park tenure package. This is a potentially very important transaction because a significant part of this tenure package surrounds the areas that have been the subject of outstanding drilling results from PNR. AKN has already identified drill targets within the nearby Koongie Park tenures and looks forward to the opportunity to replicate the success that PNR has achieved with their Lamboo PGE discovery."*

## Acquisition of interests from AAR:

AuKing Mining Limited ("AKN" or "the Company") is pleased to advise that it has entered into an agreement with Anglo Australian Resources NL ("AAR") to progress the acquisition by AKN of the following existing interests from AAR:

- (a) 25% participating interest in the Koongie Park Joint Venture (Allowing AKN to achieve a 100% ownership interest in the project); and
- (b) The gold and platinum group elements (PGEs) rights held in respect of the Koongie Park tenures.

In February 2021, AKN entered into an earn-in and joint venture agreement with AAR providing AKN with the right to earn up to a 75% interest in the Koongie Park project by completing exploration expenditure of \$3m over a 3-year period. AKN has since completed these earn-in expenditure commitments and currently holds a 75% interest in the Koongie Park JV.

During the same period, AKN and AAR entered into a separate agreement titled "Precious Metals Rights Agreement" under which, the right to explore for and develop the gold and PGEs were excluded from the Koongie Park tenures for the 100% sole benefit of AAR.

***The proposed AAR acquisition will secure for AKN a 100% interest in all the base metals, gold, silver, PGEs and other minerals across the entire Koongie Park tenure package.***

The purchase price payable by AKN to secure these rights is a total of A\$6M payable in three instalments:

- \$3M cash in May 2022;
- \$1.5M in AKN shares to be issued following shareholder approval on or before 30 June 2022; and
- \$1.5M cash by 31 October 2022.

Further details about the proposed acquisition terms are set out later in this announcement.

## Koongie Park JV Interest

Once the proposed transaction is completed, AKN will have secured 100% ownership of the Koongie Park project in less than 12 months from commencement of the original earn-in agreement with AAR. AKN has already established a strong foundation from which to continue significant exploration of the Koongie Park project assets, especially the existing-defined Onedin and Sandiego deposits. As 100% owner of these assets, AKN will be in total control of all future exploration and development activities.

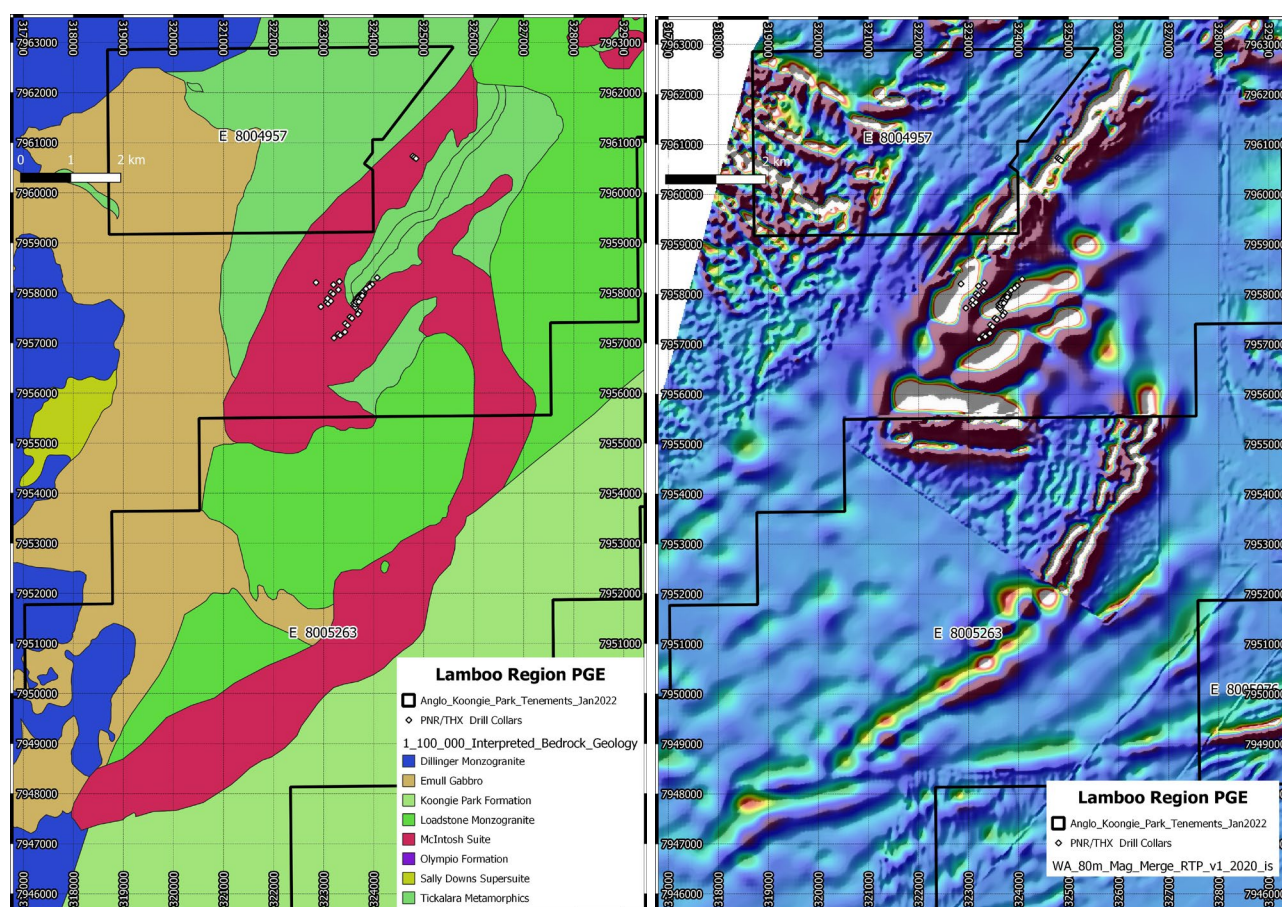
## Koongie Park PGE Interests

The other significant component of the proposed transaction is the acquisition of AAR's PGE rights across the Koongie Park tenure package. These rights were previously excluded from Koongie Park allowing AAR the exclusive right to explore and develop gold and PGEs across

the rights. These will now belong to AKN as the new 100% owner of Koongie Park and provide significant optionality and potential exploration upside.

There has already been considerable exploration undertaken at the project and an important feature of the PGE rights at Koongie Park is the outstanding recent drilling results reported by Pantoro Limited ("PNR") at its Lamboo PGE Project.

These results demonstrate the location of significant PGE mineralisation in the lower and ultramafic portions of the Lamboo Igneous Complex. As outlined below, that same ultramafic unit (called McIntosh) extends across a significant area of Koongie Park tenures – creating the potential of an estimated 12km strike length of the PGE mineralisation.



*Figures 1 and 2 – Lamboo PGE Regions – bedrock geology and total magnetic intensity with historic Pantoro and Thundelara drill hole locations*

### **PNR's Lamboo PGE Deposit**

The Lamboo PGE Deposit, located approximately 5kms from PNR's Nicolsons Gold Mine, contains approximately 20kms of prospective basal contact. Only a small proportion of this has been evaluated by recent and historic drilling. The basal ultramafic portions where the PGE mineralisation is found are interpreted to be hosted by a pyroxenite and are usually enriched in PGE and nickel, with the broad drilling intercepts indicating potential for large, bulk tonnage styles of Pt+Pd+Au mineralisation.

The PGE potential in the area was initially identified by Thundelarra Exploration in 2006, where PGE mineralisation was intersected in a number of locations from limited drill testing over a small area of the basal portion within the folded Lamboo ultramafic complex. Pantoro's initial drilling focused around the Edison prospect and has since been successful in stepping out to evaluate a more significant area of the basal contact.

### ***PNR Results***

PNR has noted the mineralisation to be consistent over large drill intervals commencing from surface, with mineralisation widths of up to 100m being encountered to date. PNR has stated that *"there is strong potential for a large bulk tonnage PGE resource to be defined in the near term"* (See PNR Release to ASX 15 November 2021).

PNR has announced their intention to carry out a 20,000m drilling program at their Lamboo PGE project during the course of 2022 as well as reviewing and reprocessing available geophysical data. (See PNR Release to ASX 1 March 2022).

### ***AKN's Proposed Exploration Activities***

AKN has identified drill-ready targets of the same McIntosh unit as PNR's within the extent of Koongie Park tenures E80/4957 and E80/5263 based on significant soil geochemistry anomalies that have been obtained from historic programs. These significant anomalous zones (highlighting palladium) are identified in figure 3 below.

AKN will now take steps to secure cultural heritage access approvals to carry out this drilling, immediately after completion of the proposed transaction with AAR. In addition, a significant soil sampling program will commence across the rest of the 12km length of McIntosh unit that exists within the Koongie Park tenures in order to identify further significant anomalous zones for future drilling.

### **Anglo Acquisition Terms**

Under the provisions of the agreement that has been entered into between AKN and AAR, AKN will acquire the following existing interests from AAR:

- (a) 25% participating interest in the Koongie Park Joint Venture (thereby taking AKN's interest to 100% ownership of the project); and
- (b) The PGE rights held in respect of the Koongie Park tenures.

The purchase price payable by AKN to secure these rights is a total of A\$6M payable in three components:

- \$3M cash in May 2022;
- \$1.5M in AKN shares to be issued after shareholder approval on or before 30 June 2022; and
- \$1.5M cash by 31 October 2022.



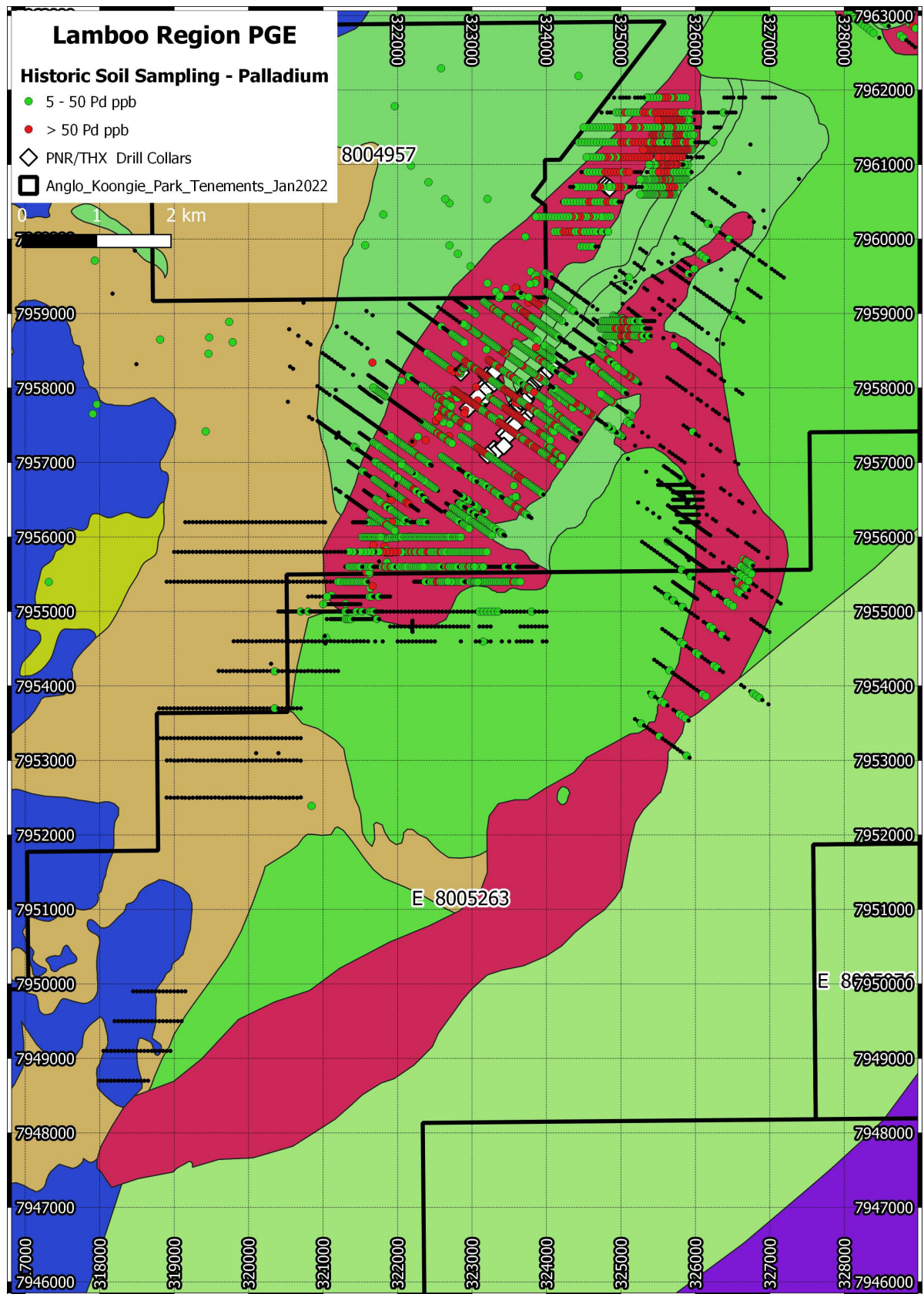


Figure 3 – Lamboo PGE region – indicating anomalous palladium soil geochemistry from historical sampling

Certain other features of the proposed acquisition involve the following:

- Completion of the purchase is subject to AKN securing sufficient funding to enable it to complete the first \$3M payment to AAR, such condition to be satisfied on or before 16 May 2022;
- The shares to be issued to AAR will be issued at a price that is calculated by reference to the 20-day VWAP for AKN's shares on the ASX prior to the date of issue (proposed to be immediately after AKN's AGM to be held in June 2022);
- AAR has agreed to a voluntary restriction of their shares for a 3 month period from the date of issue; and
- AKN may elect to defer payment of the final cash component to AAR until 31 March 2023, but on the basis that the final payment is then increased to \$2M.

### **AKN Funding**

AKN proposes to conduct a rights issue to existing shareholders in order to raise most of the funds needed in order to complete the purchase with AAR. This raising will be complemented by a strategic private placement to certain sophisticated investors. Perth-based Vert Capital Pty Ltd proposes to underwrite the rights issue shortfall and will be the lead manager for the strategic placement. AKN's Board have expressed a keen desire for existing shareholders to be rewarded with the opportunity to participate in the fundraising process for this important transaction for the Company. Further details about the proposed terms of the offer to existing shareholders will be provided shortly.

**ENDS**

**This announcement is authorised by:**

Paul Williams

Chief Executive Officer

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