

20 August 2024

ASX RELEASE

Drilling planned for Mkuju Uranium Project

AuKing Mining Limited (ASX: AKN) is pleased to confirm that final arrangements are being made prior to the commencement of its proposed Stage 2 exploration drilling program at the Mkuju Uranium Project in southern Tanzania.

AuKing Managing Director, Paul Williams said AuKing is looking forward to proceeding with its Stage 2 drilling program at Mkuju, after the initial Stage 1 activities in late 2023 identified potential significant areas of uranium mineralization.

“The planned maximum 75 drill hole (11,000m) air core/RC drilling program at Mkuju is expected to commence within the next few weeks, now that road and drill pad access has been completed. The work we carried out last year in the Stage 1 program identified several key target areas for the proposed drilling and we are keen to start generating some results from this very prospective uranium project,” Mr Williams said.

2023 Mkuju Results

On the 31st January 2024, the Company reported some excellent results from its initial Stage 1 exploration program conducted at the Mkuju uranium project including the following:

Auger drilling

MKAU23_020 3m @ 1,273ppm U₃O₈ incl 1m @ 3,350ppm U₃O₈

MKAU23_045 3m @ 250ppm U₃O₈ incl 1m @ 410ppm U₃O₈

Soil samples

MKGS006 510ppm U₃O₈

MKGS017 8,800ppm U₃O₈

MKGS056 960ppm U₃O₈

Rock chip samples

MKGS056 2,250ppm

MKGS057 800ppm U₃O₈

(See AuKing release to ASX on 31 January 2024 for full details).

The results from the Stage 1 program (together with the historical radiometric survey previously undertaken by Mantra Resources) enabled AuKing to develop the key target areas for proposed Stage 2 drilling program as illustrated in Figure 1 below:

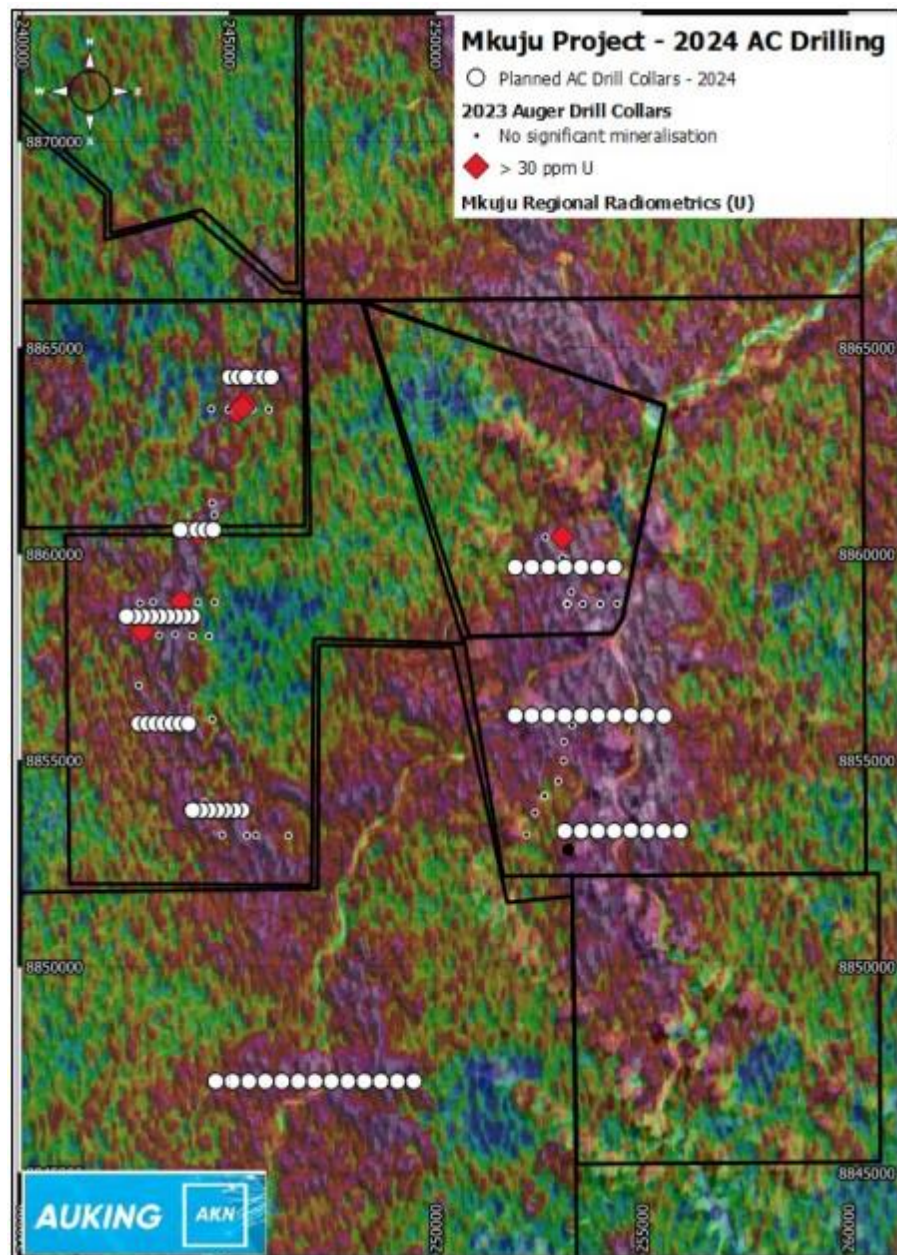


Figure 1 - Proposed Stage 2 Mkuju drilling locations.

Mkuju Stage 2 Program Aims and Activities

There are some key aims associated with the proposed Stage 2 drilling program at Mkuju as follows:

- Carry out the first detailed exploration drilling program in this region to the immediate south of the world class Nyota uranium deposit;
- Test the high priority target areas that have emerged from the Stage 1 program and sit within the historical Mantra Resources radiometric survey;
- Carry out a drilling pattern of several holes for each target area in order to maximise the prospects of intersecting uranium mineralization; and
- Test the potential mineralized extents of certain target areas in the three new Eastern PLs that coincide with the Mantra radiometric anomaly; and
- Generally, provide the basis for a further Stage of drilling that will primarily be focused on establishing an initial mineral resource estimate (MRE) at Mkuju.

The principal activity of the Stage 2 program will be the planned maximum 75 drill hole (circa 11,000m) program utilizing a track-mounted air core/RC drilling rig. This particular rig is being sought for the program for two main reasons:

- The access tracks and general terrain in the proposed drill sites are very rough and not at all suitable for the standard truck-mounted drilling rig; and
- Having the ability to switch to RC drilling could be important if a drill hole is in mineralization but the air core drilling does not have the capacity to go deeper in the hole.

An unprecedented amount of rainfall was received in the region in recent months – 2100mm of rain between March and June (previous three years - 450mm for 2023, 650mm for 2022, and 430mm for 2021) which not only delayed commencement of the drilling program but created the need for fairly significant road grading and repair works to provide access to the proposed drilling sites. Those works have now been completed and mobilization of the drilling rig is now possible.

Proposed Budget and Funding

Based on the experiences gained from the Stage 1 drilling in 2023, AuKing has budgeted an estimated US\$800k cost for the full Stage 2 program (including a 10% project contingency). This estimate may vary depending on the levels of success being achieved with the drilling (for example, another rig may be brought to site to commence MRE drilling in the event of success in certain target areas). AuKing will announce details shortly of its proposed rights issue to existing shareholders as that funding activity is intended to provide the initial basis for funding of the drilling program. Depending on the success of the early stages of the drilling, the Company may then look for additional funding support, based on results at hand and manage the balance of the program accordingly.

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