

25 March 2025

ASX RELEASE

Cloncurry Project Update – Drilling to underpin planned gold mining restart at Mt Freda

AuKing Mining Limited (ASX: AKN, AuKing) is pleased to provide an update on the proposed drilling program to be undertaken at the Cloncurry Gold Project in northern Queensland, as Orion Resources Pty Ltd (“Orion”) takes significant steps to recommence gold production. AuKing has the right to acquire 50% of the shares in Orion through expenditure of \$5M by 30 June 2027 (see ASX release by AKN on 4 March 2025).

HIGHLIGHTS

The Mt Freda Mining Complex is an important component of the proposed commencement of mining operations at the Cloncurry Gold Project in northern Queensland. An estimated 10,000m of combined diamond and reverse circulation (RC) drilling is planned at Mt Freda designed to:

- Increase confidence of the Mt Freda ore body outlines and expected grades – thereby creating the basis for a revised Mineral Resource Estimate;
- Improve certainty with proposed metallurgical processes and recoveries;
- Test further extensions of the gold mineralization at Mt Freda – at depth and long the east-west trend of the existing open pit; and
- Carry out additional exploration drilling at nearby high priority targets such as Mt Scheelite and Little Duke.

AuKing’s Managing Director, Mr Paul Williams, said that the recent agreement between Orion and AuKing, allowing for AuKing to acquire up to a 50% interest in Orion (by 30 June 2027) has provided the momentum to create a detailed drilling program at Mt Freda aimed at addressing several technical aspects to be addressed prior to restarting mining.

“There is little doubt that Mt Freda provides an integral basis for the proposed commencement of mining operations at the Cloncurry Gold Project. We have taken the time in recent weeks to consider the key features of the proposed Mt Freda drilling program, with a view to that work commencing as soon as possible after Orion completes the acquisition of these assets. The wide range of results and data to flow from that drilling program will be exciting to follow,” said Mr Williams.

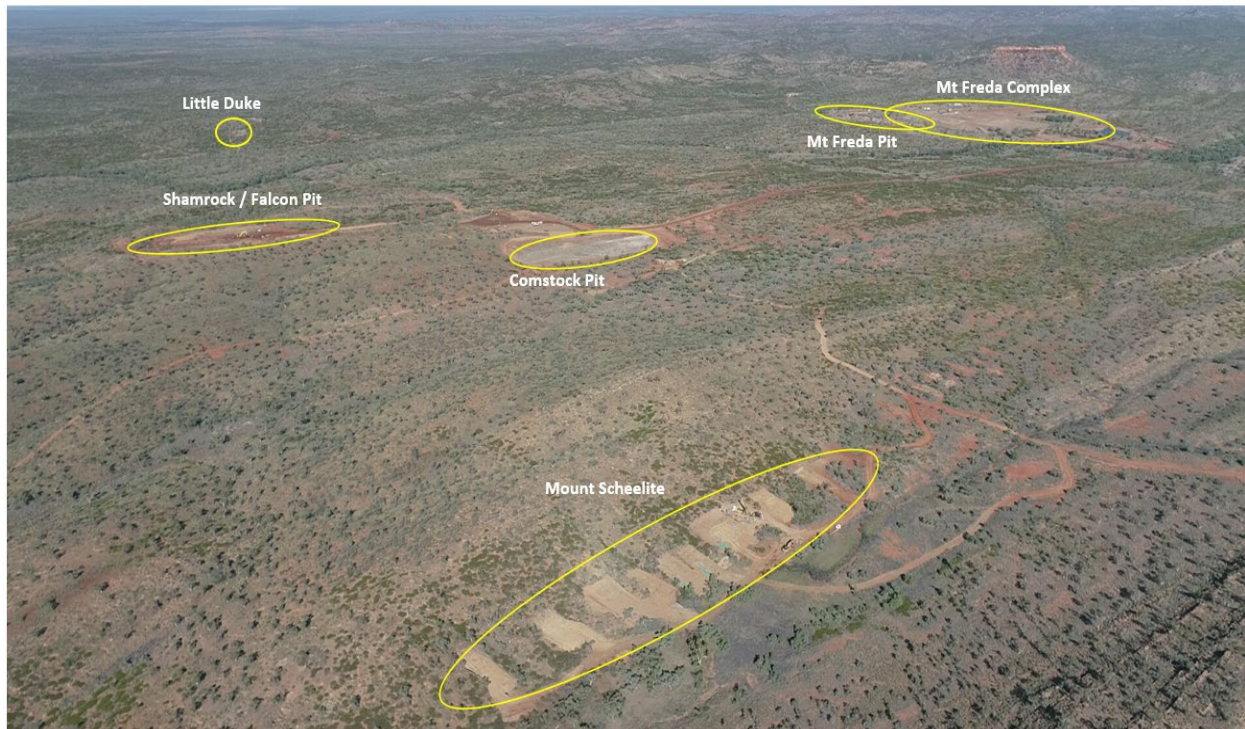


Figure 1 – The Mt Freda Complex, covering an area of no more than 6 sq kms, looking from north-west to the south-east, 30kms south of the Lorena plant

Mt Freda Mining Re-commencement

Orion is developing a pathway to re-establish mining and processing operations at the Cloncurry project with a primary focus on restarting mining at the Mt Freda deposit. From 1987 to 1991, the Mt Freda open-cut operation was the flagship of ASX-listed company initially run by Diversified Mineral Resources NL, producing around 30,000oz per annum at an average grade of 4 grams per tonne. (Source: *Mining.com.au Article, 28 August 2019 by Christopher Norris*).

As part of the mining re-commencement strategy, various factors have been considered including:

- (a) The higher gold price environment requires a re-evaluation of the Mt Freda open pit design and production schedules;
- (b) Learnings taken from the previous owners and operators in the region – all of whom followed good operating plans but were impacted by various factors;
- (c) A wealth of available technical reports and analysis from previous operations, including the knowledge and experience of the technical personnel; and
- (d) The ability (from a drilling program) to test the exploration potential of some of the high-priority targets that are situated within proximity to Mt Freda.

The resultant drilling program has therefore been designed to address the following key technical matters:

1. Greater resource definition and certainty

The existing Mineral Resource Estimate for Mt Freda is classified according to the JORC 2012 in the inferred and indicated categories. (See ASX release of Ausmex Mining Group Ltd (AMG) on 4 March 2021). Consistent with the previously reported strategic and operating plans of Orion, mining operations are not proposed to commence unless supported by a Reserve delineation.

A key operating parameter is a Mining Dilution Study to ensure mine design and equipment selection will minimize discrepancies between mined and processed grades, and if there are discrepancies, to allow the business to proactively adjust to the situation. Dilution was a challenge in previous operations (albeit with different owners of the mining and milling facilities) and had an adverse impact on cashflow.

A significant post-acquisition event for Orion/AuKing will be the reporting of an upgraded Minerals Resource Estimate for Mt Freda.

2. Provision of additional metallurgical data for:

- a. **Identification of extent of coarse gold in the Mt Freda ore body; and**
- b. **Application of a processing method that provides the best economic return for the ore types – VAT leaching versus Lorena CIL process**

Historical mining operations at Mt Freda identified the existence of coarse gold especially in the higher-grade samples. The nature and extent of the coarse gold at Mt Freda could have a significant impact on the applicable processing circuits to maximise the recovery rates for the mined ore from Mt Freda. For example, a Knelson concentrator could be used as gravity separation device. The drilling program will include screen fire assays to assess the coarse gold content from samples that are obtained from diamond drilling.

A significant amount of funding has already been incurred in the establishment of a VAT leach facility at the Mt Freda mine site. Further metallurgical testwork of the drilling samples will be required to establish the best economic return while processing the Mt Freda ores – whether to utilize the existing VATs for oxide ore (which are still required to be lined, sealed and plumbed) or alternatively, processed through the carbon-in-leach (CIL) plant at Lorena to achieve a higher recovery (which would require finer material grinding than the VAT leaching method).

3. Test potential extensions of gold mineralization at Mt Freda including:

- a. **At depth (including assessment of the depth of oxidation of the gold mineralization); and**
- b. **Along the E-W strike length of the existing open pit (especially to the west).**

The potential to increase gold resources at Mt Freda are significant as highlighted in previously reported information:

- Knowledge of the existence of higher-grade material at depth below the existing open pit, but how extensive this higher-grade mineralization can only be established by further drilling;

- Mt Freda is situated within a large fault zone – thereby establishing the basis for significantly deeper oxidization of the gold mineralization. The extent of this zone of oxidation has potentially significant impacts from an economic perspective; and
- The existing Mt Freda open pit runs in an East-West direction and there remains considerable potential for that structure to intersect another structure (for example, the Comstock fault to the west), creating the conditions for the deposition of mineralized fluids.

The planned drilling program will be designed to maximise the available information about the potential mineralized extents at Mt Freda, based on the historical technical data that is available.

4. Follow up historical drilling and other exploration results at high-priority targets in the Mt Freda Complex.

Although not of immediate priority to the planned drilling at Mt Freda, the opportunity to test the high priority targets at Mt Scheelite and Little Duke with some drill holes presents a compelling opportunity for Orion. These smaller prospects, including others in Golden Mile, could generate early cashflow to pay for the larger Mt Freda waste stripping program.

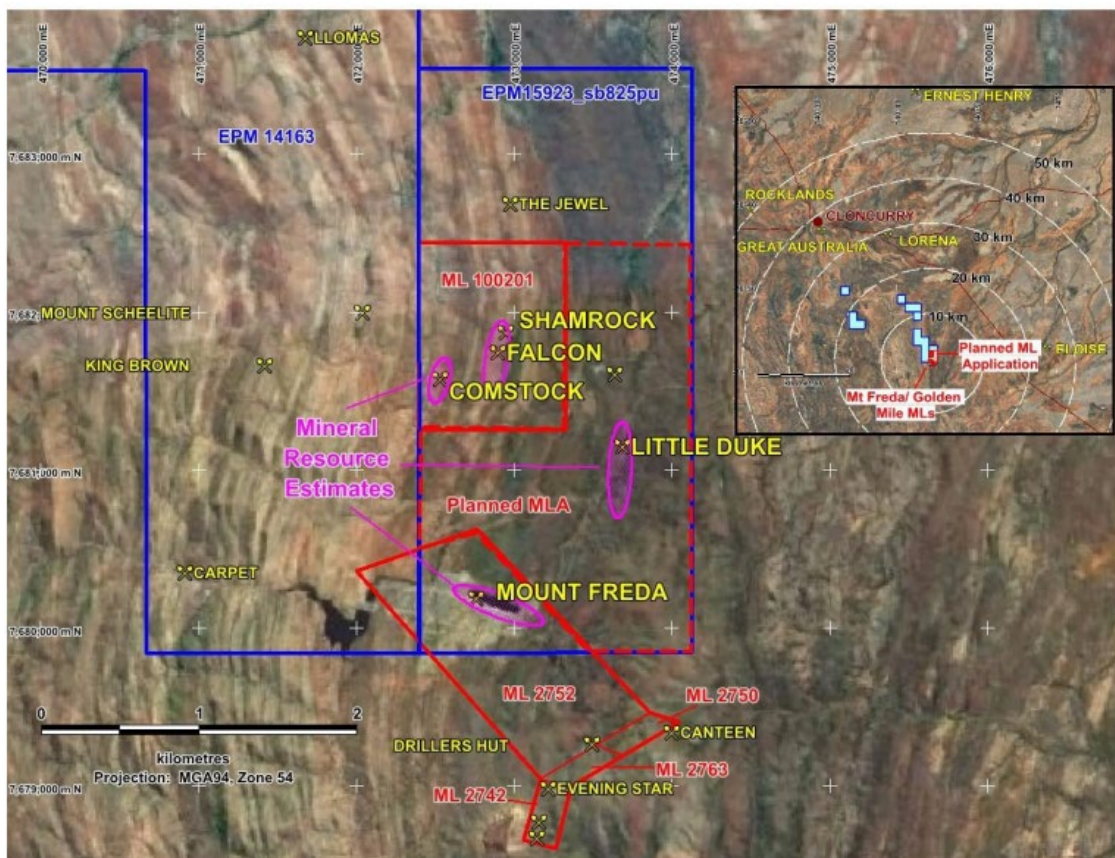


Figure 2 – The Mt Freda Complex, showing nearby deposits and significant exploration targets based on historical exploration results.

The historical results from initial drilling at Mt Scheelite have been previously reported and can be found in the ASX release dated 21 November 2022 by Tombola Gold Limited (TBA).

The significant intersections of reported gold mineralisation demand further inquiry and assessment – most likely by additional RC drilling.

In addition, historical drilling and other exploration results for the Little Duke prospect, approximately 1km to the north-east of the Mt Freda open pit, establish the basis for further exploration drilling and assessment. In a release to the ASX on 25 February 2019, AMG reported that RC drilling data indicated the Little Duke (one of 9 parallel historical gold mineralised systems located within the Mt Freda Complex) is proximal to a deeper and fertile IOCG (Iron Ore Copper Gold) or ISCG (Iron Sulphide Copper Gold) mineral system.

As part of the final preparations for the drilling program at Mt Freda, steps will be taken to accommodate as many strategic drill hole locations at both Mt Scheelite and Little Duke as can be effectively undertaken.

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

For more information, please contact:

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Competent Persons' Statement

The information in this report that relates to historical exploration information within the Mt Freda Complex is based on information reviewed by Mr Chris Bittar who is a member of the Australasian Institute of Mining and Metallurgy. Mr Bittar is an employee 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.' Mr Bittar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.