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罕王
HANKING

CHINA HANKING HOLDINGS LIMITED

中國罕王控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 03788)

INSIDE INFORMATION

48.3% INCREASE IN GOLD RESOURCE AND 1.23 MOZ GOLD NEW ORE RESERVE IN THE MT BUNDY GOLD PROJECT, NORTHERN TERRITORY, AUSTRALIA

This announcement is made by China Hanking Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company is pleased to announce that, through its subsidiary Hanking Australia Investment Pty Ltd (“**Hanking Australia**”), it has increased its gold resource of the Rustlers Roost gold deposit in the Northern Territory by 48.3%, including new ore reserve of 1.23 Moz gold in the Mt Bundy Gold Project. The new ore reserve represents a 527.9% increase in the Company’s gold ore reserve. The new resource and new reserve were estimated in accordance with the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “**JORC Code**”), by independent consultants from CUBE Consulting and Orelogy Consulting Pty Ltd (“**Orelogy**”), respectively. The Mt Bundy Gold Project includes the Rustlers Roost, Quest 29 and Tom’s Gully gold deposits. Together with the 175 Koz gold ore reserve of the Tom’s Gully gold deposit estimated and announced in 2013 by Primary Gold Limited, Mt Bundy Gold Project has a total reserve of 1.405 Moz gold. Quest 29 and Tom’s Gully are approximately 10km to the main ore reserve of Rustlers Roost, which is about 110km along Arnhem Highway to Darwin, capital of the Northern Territory (Figure 1).

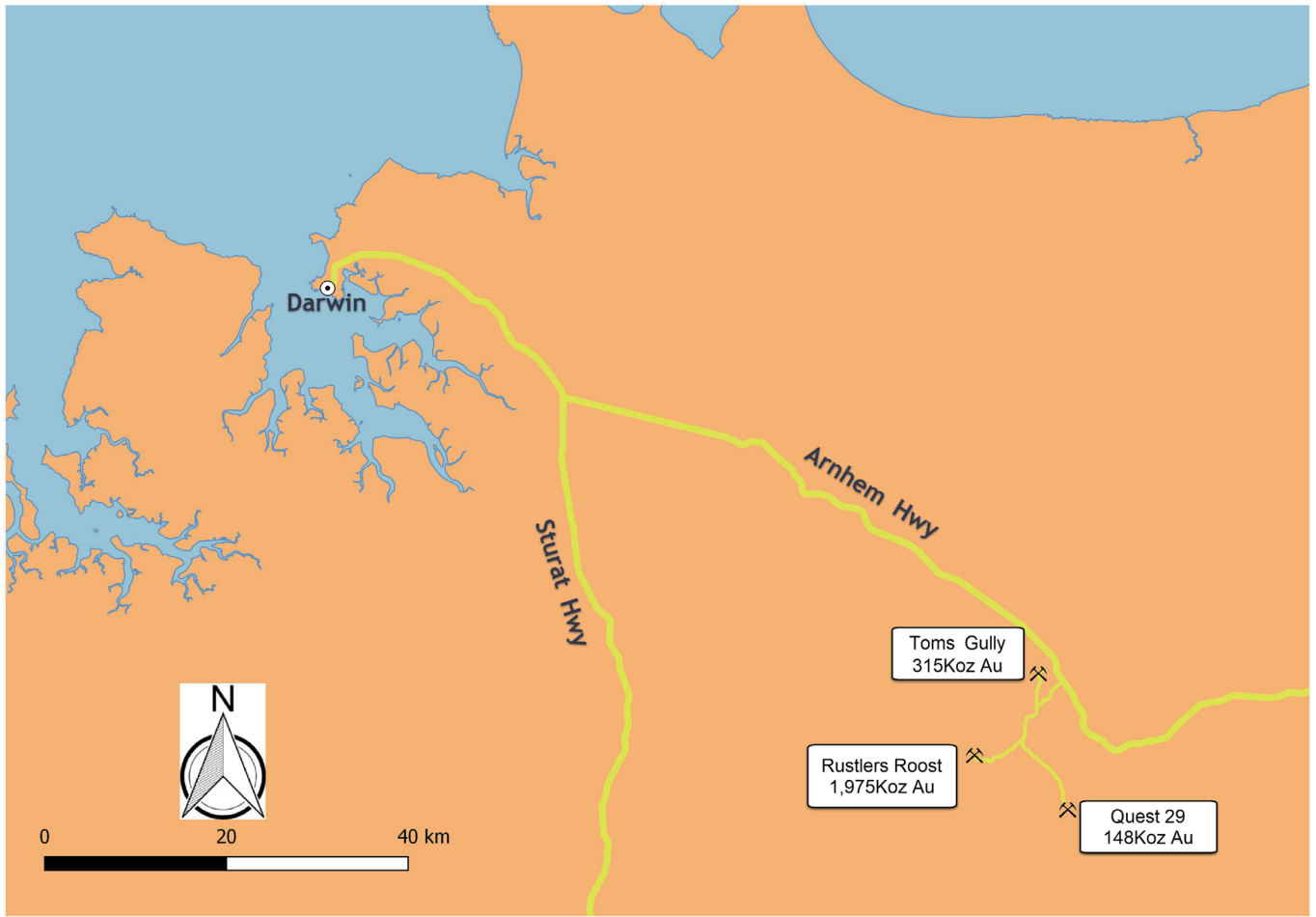


Figure 1: Mt Bundy Gold Project Location Map, Hanking Australia

The new JORC resource estimate of the Rustlers Roost gold deposit is summarized in Table 1 (reported at a cut-off grade of 0.3 g/t gold). The total gold resource for the Rustlers Roost gold deposit has been increased from previously announced 1.332 Moz to 1.975 Moz gold in in-situ resource, representing an increase of 48.3%. Importantly, more than 75% of the resources is in the Indicated category and less than 25% is in the Inferred category.

Table 1 Summary of In-situ Mineral Resources of Rustlers Roost Gold Deposit, Mt Bundy Gold Project, as at 30 June 2021

Resource Category	Cut-off Grade (g/t)	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Koz Au)
Indicated	0.3	61.93	0.75	1,488
Inferred	0.3	28.31	0.53	487
All Resources	0.3	90.25	0.68	1,975

The new resource estimate update was based on new RC and diamond drilling in 108 holes for 16,558m by Hanking since its take-over of Primary Gold Limited in 2018, and new interpretation of existing drillings. The new resource estimate was made by an independent consulting firm CUBE

Consulting in accordance with the JORC Code, with Mr. Brian Fitzpatrick as a Competent Person (CP) as defined in the JORC Code. Mr. Brian Fitzpatrick has given his consent as CP for report of the resource estimate in accordance with the JORC Code. Local Uniform Conditioning (“LUC”) modelling was applied to reflect the bulk mineralization nature of this deposit. Methods and details of the resource estimate can be found at www.hankingmining.com/en/uploads/soft/210709/3-210F9162418.pdf.

This new resource estimate, together with the previously announced gold resources in other deposits, brings the Company’s total resource to 2.8 Moz gold (Table 2).

Table 2 Summary of Gold Resources of the Company (Updated on 30 June 2021)

Deposit Resources	Cut-off Grade (g/t)	Measured			Indicated			Inferred			All Resources		
		Tonnes	Grade	Contained Metal	Tonnes	Grade	Contained Metal	Tonnes	Grade	Contained Metal	Tonnes	Grade	Contained Metal
		(kt)	(g/t Au)	(Koz Au)	(kt)	(g/t Au)	(Koz Au)	(kt)	(g/t Au)	(Koz Au)	(kt)	(g/t Au)	(Koz Au)
Coolgardie Project													
MacPhersons Rewards	0.5	355	1.3	15	2,986	1.1	108	2,470	1.4	109	5,811	1.2	232
Pumphreys	0.5	-	-	-	375	1.0	12	48	0.7	1	422	0.9	13
Tycho	0.5	76	1.2	3	2,597	0.9	73	982	0.8	26	3,655	0.9	102
SUBTOTAL		431	1.3	18	5,957	1.0	193	3,500	1.2	136	9,889	1.1	347
Mt Bundy Project													
Rustlers Roost	0.3	-	-	-	61,930	0.8	1,488	28,310	0.5	487	90,240	0.7	1,975
Tom’s Gully	6.0	-	-	-	835	9.0	242	265	8.5	73	1,100	8.9	315
Quest 29	0.8	-	-	-	2,190	1.4	98	1,205	1.3	50	3,395	1.4	148
SUBTOTAL		-	-	-	64,955	1.1	1,828	29,780	0.9	610	94,735	1.0	2,438
TOTAL		431	1.3	18	70,912	0.9	2,021	33,280	0.7	746	104,624	0.8	2,785

Note: Figures have been rounded.

Based on the update resource of Rustlers Roost gold deposit, the existing resource of its satellite deposit Quest 29, and the Pre-feasibility Study (“PFS”) of these two deposits, an ore reserve estimate was made for the Rustlers Roost and Quest 29 gold deposits of the Mt Bundy Gold Project. The PFS is led by GR Engineering Limited, supported by Orelogy and other independent consultants including:

- *Cube Consulting Pty Ltd (geology & resources);*

- *Peter O’Bryan and Associates (Geotech);*
- *Knight Piesold Pty Ltd (Tailings Storage);*
- *ECOZ – (environmental assessments);*
- *CDM Smith – (waste rock geochemistry, and EIA);*
- *ALS (metallurgical tests);*
- *Orelogy Consulting Pty Ltd (mine design, planning and cost estimation); and*
- *GR Engineering Services (metallurgical test work process design and processing and capital costs).*

Pit optimizations were completed at a gold price of AUD2,200 per ounce, gold price of AUD2,350 per ounce was used in the financial model (the spot gold price as of 9 July 2021 is AUD2,435 per ounce). A CIL processing plant with up to 4.5 Mt processing capacity was used in the PFS and ore reserve estimate. The ore reserve is 44.9 Mt at 0.85 g/t for 1.23 Moz contained gold at an average strip ratio of 1.55:1 as summarised and broken down by deposit (pit) in Table 3. There is a further 1.1 Mt of Inferred material at 1.00 g/t gold within the pit but was excluded in the ore reserve estimate.

Orelogy developed open pit mining models for each deposit with dilution averaging 9.6% (on a block by block basis) and an average ore loss of 9.4% for Quest 29. As the Rustlers Roost model used an LUC estimation method, dilution is already modelled and a 1.5% ore loss was included. In line with the JORC Code, the probable ore reserve is based on Indicated classified mineral resources. The reported mineral resource estimate is inclusive of the resources converted to ore reserves.

Table 3 Ore Reserve Summary – COG = 0.35 g/t Au Rustlers Roost and 0.385 g/t Au Quest 29.

Description	Units	Rustlers Roost	Quest 29	Total
Probable	Mt	42.1	2.8	44.9
	g/t	0.83	1.14	0.85
	Moz	1.13	0.10	1.23
Waste	Mt	55.5	14.4	69.8
Total	Mt	97.6	17.2	114.8
Strip Ratio	w:o	1.32	5.12	1.55

The ore reserve estimate was made by Orelogy in accordance with the JORC Code, with Mr. Steve Craig as a Competent Person (CP) as defined in the JORC Code. Mr. Craig has given his consent to report this reserve as CP in accordance with the JORC Code. The ore reserve statement and detailed information can be found at www.hankingmining.com/en/uploads/soft/210709/3-210F9162504.pdf.

This new ore reserve, together with previously announced ore reserves in other deposits, brings the Company's total gold ore reserve to Moz gold (Table 4). This new ore reserve represents a 527.9% increase in gold ore reserve of the Company. Importantly, all the new reserves are open-cut reserve, with 91.87% of the reserve in the Rustlers Roost open pit. The ore reserve at Tom's Gully was estimated by Golders using a gold price of AUD1,550 per ounce in 2013 as announced by Primary Gold Limited in 2013.

Table 4 Summary of Total Ore Reserve of the Company (Updated on 30 June 2021)

Project	Proved			Probable			Total		
	Tonnes	Grade	Contained Metal	Tonnes	Grade	Contained Metal	Tonnes	Grade	Contained Metal
	(kt)	(g/t Au)	(Koz Au)	(kt)	(g/t Au)	(Koz Au)	(kt)	(g/t Au)	(Koz Au)
Rustlers Roost	-	-	-	42,100	0.8	1,130	42,100	0.8	1,130
Quest 29				2,800	1.1	100	2,800	1.1	100
Tom's Gully	-	-	-	775	6.9	175	775	6.9	175
Coolgardie Gold	267	1.5	13	802	1.8	45	1,069	1.7	58
TOTAL	267	1.5	13	46,477	4.3	1,450	46,744	1.0	1,463

Commenting on the new results, Dr. Qiu Yumin, executive director and vice president of the Company and managing director of Hanking Australia, said that “the 48.3% gold resource increase in our core deposit Rustlers Roost has again demonstrated the great potential of the project and our team's ability in creating value through exploration. The 1.23 Moz gold ore reserve with a strip-ratio of 1.55:1 is probably one of the largest un-developed open-pit ore reserves with lowest strip ratio in Australia. Once developed, it will be a long life gold mine operation, adding significant values for all stakeholders”.

The Company received the Environmental Impact Assessment for Tom's Gully in 2020 and has recently received the water discharge permit for the dewatering of the largest open-pit reserve at Rustlers Roost and is on schedule to submit the mine development Environmental Impact Assessment report for Rustlers Roost and Quest 29 as soon as possible. Its mine development PFS is near completion. Rustlers Roost, Quest 29 and Tom's Gully are within 10km, suitable for single operational management. With an ore reserve of 1.41 Moz gold, the Mt Bundy Gold Project has a clear pathway to produce an average of more than 100 Koz gold over more than 10 years life of mine. The Company is carrying out a new AUD6 million drilling program with 3 drilling rigs at the Quest 29 gold deposit of the Mt Bundy Gold Project, with a clear goal to further increase both the gold resource and ore reserve.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By the order of the board of directors
China Hanking Holdings Limited
Yang Jiye
Chairman and executive director

Shenyang, the PRC, 9 July 2021

As at the date of this announcement, the executive directors of the Company are Mr. Yang Jiye, Mr. Zheng Xuezhi and Dr. Qiu Yumin; the non-executive directors of the Company are Mr. Kenneth Lee and Mr. Xia Zhuo; and the independent non-executive directors of the Company are Mr. Wang Ping, Dr. Wang Anjian and Mr. Ma Qingshan.