



31 July 2019

QUARTERLY REPORT

For Quarter ended 30 June 2019

(ASX:AHK)

OPERATIONAL HIGHLIGHTS FOR THE QUARTER

- **AHK has negotiated an in-principle joint venture (JV) agreement to build a gold processing plant at Frances Creek**
- **The final and binding JV is expected to be signed within 30 days**
- **Subsequent to quarter end AHK has received commitments from sophisticated investors to take share placements under listing rule LR7.1 and LR7.1A. at 3c to raise up to \$308,000.**

Joint Venture

Refer to AHK announcement dated 30 July 2019.

Summary

In a first for the NT, the JV intends to establish a new environmentally friendly gold processing hub in the Frances Creek area near Pine Creek, NT.

The JV:

- intends to deploy environmentally friendly technology patented by and licensed from the CSIRO, to process gold ore mined from the AHK tenements and other gold tenements within and near to Pine Creek.
- will through ICA Mining Services Pty Ltd, employ and provide opportunity for the local indigenous community.
- provide a unique and efficient co-operative model for increasing NT gold production.

With a gold processing plant AHK intends through the JV to;

- mine and haul Glencoe gold ore to Frances Creek for treatment/processing
 - up to 600kt of ore feed over the first year
- mine Mt Porter Central gold ore to Frances Creek for treatment/processing
 - only 3 km from pit to the proposed JV plant
 - up to 500kt of ore feed over 18 months
- mine Mt Porter South subject to modifying the current Mt. Porter MMP
- mine Mt Porter North and down plunge subject to modifying the current Mt. Porter MMP
- further develop the Honcho high grade gold prospect
 - only 2 km from the proposed JV plant

Glencoe

- 51,000oz resource model mineable from surface to 30m and recoverable by gravity and floatation.
- Potential to significantly increase this by extending pit lengths where there are large gaps in the drilling.



- Glencoe has a current MMP that will need to be activated/modified prior to mining.
- Glencoe can be permitted swiftly to gravity and float i.e. no cyanide required.
- Glencoe has been successfully bulk sampled.
- Glencoe can be free dug to 5 - 8m from surface.
- Glencoe has a low bond index.
- 46% recoverable by gravity with 9% coarse gold.
- 87% recoverable by simple floatation.
- Makes high grade concentrate.
- Plenty of water.

Mt Porter Central

- Mt Porter Mining Lease 22389 is in good standing.
- Extensive and independent metallurgical testing completed
 - metallurgical test work - oxide gold recoveries - 92%
 - metallurgical test work - sulphide gold recoveries - averages 79%
- Mt Porter optimization supports cash flow positive mining case due to:
 - low strip ratio
 - 2.5 g/t head grade
 - small capex
 - mill will be located approx. 3km from Mt. Porter pit
- Mt Porter Central will provide approximately 600 kt + of ore at about 2.2 g/t