

15 January 2018

ASX ANNOUNCEMENT

Update on exploration drilling program at La Dura, Mexico

The Board of AuKing Mining Limited (AKN) provides the following update in relation to the conduct of drilling activities at the La Dura project in Mexico.

Drilling started in late November 2017 and, by the time the drilling crew retired from the site for Christmas vacation period on 15 December, a total of 5 reverse circulation (RC) holes had been drilled for a total of 897metres.

This first phase of the overall program targeted areas in and around the known historic workings at La Dura, Plan 3, Polvorin and Becerros. The diagram below shows the hole locations of the first five holes (LD-001 to LD-005) as they relate to the original underground workings:

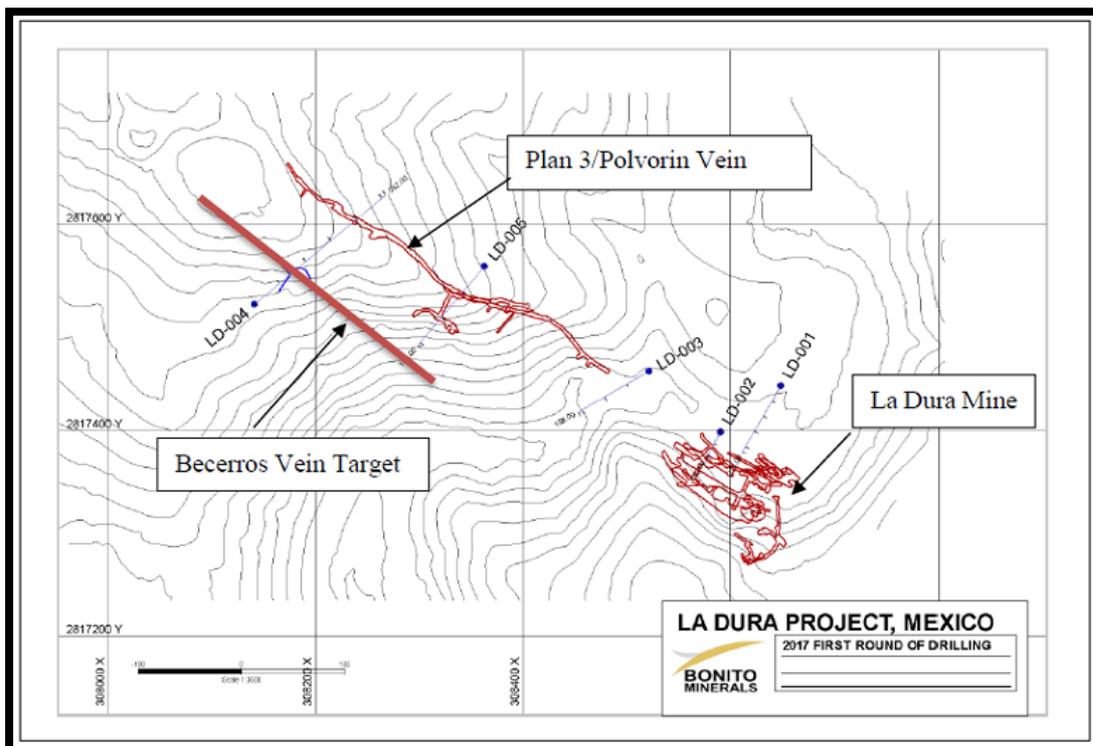


Figure 1 – Drill hole locations for LD-001 to LD-005, subject to final survey

Preliminary assay results from these first five drillholes have been received from the ALS laboratory in Chihuahua, Mexico. The assay results from this first phase of drilling will be collated and interpreted by Bonito and then formally reported to AKN.

This reporting is expected to be completed towards the end of January 2018 and can then be released to the ASX by AKN.

The Bonito exploration team has arrived back to site and drilling activities resumed. It is anticipated that the second phase of the drilling program will be completed in 2-3 weeks, with the assay results from those drill holes to follow soon afterwards.

Yours sincerely

A handwritten signature in black ink, appearing to be 'P. Williams', with a horizontal line extending to the right.

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