



# December 2021 Quarterly Activities Report

28 January 2022

## AuKing Mining Limited

ABN 29 070 859 522

(ASX Code: AKN, AKNO)

**AKN is a resource exploration and development company seeking to develop the Koongie Park copper/zinc project in Western Australia.**

### Issued Capital:

75,289,651  
Ordinary shares  
17,500,000  
Options (30 June 2023 @  
25c each)

### Directors:

Dr Mark Elliott  
*Chairman*  
Peter Tighe  
*Non-Executive Director*  
Ian Hodgkinson  
*Non-Executive Director*  
Shizhou Yin  
*Non-Executive Director*

### Chief Executive Officer:

Paul Williams

### Company Secretary:

Paul Marshall

### AUKING MINING LTD

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## Highlights:

- AKN's first exploration drilling program at Koongie Park continued to make excellent progress – completing 6400m of combined RC and diamond core drilling across 29 holes by mid-December 2021.

- Outstanding results from drilling activities (both near-surface and at depth) highlighted by:

**124m @ 1.03% Cu, 1.08% Zn, 1.54% Pb & 50g/t Ag** from 8m (hole AOWB003)

**20m @ 1.50% Cu, 5.80% Zn, 0.91% Pb & 102g/t Ag** from 148m (hole AORC001)

**9m @ 3.05% Cu, 1.11% Zn, 0.18% Pb, 14g/t Ag & 0.11% Co** from 475m (ASRD002)

**20m @ 1.71% Cu, 1.58% Zn, 0.25% Pb, 8g/t Ag and 647ppm Co** from 346m (ASRD003)

**11m @ 2.96% Cu, 0.89% Zn, 4g/t Ag & 342ppm Co** from 395m (ASRD004)

**13.1m @ 2.45% Cu, 0.06% Zn, 4g/t Ag and 302ppm Co** from 455m (ASRD005)

*[See AKN announcements to ASX on 4 October, 4 November, 30 November 2021 respectively for full results]*

- Discovery of near-surface ore grade copper mineralisation north of known Sandiego deposit. This hole presents an opportunity for a largely untested 700m target zone to be delineated between the main area of drilling at Sandiego and the new discovery.**
- Successful completion of \$2.47M share placement in November 2021, managed by Perth-based Vert Capital.**
- Identified elevated zones of REE lanthanides (>1,000ppm) in Sandiego drill holes ASRD002 and ASRD003**
- Further significant cobalt mineralisation identified at Sandiego**
- AKN successfully completed its first earn-in milestone under the Koongie Park joint venture with Anglo Australian Resources NL – now holding 50% a JV interest**
- Seven (7) metallurgical drill holes completed at Onedin designed to test the near-surface oxide and transition ores – assays pending.**

The activities of AuKing Mining Limited (“AKN” and “the Company”) during the three months period to 31 December 2021 are highlighted as follows:

## 1. Completion of first drilling program at Koongie Park

### ***Koongie Park drilling program***

AKN commenced its drilling program at the Koongie Park copper/zinc project in late July 2021 and continued to make excellent progress – completing the program late in the December Quarter. Approximately 6,400m of a combined reverse circulation (RC) and diamond core drilling was completed across 29 drill holes. Seven (7) diamond holes were completed in mid-December as part of the Onedin metallurgical testwork program, with assay results pending from that drilling.

Set out in Figure 1 is plan view diagrams of the completed drill hole locations at Onedin and Sandiego.

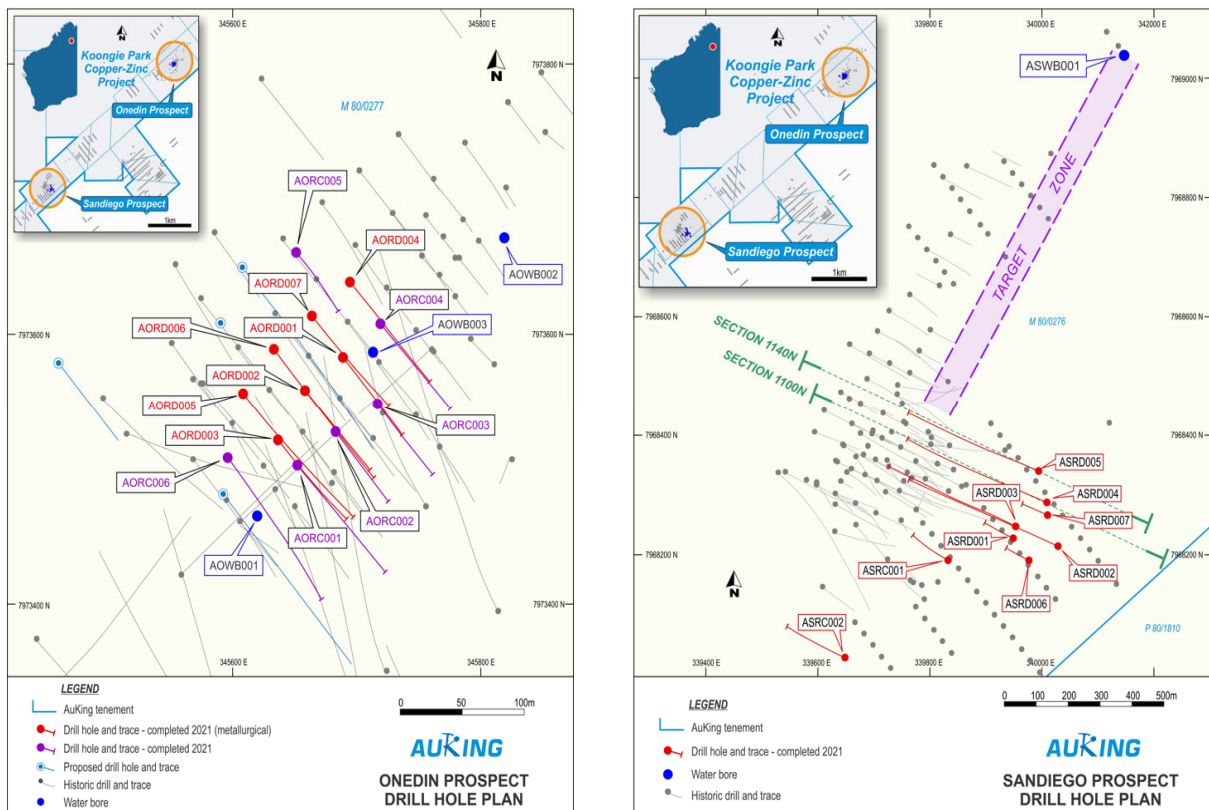


Figure 1 – Onedin and Sandiego drill hole locations

The initial drilling program had the following primary objectives:

- Infill drilling at the highly prospective Onedin and Sandiego deposits to improve geological interpretation and resource confidence;
- Test potential mineralised extensions, especially at depth;

- Obtain fresh samples for further metallurgical testwork to investigate the use of ammonia-based AmmLeach® proprietary technology, available to AKN, to improve recoveries of base metals – especially from the near-surface carbonate hosted oxide and transition mineralisation at Onedin;
- Enhance confidence and geological understanding of the extensive amount of previous drilling and exploration data;
- Obtain other technical data including geotechnical information and density data; and
- Equip most drill holes for follow-up downhole geophysics to assist in identifying possible off-hole conductors for future drill hole targeting.

Assay results derived from the drilling program to date have been very encouraging and support the AKN Board's view of the excellent prospectivity of the Koongie Park Project.

### ***Drilling results overview – December quarter***

A summary of the drilling results reported during the December quarter is set out below. (For full details refer to ASX announcements dated 4 October 2021, 4 November 2021 and 30 November 2021).

#### **Hole AOWB003**

**124m @ 1.03% Cu, 1.08% Zn, 1.54% Pb & 50g/t Ag** from 8m including  
**23m @ 0.72% Cu, 1.24% Zn, 0.96% Pb & 1g/t Ag** from 25m  
**28m @ 1.12% Cu, 1.17% Zn, 1.50% Pb & 1g/t Ag** from 56m  
**22m @ 2.02% Cu, 0.44% Zn, 0.27% Pb & 63g/t Ag** from 92m and  
**12m @ 1.87% Cu, 3.54% Zn, 8.58% Pb 387g/t Ag & 0.27% Mo** from 120m

#### **Hole AORC001**

**20m @ 1.50% Cu, 5.80% Zn, 0.91% Pb & 102g/t Ag** from 148m including  
**7m @ 3.36% Cu, 6.77% Zn, 0.11% Pb & 148g/t Ag** from 151m

#### **Hole AORC002**

**34m @ 0.51% Cu, 1.05% Zn, 0.23% Pb & 8.5g/t Ag** from 62m

#### **Hole AORC003**

**99m @ 0.33% Cu, 0.79% Zn, 0.81% Pb & 20g/t Ag** from 18m

#### **Hole AORC004**

**123m @ 0.39% Cu, 0.59% Zn, 0.96% Pb & 11g/t Ag** from 16m including  
**15m @ 0.72% Cu, 0.51% Zn, 3.21% Pb, 8g/t Ag & 0.17% Mo** from 118m

**Hole ASRD002 – 55m of sulphide-rich mineralisation from 467m containing Cu and Zn intersections** including:

**27m @ 1.57% Cu, 0.87% Zn, 0.14% Pb, 9g/t Ag & 600ppm Co** from 475m including  
**9m @ 3.05% Cu, 1.11% Zn, 0.18% Pb, 14g/t Ag & 0.11% Co** from 475m and  
**22m @ 0.42% Cu, 6.16% Zn, 1.17% Pb, 25g/t Ag & 200ppm Co** from 500m

**Hole ASRD003** – 65m of sulphide-rich mineralisation from 334m containing Cu and Zn intersections including:

20m @ 1.71% Cu, 1.58% Zn, 0.25% Pb, 8g/t Ag and 647ppm Co from 346m

13m @ 0.2% Cu, 5.71% Zn, 1.14% Pb, 27g/t Ag and 135ppm Co from 370m

**Hole AORC005** – 92m of mineralisation displaying anomalous zinc values (>1,000 ppm Zn)

**Hole AORC006** – 113m of mineralisation displaying anomalous zinc values (>1,000 ppm Zn)

**Hole AOWB01** - 50m of mineralisation displaying anomalous zinc values (>1,000 ppm Zn)

**Hole ASWB001**

5m @ 1.37% Cu from 50m and

2m @ 1.71% Cu from 85m

**Hole ASRD004**

11m @ 2.96% Cu, 0.89% Zn, 4g/t Ag & 342ppm Co from 395m including

4.35m @ 6.09% Cu, 0.68% Zn, 9g/t Ag & 491ppm Co from 401m

**Hole ASRD005**

13.1m @ 2.45% Cu, 0.06% Zn, 4g/t Ag and 302ppm Co from 455m including

8.7m @ 2.96% Cu, 0.08% Zn, 5g/t Ag and 405ppm Co from 455m

### ***Drilling results summary***

The results from AKN's first drilling program at Koongie Park include the following highlights:

- Substantial continuously-mineralised intersections of more than 100m across several holes at Onedin;
- All holes indicating near-surface mineralisation, with one hole intersecting mineralisation from surface;
- High grades of copper, zinc, lead and silver identified across all holes at Onedin;
- A high-grade zone of molybdenum identified in holes AORC004/AOWB003 around 120m;
- The eastern edge of the Onedin deposit (based on earlier drilling) is still in mineralisation and by no means closed off;
- Identified a largely untested 700m target zone to the north of known Sandiego mineralisation (see section 2 below);
- High grade zones of copper and zinc mineralisation across the deeper sulphide zone at Sandiego;
- Significant grades of cobalt identified, confirming the presence of Co in the Sandiego deposit (see ASX announcement on 19 October 2021 for historic Co results summary); and
- Identified the presence of anomalous grades of lanthanide group rare earth elements (REEs) lanthanum (La) and cerium (Ce) up to 4000ppm.

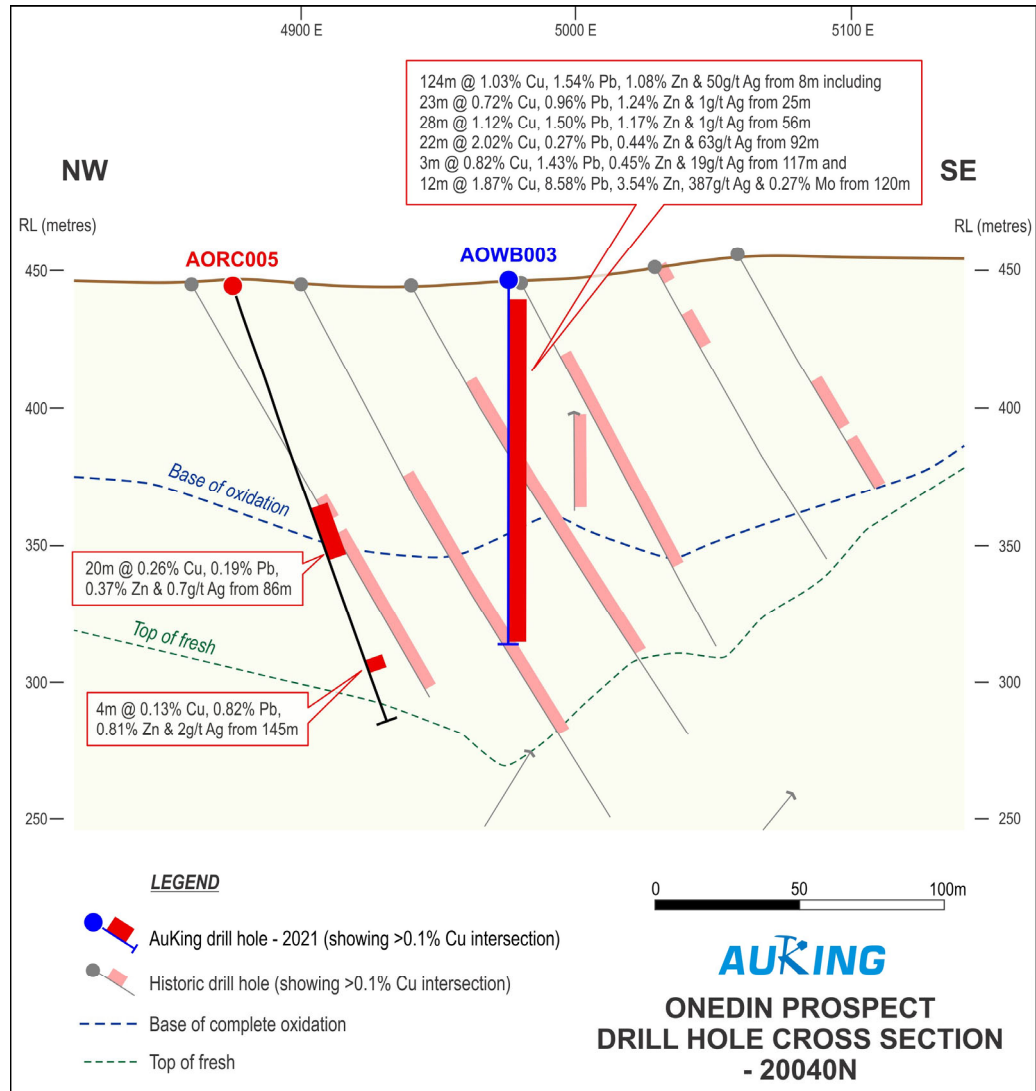


Figure 2 – Onedin Cross-section 20040N (showing holes AOWB003 and AORC005)

## 2. Copper discovery north of Sandiego

Hole ASWB001 (a vertical water bore hole) was drilled over 700m north of the known mineralised zone at Sandiego. Two (2) near-surface copper zones were identified containing significant copper mineralisation as follows:

**5m @ 1.37% Cu** from 50m and

**2m @ 1.71% Cu** from 85m.

The two intervals of Cu mineralisation in water bore ASWB001 displayed the now typical Sandiego geochemical association with elevated Co and REE grades. This allows a largely untested 700m target zone to be delineated between the main area of drilling at Sandiego and the new discovery – see Figure 1 above where this zone is highlighted. The discovery is essentially along strike of the main mineralised zone and has only previously been tested by

a handful of shallow RC and RAB holes to very limited depth. Finally, as a water bore hole, drilling was terminated at 102m where good water flow rates were achieved – highlighting the possibility of further copper mineralisation at depth and along strike.

### **3. Discovery of rare earths at Sandiego**

Elevated REE values have been reported from portable x-ray fluorescence (pXRF) scans run on pre-collar RC chip samples at Sandiego. In hole ASRC002, a shallow downhole interval of 17m (from 9m below surface) showed an average grade of 0.40% combined cerium+lanthanum+neodymium+praseodymium (Ce+La+Nd+Pr). This highly anomalous zone coincides with an iron rich gossanous unit which is interpreted to be the up-dip, weathered extension of the Sandiego Cu-Zn mineralised zone. The suggestion that elevated REE group values are present within the Sandiego mineralised zone is also supported by received analyses from deeper diamond core sampling in hole ASRD03 which indicated several intervals, again in close proximity to the Cu-Zn mineralisation, with combined Ce+La grades of 0.67% over 1.8m (interval 361.5 – 363.18m).

AKN is encouraged by the confirmed presence of lanthanide group elements within the Sandiego mineralised zone and is planning to undertake confirmatory sampling and analytical work to determine the full extent of the REE mineralisation. The existence of REEs at Koongie Park is not entirely unexpected, given the established operations of other companies in the Halls Creek region including Northern Minerals' Browns Range project (160kms south-east of Halls Creek), Red Mountain's Mt Mansbridge project (140kms south-east of Halls Creek), and Rarex's Cummins Range project (130kms south-west of Halls Creek).

### **4. Confirmation of further cobalt at Sandiego**

As previously advised (refer ASX announcement on 19 October 2021) significant reported cobalt intersections from previous drilling activities carried out by Anglo Australian Resources in 2009/2010 have highlighted the presence of cobalt at the Sandiego deposit. The results from AKN's existing drilling program at holes ASRD002 and ASRD003 have confirmed the existence of cobalt mineralisation, as highlighted above. The potential inclusion of cobalt mineralisation in future Koongie Park resource estimates will continue to be assessed by AKN's exploration team.

### **5. Planning for first-half of 2022**

The work conducted by AKN in 2021 established the platform for a significant number of activities for the development of Koongie Park in 2022. The primary activities that AKN intends to focus on in the first six months of 2022 are summarized as follows:

#### **Sandiego**

- Test 700m target zone to north of known mineralisation – see Section 2 above;
- Testing mineralisation at greater depth – several planned drill holes at Sandiego were not completed last year as priority was allocated to completing the Onedin holes for the Onedin metallurgical program. These further holes will be drilled with the intention of increasing the existing known Sandiego resource estimate;
- Downhole geophysics – most of the completed drillholes in last year's program were cased with PVC piping allowing for further assessment of potential off-hole conductors

utilising electromagnetic geophysics tools. This program will be carried out as soon as contractors can be mobilised for this purpose;

- Assess REE potential – as noted in Section 3 above, AKN discovered elevated REE group values at Sandiego. Other drill holes at Sandiego are currently being analysed by pXRF scans, with a view to assessing if further assay analysis might be required; and
- Sample old drill holes for Co mineralisation – as noted in Section 4, core samples from historic drilling at Sandiego are being assessed and prepared for assay in order to identify the potential extent of Co mineralisation across the Sandiego deposit.

### **Onedin**

- Potential eastern extension of mineralisation – several drill holes at Onedin were designed to test the extent of the known mineralised zone to the eastern boundary of the deposit. Most of these holes still intersected high grade zones of copper and zinc – indicating that the eastern boundary of the Onedin deposit may not yet be closed off; and
- Assess extent of Mo mineralisation – drill holes AOWB003 and AORC004 intersected anomalous zones of Mo at a depth of around 120m below surface. The extent of this Mo zone at Onedin will be the subject of further assessment.

### **Onedin Metallurgical Testwork**

As part of the drilling program at Koongie Park last year, AKN completed seven (7) diamond drill holes – all of which were designed to secure representative samples of near-surface oxide and transition ores at Onedin (drill holes AORD001-007). Assay results from some of these holes have yet to be received. Once received, these samples will be formed into composite samples for the purposes of the proposed Onedin metallurgical testwork program, scheduled to commence in early February 2022.

Stage 1 of the testwork program will be conducted in conjunction with Perth-based Simulus Laboratories and involves the following:

- demonstration of economic metal recoveries;
- comparison with conventional process treatments;
- optimisation of reagent usage and doses;
- initial processing kinetics; and
- likely product options.

The program will take approximately 6-8 weeks to complete, with AKN expecting to report results in mid-late March 2022.

### **Koongie Park Resource Update**

CSA Global has been engaged to prepare an update of the Koongie Park resource estimate based on greater information and resource definition from the 2021 drilling program and further information identified by AKN from existing historic data.

Resource update work is expected to be completed in late March 2022.

### **Emull Drilling**

AKN is planning a significant drilling program proposed for the Emull prospect which is situated on E80/4957, within the Koongie Park tenure holding. The program is intended to comprise drilling of 10-12 holes up to maximum 250m depth and is aiming to test the results of previous drilling by Northern Star Resources between 2005-2009.

Drilling at Emull is subject to heritage access approval which is scheduled for late February 2022. If approval is obtained, the drilling at Emull is scheduled to commence in late March 2022.

### ***Regional Exploration***

A detailed summary of historic aerial and land-based geophysics over the Koongie Park project area was completed for AKN by Perth-based Southern Geoscience Consultants (SGC) late in 2021. As a result of this SGC survey, a series of high-priority target areas were identified within the Koongie Park tenure package that had not been the subject of significant prior exploration. AKN's exploration team will carry out an assessment of these target areas, with a view to potential exploration drilling later in 2022.

### ***Business Development Opportunities***

During the course of 2022 AKN will continue to assess other project opportunities which can:

- potentially expand existing resource tonnes at Koongie Park; and/or
- otherwise create significant value for shareholders.

## **6. Koongie Park Summary**

### ***Koongie Park copper/zinc project overview***

Koongie Park is situated in north-eastern Western Australia in the highly mineralised Halls Creek region. The Koongie Park project comprises 15 licences (two mining, eight exploration, and five prospecting) covering an area of over 500km<sup>2</sup>. The asset has existing JORC 2012 resources of **6.8Mt at 1.3% Cu, 4.1% Zn, 0.3g/t Au and 26g/t Ag\***.

[\*See full resources table in Appendix 2 of this Release and CSA Global Independent Report, AKN Prospectus dated 9 March 2021]

Koongie Park remains significantly under explored at depth and along strike and highly prospective for further VMS base metal mineralisation discoveries in the tenement package. The Company has identified multiple drill targets to expand on the existing known resources at both the Sandiego and Onedin deposits. Both deposits remain open at depth and to the south.

### ***Koongie Park Earn-in***

In February 2021, AKN entered into an earn-in and joint venture agreement with Anglo Australian Resources NL providing AKN with the right to earn up to a 75% interest in the Koongie Park project by completing exploration expenditure of \$3m over a 3-year period. AKN announced to ASX on 9 December 2021 that it had completed the first earn-in milestone of \$1.5M and now holds a 50% interest in the JV.



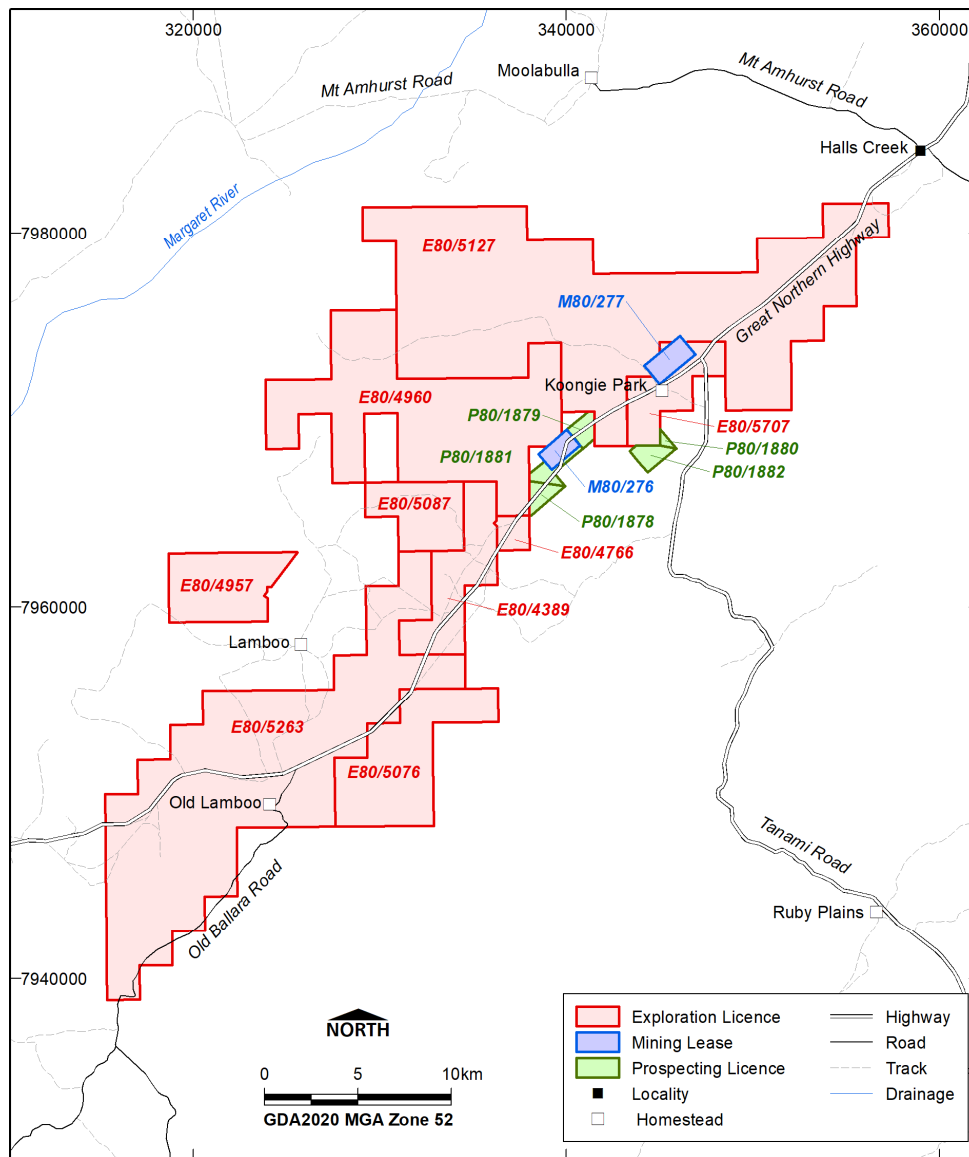


Figure 3 – Koongie Park tenures as at 31 December 2021

## 7. ESG commitment

The Company has previously adopted the World Economic Forum’s “Environment, Social and Governance” (“ESG”) framework and instructed management to set up an impact measurement plan for each sustainability area. These areas include governance, anti-corruption practices, ethical behaviour, health and safety, GHG emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and economic contribution.

To ensure that AKN can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the outcomes measurement and ongoing ESG reporting process. These reports will appear quarterly in the Company’s future Quarterly Activities Reports to ASX.











ESG Go Dashboard - Baseline Report			PRIORITY	TIMEFRAME	DISCLOSURE	MATURITY					
						A1	A2	A3	A4	A5	
<b>GOVERNANCE</b> 	GO-01-A	Setting purpose	2	Q4 2021	D	D	D				+
	GO-02-A	Governance body composition	1	Q4 2021	D	D	D	R	R	R	+
	GO-03-A	Material issues impacting stakeholders	3	Q4 2021	D	D	D	D			+
	GO-04-A	Anti-corruption practices	-	Q1 2022	R	R	D	D			+
	GO-04-B	Mechanisms to protect ethical behaviour	-	Q1 2022	D	R	D				+
	GO-05-A	Integrating risk and opportunity into business process	-	Q1 2022	D	D	D	D	D	D	+
<b>PLANET</b> 	PL-01-A	GHG emissions	-	Q4 2021	D	D	D	D			+
	PL-01-B	TCFD implementation	-	Q2 2022	D	D	D	D			+
	PL-02-A	Land use and ecological sensitivity	-	Q1 2022	D	D					+
	PL-03-A	Water consumption	-	Q4 2021	D	D	D	D	E		+
<b>PEOPLE</b> 	PE-01-A	Diversity and inclusion	-	Q1 2022	D	D					+
	PE-01-B	Pay equality	-	Q4 2021	D	D			D		+
	PE-01-C	Wage level	-	Q4 2021	D	D	D				+
	PE-01-D	Child, forced or compulsory labour	-	Q4 2021	D	D					+
	PE-02-A	Health and safety	-	Q4 2021	D	D	D				+
	PE-03-A	Training provided	-	Q1 2022	D	D	D				+
<b>PROSPERITY</b> 	PR-01-A	Rate of employment	-	Q1 2022	D	D	D				+
	PR-01-B	Economic contribution	-	Q1 2022	D	D	D				+
	PR-01-C	Financial investment contribution	-	Q1 2022	D	D	D				+
	PR-02-A	Total R&D expenses	-	Q1 2022	D	D					+
	PR-03-A	Total tax paid	-	Q1 2022	D	D					+

Figure 4 – AKN Baseline ESG report for period up to 31 December 2021

Note the codes for the above table are as follows:

LEGEND

	Action		Development		Verified
	Explanation		Reported		Audited

## 8. New Licence Application – Tanami Region, WA (“Blondie”)

During the July Quarter, AKN lodged an application to the WA DMIRS for the grant of a 20km<sup>2</sup> exploration licence in the Tanami region on the WA/NT border, approximately 190km south-east of Halls Creek and 50kms north of the former Coyote gold mine. The prospect is called “Blondie” and comprises a broad, irregular zone of anomalous copper geochemistry covering an area of approximately 1 km x 1 km. The anomaly coincides with an area of patchy outcrop/subcrop of suspected Stubbins Formation of the Paleo-Proterozoic Tanami Group. Previous exploration in the region has been mostly focussed on identifying gold occurrences.

The Company continued to progress the licence application during the December quarter.

## 9. ASX Compliance and Disclosures

### ***Exploration Activities (ASX LR 5.3.1)***

AKN conducted significant exploration activities during the Quarter with both RC and diamond drilling contractors engaged throughout the period. Total exploration expenditure for the December Quarter was \$2,033,000.

### ***Mine Production Activities (ASX LR 5.3.2)***

There were no mine production or development activities conducted during the Quarter.

### ***Comparison of Expenditure (ASX LR 5.3.4)***

AKN successfully re-listed on the ASX on 15 June 2021. Set out below is a comparison of actual expenditure since reinstatement to ASX Official Quotation against the Proposed Use of Funds as set out in the Company’s Prospectus dated 9 March 2021, together with an explanation of any material variances.

<b>Use of Funds</b>	<b>Estimate for first 2 years after ASX Re-listing</b>	<b>Actual expenditure post reinstatement on 15 June 2021</b>
Initial Koongie Park payment	\$900,000	\$900,000
Drilling, metallurgical testwork and other exploration	\$2,250,000	\$3,500,201
Admin costs and other expenses	\$900,000	\$596,754
Employment and Consultant costs	\$800,000	\$247,561
Repayment of Tighe Loan	\$150,000	\$150,000
Brokerage fees associated with public offer	\$600,000	\$600,402
Public offer costs (excl brokerage)	\$400,000	\$496,421
<b>Total Expenditure</b>	<b>\$6,000,000</b>	<b>\$6,491,339</b>

AKN is significantly exceeding its initial project budget expenditure associated with exploration activities at Koongie Park due to several factors, including the following:

- (a) (as advised previously), due to AKN raising an additional \$1M in subscriptions under the 9 March 2021 prospectus, a more aggressive approach was taken towards the size and scope of the current drilling program;

- (b) Strong early drilling results from AKN's first program at Koongie Park (which commenced in July 2021) provided AKN with significant confidence to proceed with drilling at both Sandiego and Onedin - thereby creating a strong platform for future exploration and development;
- (c) There was (and continues to be) extensive demand for exploration contractors (drilling, excavation and assaying in particular) in the WA resources sector – resulting in very tight availability for these firms and the necessity to accept commercial rates in order to have work undertaken;
- (d) Similarly, demand for experienced geological and exploration personnel is very high - due not only to the busy WA resources sector, but also limitations on personnel being able to access WA due to ongoing border and travel restrictions. Accordingly, this demand has created a very competitive market for these personnel and impacted commercial rates payable to secure and maintain these personnel; and
- (e) Halls Creek, while situated on the National Highway in northern Western Australia, is still remote from the perspective of securing and transporting consumables for exploration activities – adding costs that were not initially contemplated in the program budget process.

## **10. Corporate Information**

### ***Placement of shares***

On 17 November 2021, the Company announced completion of a share placement to raise \$2.47M before costs (“the Placement”). The Placement comprised the issue of 15M new ordinary fully paid shares in AKN at an issue price of 16.5c per share.

The Placement was completed by Lead Manager, Vert Capital Pty Ltd (“Vert”). Vert was entitled to be paid fees for their services in respect of the Placement as follows:

- A cash payment comprising 6% of the funds raised (approx. \$148k); and
- The issue to Vert (or its nominee) of a total 4M AKN options, being the same class of options that are currently listed for quotation on the ASX (under code AKNO) – exercisable at 25c on or before 30 June 2023 (“Vert Options”). The Vert Options can only be issued after the Company obtains confirmation from ASX and its existing shareholders to do so, at the next available general meeting (proposed to be held in late February 2022).

In respect of the cash fees payable to Vert, they have agreed to accept one-third of those fees is to be paid by way of the issue of a further 300,000 shares in AKN on the same terms as those shares issued under the Placement.

### ***Appointment of new Exploration Manager***

During the December quarter, the Company appointed a new Exploration Manager, Mr Chris Bittar. He has since commenced duties in early January 2022.

Mr Bittar holds a Masters in Geoscience (Macquarie), Masters in Commerce (Finance) (RMIT) and Bachelor of Marine Science (Macquarie) qualifications. Most recently, Mr Bittar was Senior project Geologist at Pantoro Limited's Norseman Project in Western Australia, where he supervised the planning and execution of near-mine exploration and resource development programs as part of the Definitive Feasibility Study program at Norseman.

Previously, Mr Bittar held Senior Geologist roles with Millennium Minerals (Nullagine Gold project) and Pilbara Minerals (Pilgangoora Lithium project), and Exploration Geologist roles with Sumitomo Metal Mining Oceania and Northern Minerals (Browns Range rare earths project in WA). In these roles Mr Bittar gained extensive experience in taking projects from greenfield exploration to resource development and up to mine-ready feasibility study stage. This experience included supervision of multiple drilling campaigns, geological interpretation, data management and project reporting. Mr Bittar has also maintained a strong commitment to company safety policies and procedures.

### ***Adjustment to share capital under s258F, Corporations Act***

On 31 December 2021, AKN advised that the Board had resolved to reduce the share capital of the Company by an amount of \$46,097,623 in accordance with s258F of the Corporations Act 2001 (Corporations Act).

This decision was taken by the Board as a result of AKN re-listing on ASX in June 2021 and the significant recapitalization and balance sheet clean up that was associated with that exercise. Under s258F of the Corporations Act, a company may reduce its share capital by cancelling any paid-up capital that is not represented by available assets. As at 31 December 2020, AKN had accumulated losses of \$46,097,623 and its net assets (at the parent level) were less than the share capital. The deficiency in net assets has arisen over several years as a result of impairment of intangible assets (ie, mostly capitalized exploration expenditure) and historical investment write-offs.

*Under ASX Listing Rule 7.20, the Company notes the following:*

- *The number of securities on issue in AKN will NOT be affected and no amount was previously or will be unpaid on any of its securities pursuant to the capital reduction;*
- *There are no fractional entitlements arising from the capital reduction; and*
- *The capital reduction has no impact on the existing options on issue.*

*It should also be noted that the capital reduction has no impact on the availability of the Company's carried forward income tax losses.*

### ***Related Party Payments***

During the December 2021 Quarter, AKN paid a total of \$48,189 to related parties and their associated entities, representing director fees (\$32,500) and consulting fees (\$15,689).

### ***Board and Senior Management***

Dr Mark Elliott, Non-Executive Chairman  
Mr Paul Williams, Chief Executive Officer  
Mr Peter Tighe, Non-Executive Director  
Mr Ian Hodgkinson, Non-Executive Director  
Mr Shizhou Yin, Non-Executive Director  
Mr Paul Marshall, CFO and Company Secretary

### **Financial Position**

As at 31 December 2021, AKN had cash reserves of \$2,500,076. Further details of AKN's financial activities during the December 2021 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this Report.

### **Share Information**

Issued share capital of 75,289,651 ordinary shares and 17,500,000 options to subscribe for ordinary AKN shares at an exercise price of 25c each and exercisable on or before 30 June 2023. Market capitalisation – as at the date of this Report, the Company's market capitalisation was \$10.5M (@14c per share).

#### **Top 10 shareholders of AKN as 31 December 2021:**

Rank	Name	Number of Shares	%
1	Bienitial International Industrial Co Ltd #	9,245,092	12.24
2	Mr Pavle Tomasevic	3,100,000	4.12
3	Altor Capital Management Pty Ltd (Altor Alpha Fund A/c)	1,893,786	2.52
4	Mr Peter Gerard Tighe & Mrs Patricia Joan Tighe <The Peter Tighe Super Fund A/c>	1,883,500	2.50
5	Mr Willi Rudin	1,750,000	2.32
6	JHB Super Investments Pty Ltd <The JHB Super Fund>	1,700,000	2.26
7	S3 Consortium Pty Ltd	1,515,152	2.01
8	Emandel Super Pty Ltd <Busfy Super Fund>	1,500,000	1.99
9	Yunnan Copper Industry (Group) Co., Ltd	1,499,612	1.99
10	N&M Greenhalgh Nominees Pty Ltd <N&M Greenhalgh Super Fund>	1,333,334	1.77
<b>TOTAL</b>		<b>25,420,476</b>	<b>33.72</b>

#Denotes Substantial Shareholder

### **Other Details**

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Share Registry  
Link Market Services Limited  
Level 12, 300 Queen Street  
Brisbane Q 4000  
Phone: 1300 554 474

### **This announcement is authorised by the Board:**

Paul Williams  
Chief Executive Officer  
[p.williams@aukingmining.com](mailto:p.williams@aukingmining.com)  
+61 419 762 487

## Competent Persons' Statements

*The information in this report that relates to exploration results at the Koongie Park Project (both current and historic) is based on information compiled by Mr Ian Hodkinson who is a member of the Australian Institute of Geoscientists and the Society for Geology Applied to Mineral Deposits. Mr Hodkinson is a non-executive director 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 Hodkinson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources at the Koongie Park Project is based on information compiled by Mr David Williams who is a member of the Australian Institute of Geoscientists. Mr Williams is a Principal Consultant Geologist (Brisbane) of CSA Global 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 Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information relating to the Mineral Resources at the Koongie Park Project is extracted from the Independent Technical Report of CSA Global (the CSA Global Report), which is included in the Company's Prospectus that is dated 9 March 2021 and which was lodged with ASIC on the same date.*

**APPENDIX 1 - AKN's mining tenement interests**

Project/Location	Tenement Reference	Current Holder	AKN % Interest	Comment
<b>WESTERN AUSTRALIA</b>				
Koongie Park, Halls Creek	E80/ 4389	Anglo Australian Resources NL	50	Refer Note 1
Koongie Park, Halls Creek	E80/ 4766	Anglo Australian Resources NL	50	Refer Note 1
Koongie Park, Halls Creek	E80/ 4957 (Emull)	Anglo Australian Resources NL	50	Refer Note 1
Koongie Park, Halls Creek	E80/ 4960	Anglo Australian Resources NL	50	Refer Note 1
Koongie Park, Halls Creek	E80/ 5076	Anglo Australian Resources NL	50	Refer Note 1
Koongie Park, Halls Creek	E80/ 5087	Anglo Australian Resources NL	50	Refer Note 1
Koongie Park, Halls Creek	E80/ 5127	Anglo Australian Resources NL	50	Refer Note 1 and 3
Koongie Park, Halls Creek	E80/ 5263	Anglo Australian Resources NL	50	Refer Note 1
Koongie Park, Halls Creek	M80/ 276 (Sandiego)	Anglo Australian Resources NL	50	Refer Note 2
Koongie Park, Halls Creek	M80/ 277 (Onedin)	Anglo Australian Resources NL	50	Refer Note 2
Koongie Park, Halls Creek	E80/5707	Koongie Park Pty Ltd	50	Refer Note 4
Koongie Park, Halls Creek	P80/ 1878	Koongie Park Pty Ltd	50	Refer Note 4
Koongie Park, Halls Creek	P80/ 1879	Koongie Park Pty Ltd	50	Refer Note 4
Koongie Park, Halls Creek	P80/ 1880	Koongie Park Pty Ltd	50	Refer Note 4
Koongie Park, Halls Creek	P80/ 1881	Koongie Park Pty Ltd	50	Refer Note 4
Koongie Park, Halls Creek	P80/ 1882	Koongie Park Pty Ltd	50	Refer Note 4
Tanami Region	E80/ 5688 (Blondie)	AKN (Koongie Park) Pty Ltd	100	Refer Note 5

**Notes:**

1. AKN has now acquired a 50% interest in the Koongie Park Joint Venture, which was established by an agreement dated 8 February 2021. AKN completed its Stage 1 earn-in commitment of \$1.5M in early December 2021. The Joint Venture is based on each of the Exploration Licences set out above.
2. The two Mining Licences have been incorporated into the Koongie Park Joint Venture now that AKN has completed the first earn-in milestone.
3. Former Prospecting Licences P80/1802 and 1803 have been amalgamated into the area of E 80/ 5127.
4. Each of these tenures are pending grant by the WA DMIRS. In addition, Koongie Park Pty Ltd is a wholly-owned subsidiary of Anglo Australian Resources NL and part of the Koongie Park Joint Venture.
5. This tenure is also pending grant by the WA DMIRS.



## APPENDIX 2 – Koongie Park resource estimate

In the CSA Global Report, a full combined Mineral resource estimate for the Koongie Park project deposits is as follows:

Koongie Park	Zone	Cut-off grade	Classification	Tonnes (Mt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
Onedin + Sandiego	Supergene	Cu >0.8%	Indicated	0.9	2.5	1.7	0.3	39
			Inferred	0.0	1.0	0.1	0.1	3
	Transitional and Primary	Cu >0.8%	Indicated	1.9	2.3	1.3	0.4	21
			Inferred	0.4	1.8	2.0	0.3	5
	Zn Dominant Primary	Zn >3%	Indicated	3.2	0.4	6.6	0.2	30
			Inferred	0.4	0.1	6.2	0.1	9
	All zones	Various	Indicated	6.0	1.3	4.2	0.3	28
			Inferred	0.8	1.0	3.8	0.2	7
	<b>TOTAL</b>	<b>Various</b>	<b>Total</b>	<b>6.8</b>	<b>1.3</b>	<b>4.1</b>	<b>0.3</b>	<b>26</b>

*[Note: CSA Global cautions that the two deposits and three oxidation zones have different metallurgical properties and/or cut-off grades, and this needs to be considered when assessing the combined totals]*