



29 April 2021

The Manager
Listings Compliance
ASX, SYDNEY

RE: MARCH 2021 QUARTERLY ACTIVITIES REPORT

The activities of AuKing Mining Limited (“AKN”) during the three months to 31 March 2021 were as follows:

Koongie Park Project Earn-In

AKN announced to the ASX on 25 June 2020 the agreement to earn up a 75% interest in the Koongie Park copper/zinc project (“Koongie Park”) situated in the south-eastern Kimberley Region of northern Western Australia (“Koongie Park Earn-In”).

The Koongie Park Earn-In comprises a significant change in the scale of AKN’s activities in accordance with ASX Listing Rule 11.1.3, requiring AKN to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

During the March Quarter, AKN made significant progress towards meeting the ASX re-compliance requirements including the following:

ASX “In principle” Approval

On 9 February 2021, ASX advised the Company that, subject to several matters advised by ASX and, based solely on the information provided and the facts known to ASX as at that time, ASX was not aware of any reasons that would cause AKN not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1 or that would cause ASX to exercise its discretion to refuse re-admission to the Official List under Listing Rule 1.19 (“ASX Advice”).

(Notwithstanding the ASX Advice, ASX retains a discretion under Listing Rules 1.19 and 2.9 to decline the Company’s application for re-admission to the Official List, without giving any reasons. While the Company considers that it can satisfy ASX’s requirements for quotation and re-admission to the Official List, ASX may exercise its discretion to decline the Company’s application for re-admission to the Official List).

Preliminary Capital Raising

In late February and early March 2021, AKN successfully completed the raising of an additional \$750,000 in convertible note funding to allow AKN to meet various costs associated with the Koongie Park Earn-In and provide additional working capital as

the transaction progressed towards ASX re-listing. The notes were issued to private sophisticated investors, funds and clients of Novus Capital. A summary of the convertible note terms is as follows:

Notes term – 31 December 2021

Interest payable – 10% per annum, payable quarterly in arrears

Convertibility –

- (a) automatically, on completion of the Company's proposed capital raising, as part of the proposed ASX re-listing of AKN's shares – at an issue price of 12c per share (a 40% discount to the proposed 20c public offer price);
- (b) at the election of the holder, notes may (subject to AKN shareholder approval and prior to maturity) be converted at a 55% discount to the proposed 20c issue price to be offered to the public under the Company's prospectus (namely, 9 cents per share).

It remains the Company's intention to convert all of these convertible notes into ordinary shares in accordance with their conversion terms on closing of the public offer.

AKN Prospectus Lodgment

On 9 March 2021 AKN lodged its prospectus for a public offer of 30,000,000 ordinary shares at an issue price of 20c each to raise a minimum \$6,000,000, with provision to accept a further 5,000,000 ordinary shares to raise an additional \$1,000,000. The public offer included the offer of free-attaching options exercisable at 25c on or before 30 June 2023 issued on the basis of one option for every two shares issued. A copy of the prospectus and associated material is available on the AKN website at www.aukingmining.com

The Board of AKN has been advised by the Lead Manager to the Public Offer, Novus Capital, that support for the Public Offer has been very strong and the Board therefore considers that the Company is likely to secure the maximum \$7M in application moneys from investors.

Pursuant to a Supplementary Prospectus dated 23 April 2021, the proposed offer timetable was revised by the Company, with the public offer now scheduled to formally close on 31 May 2021 and, subject to compliance with ASX requirements, re-quotation of AKN's shares on ASX can occur on 7 June 2021.

Shareholder Meeting

Approval has also been obtained from ASIC and ASX for the Company to convene a general meeting of shareholders to be held on Friday, 21 May 2021 at 9.30am (Brisbane time). In light of the COVID-19 pandemic and potential future application of social distancing and lockdown restrictions, the meeting will also be held online and the Company encourages Shareholders to attend the EGM online.

Various resolutions that relate to the Koongie Park Earn-In are in the Notice of Meeting to be approved by shareholders and include matters such as approvals of:

- the proposed Koongie Park Earn-In

- issue of shares and options under the prospectus
- a share consolidation of all existing shares on the basis of 200:1, reducing the Company's total issued shares from 932,584,461 to 4,662,923 (subject to rounding of fractional entitlements)
- issue of shares in lieu of repayment of the JCHX Group loan
- issue of shares in lieu of unpaid directors fees, executive remuneration and employee salaries
- issue of shares on conversion of various convertible notes previously issued by the Company
- issue of shares to Novus Capital as a success fee on completion of the AKN public offer and ASX re-listing
- a new Constitution that is compliant with current ASX Listing Rules and Corporations Act requirements
- the appointment of new members to the Board of AKN – entirely replacing the existing Board
- non-executive director remuneration.

The Notice of Meeting and accompanying Explanatory Statement have been made available to shareholders electronically via the Company's website or the ASX market announcements platform (ASX code "AKN"). To view the Notice of Meeting please visit the Company's website at www.aukingmining.com

Remaining Actions Prior to ASX Re-Listing

The Board and management of AKN will spend the next few weeks preparing materials in response to ASX re-compliance requirements, finalizing the public offer and proceeding with the general meeting of shareholders. In addition, preparatory work is being undertaken to ensure AKN is able to move as quickly as possible with exploration activities at Koongie Park. With strong demand for drilling rigs, geologists and other resource industry personnel and materials, the Board of AKN is keen to ensure that its intended program of activities is not the subject of extended delays.

Exploration Activities

No exploration was carried out by AKN during the period.

Exploration Expenditure for March 2021 Quarter

Nil exploration expenditure was incurred for the March 2021 Quarter.

Corporate Update

JCHX Group Loan

No funds were drawn down under this loan facility during the quarter, leaving total advanced funds of \$1,300,000 together with accrued interest. As set out in section 10.8 of the Company's prospectus, JCHX has agreed to be issued 7,500,000 ordinary shares in full and final satisfaction of all principal and interest moneys owing under this loan facility. In addition, JCHX has voluntarily agreed to restrict these shares from trading for a period of 24 months.

Financial Reports

During the March 2021 Quarter, the Company lodged its financial report and statements for both the half-year ended 30 June 2020 and the full-year ended 31 December 2021. Copies of these reports are available on the Company's website.

General Meeting of Shareholders

As noted above, the Company has convened a general meeting of shareholders to be held on Friday, 21 May 2021 at 9.30am. This meeting will be conducted in person and virtually (online) in light of potential future application of social distancing and lockdown restrictions associated with the COVID-19 pandemic.

Related Party Payments

During the March 2021 Quarter, AKN paid a total of \$38,884 to related parties and their associated entities, representing a payout of executive leave entitlements (\$34,774) and interest payable on convertible notes (\$4,110).

Board Composition

Dr Huaisheng Peng, Chairman
Mr Paul Williams, Managing Director
Mr Robert Yang, Executive Director
Mr Qinghai Wang, Non-Executive Director
Mr Paul Marshall, Company Secretary

Financial Position

As at 31 March 2021, AKN had cash reserves of \$161,000. With funds anticipated to become available from the public offer in early June 2021, AKN should have sufficient funding to carry out proposed transaction activities for the immediate future.

Further details of AKN's financial activities during the March 2021 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this Report.

Top 10 shareholders of AKN as 31 March 2021:

Rank	Name	Number of Shares	%
1	BIENTIAL INTERNATIONAL INDUSTRIAL CO LTD #	349,018,230	37.42
2	YUNNAN COPPER INDUSTRY (GROUP) CO LIMITED #	299,922,326	32.16
3	BILLY FLESHMAN	15,163,208	1.63
4	MR ANTHONY JOHN BARBER	11,500,002	1.23
5	MR PAUL ROBERT WILLIAMS & MS JILL CAROLINE STRACHAN	10,357,173	1.11
6	MR PETER GERARD TIGHE & MRS PATRICIA JOAN TIGHE	10,033,333	1.08
7	MR NORMAN JOSEPH ZILLMAN	7,980,343	0.86
8	MR BARRY EDWARD TANTON & MRS ELIZABETH MARY TANTON	7,500,000	0.80
9	ELLIOTT NOMINEES PTY LTD	7,150,000	0.77
10	SAGAR SMSF PTY LTD	6,270,000	0.67
TOTAL		724,894,615	77.73

Denotes Substantial Shareholder

Share Information

Issued share capital of 932,584,461 ordinary shares. (Note, if approved at the forthcoming general meeting of shareholders, this number will reduce to 4,662,923 (subject to rounding of fractional entitlements)).

Market capitalisation – no shares were traded during the Quarter due to the ASX's suspension from quotation on 30 September 2019. The Company's market capitalization at the time of suspension was \$1.865M.

Other Details:

Head Office

Level 7, Suite 27
320 Adelaide Street
Brisbane Q 4000
Phone: +61 7 3535 1208
Website: www.aukingmining.com

Share Registry

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

This Report is authorised by:

Paul Williams
Managing Director
p.williams@aukingmining.com
+61 419 762 487