



## Placement and Launch of Rights Issue to existing Shareholders

20 April 2022

**AuKing Mining Limited**

**ABN 29 070 859 522**

**(ASX Code: AKN, AKNO)**

**Issued Capital:**

75,589,651  
Ordinary shares  
21,500,000  
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

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### Highlights:

- **Capital raise program for total of \$7.1 million by way of a placement and an underwritten Entitlement Offer to existing shareholders.**
- **Firm commitments have been received by AKN for an initial placement at 14c per share to sophisticated and professional investors to raise approximately \$3.61M. The placement was managed by lead manager Vert Capital.**
- **The Placement is in two tranches – first tranche of 18.822M shares to be settled shortly and the balance 7m shares after shareholder approval at AKN’s AGM scheduled for late May 2022.**
- **The Placement price is 14c per share and represents a 12.5% discount to the last AKN trading price on 13 April 2022 and a 23.5% discount to the 15-day VWAP (18.3c).**
- **A pro-rata non-renounceable Rights Issue on the basis of one (1) new share for every three (3) shares held follows the Placement and is on the same terms as the Placement, to raise a maximum of \$3.51M.**
- **Vert Capital has agreed to underwrite any shortfall of applications under the Rights Issue.**
- **Funds raised, after costs, will be used by AKN for:**
  - **Further drilling and exploration at Onedin, Sandiego and Emull deposits**
  - **Acquisition of the remaining 25% interest in the Koongie Park JV and 100% of the PGE rights across the Koongie Park tenure package**
  - **Working capital purposes.**
- **Drilling at Koongie Park is scheduled to commence in late May.**

**AKN Chief Executive Officer, Paul Williams said** “We are very pleased to have completed the first stage of the proposed \$7.1M capital raising with significant interest in the \$3.51M placement. This funding will enable AKN to carry out its extensive proposed drilling and exploration program for 2022.

“The second stage of the funding program involves the opportunity for existing AKN holders to acquire shares on the same terms as those made available to the sophisticated and professional investors under the placement. Provision is made under the rights issue for existing holders (if they wish) to apply for more than their allocation. On successful completion of the rights issue AKN will then proceed to complete its acquisition of the 25% JV and 100% of the PGE/gold interests at Koongie Park.”

AuKing Mining Limited (“AKN” or “the Company”) is pleased to announce a total capital raising of approximately \$7.1M consisting of:

- (a) A two-tranche Placement totalling \$3.61M to sophisticated and professional investors through the issue of new shares at an issue price of \$0.14 per share (“Placement”); and
- (b) A non-renounceable rights issue to eligible shareholders, on the basis of one (1) new fully paid ordinary share for every three (3) shares held at an issue price of \$0.14 per share (“New Share”), to raise approximately \$3.51M (before costs) (“Offer”).

The Placement and Offer are together referred to as “the Capital Raising”.

In the case of both the Placement and the Offer, free-attaching options (of the same class as AKN’s existing ASX-listed options) (“Options”) are also to be issued on the basis of one (1) new Option for every three (3) New Shares applied for. The issue of the Placement options is subject to obtaining shareholder approval.

The Placement is to proceed in two tranches namely, first tranche issuing 18,822,412 New Shares immediately and a second tranche of 7,000,000 New Shares to be issued subject to AKN shareholder approval at its forthcoming Annual General Meeting scheduled for late May 2022.

The first tranche of the Placement has been conducted pursuant to the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A. A total of 11,263,447 shares will be issued under Listing Rule 7.1 and 7,558,965 shares will be issued under Listing Rule 7.1A.

Vert Capital Pty Ltd (“Vert”) has been appointed lead manager for the Placement and also underwriter of any shortfall under the rights issue. The fees payable to Vert are:

- 6% of all funds raised under both the Placement and the Offer; and
- The issue of 20,000,000 Options (at an issue price of \$0.00001 per option). The option issue is subject to obtaining shareholder approval.

The Offer is an offer to Eligible Shareholders (as defined below) only. The issue price of \$0.14 represents a 12.5% discount to AKN’s last traded share price on 13 April 2022, an 18.1% discount to the 5-day VWAP (\$0.171) and a 23.5% discount to the 15-day VWAP (\$0.183). The AKN Board and major shareholder (Biential International Industrial Co. Ltd) have indicated their intention to fully participate in the Offer.

Eligible shareholders will be able (if they wish and subject to final allocations) to apply for more than their entitlement under the Offer.

Assuming no existing options on issue in the Company are exercised prior to the record date, approximately 25,196,550 New Shares (and 8,398,850 free-attaching Options) will be offered under the Rights Issue Offer.

The issue of 18,822,412 New Shares under the first tranche of the Placement will occur shortly after the record date for the Offer (26 April 2022) utilising the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1a.

The issue of 6,274,137 free-attaching Options in relation to the Tranche 1 shares and the additional 7,000,000 New Shares (and 2,333,333 free-attaching Options) under the second tranche will require shareholder approval for their issue - which will be sought from AKN shareholders at the AGM in late May 2022.

***Eligible Shareholders:***

The Offer will be available to all registered AKN shareholders who hold shares at 7.00pm Brisbane time on Tuesday, 26 April 2022 ("Record Date") with registered addresses in Australia and New Zealand ("Eligible Shareholders").

Existing option holders would need to exercise their options (in accordance with the terms of those options) and be a registered holder of shares in Australia or New Zealand on the Record Date if they wish to participate in the Offer.

In accordance with the ASX Listing Rules and the Corporations Act 2001 (Cth) ("Corporations Act"), AKN has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Offer to those shareholders.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for official quotation of the New Shares.

***Use of Funds:***

The purpose of the Capital Raising is to raise approximately \$7.1M, including the costs of the Placement and the Offer. The funds raised from the Capital Raising will be used for the following:

- Drilling and further exploration work at the Sandiego and Onedin deposits and the Emull prospect;
- Payment of the first \$3M cash instalment payable to Anglo Australian Resources (AAR) under the proposed agreement to acquire the unheld 25% JV interest and 100% of the PGE project interests at Koongie Park;
- Costs of the Offer and transaction-related costs; and
- Working capital.

**Timetable:**

The proposed timetable for the Offer is set out in the table below.

The Rights Issue is being made pursuant to a Prospectus that contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. The Prospectus will be lodged with ASIC and ASX today.

An Appendix 3B for the New Shares to be issued pursuant to the Offer will be lodged separately.

<b>Event</b>	<b>Date</b>
Announcement of Rights Issue. Offer Document and Appendix 3B lodged with ASX	Wednesday, 20 April 2022 (pre-market open)
Notice of Rights Issue sent to shareholders	Wednesday, 20 April 2022
Shares commence trading on an ex-basis	Friday, 22 April 2022
Record Date for the Rights Issue (7:00pm Brisbane time)	Tuesday, 26 April 2022
Opening date of Rights Issue (9:00am Brisbane time)	Wednesday, 27 April 2022
Despatch Offer Document to shareholders	Friday, 29 April 2022
Closing date of Rights Issue (5:00pm Brisbane time)	Monday, 16 May 2022
Securities quoted on a deferred settlement basis	Tuesday, 17 May 2022
Advise ASX of any shortfall	Thursday, 19 May 2022
Notice of any Offer shortfall provided to Underwriter	Thursday, 19 May 2022
Underwriter completes subscription of any Offer shortfall	Friday, 20 May 2022
Allotment of New Shares under Rights Issue	Monday, 23 May 2022
Normal trading of New Shares on ASX begins	Tuesday, 24 May 2022

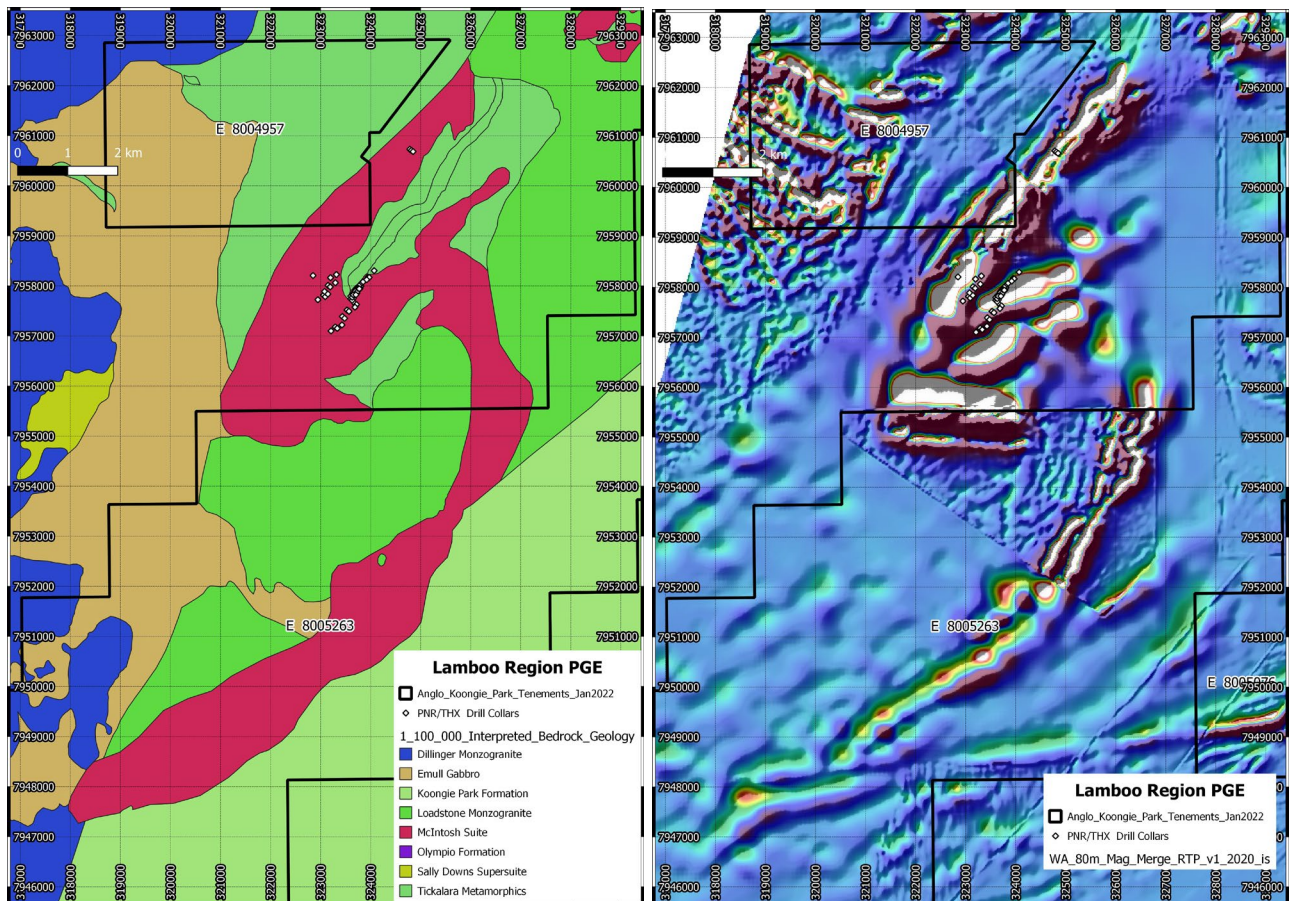
*This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.*

**Acquisition of Koongie Park PGE Interests**

AKN announced to ASX on 5 April 2022 details of the proposed transaction is the acquisition of AAR's PGE rights across the Koongie Park tenure package. These rights were previously excluded from Koongie Park allowing AAR the exclusive right to explore and develop gold and PGEs across the rights. These will now belong to AKN as the new 100% owner of Koongie Park and provide significant optionality and potential exploration upside.

There has already been considerable exploration undertaken at the project and an important feature of the PGE rights at Koongie Park is the outstanding recent drilling results reported by Pantoro Limited (“PNR”) at its Lamboo PGE Project.

These results demonstrate the location of significant PGE mineralisation in the lower and ultramafic portions of the Lamboo Igneous Complex. As outlined below, that same ultramafic unit (called McIntosh) extends across a significant area of Koongie Park tenures – creating the potential of an estimated 12km strike length of the PGE mineralisation.



Figures 1 and 2 – Lamboo PGE Regions – bedrock geology and total magnetic intensity with historic Pantoro and Thundelara drill hole locations

### PNR’s Lamboo PGE Deposit

The Lamboo PGE Deposit, located approximately 5kms from PNR’s Nicolsons Gold Mine, contains approximately 20kms of prospective basal contact. PGE mineralisation was intersected in a number of locations from limited drill testing over a small area of the basal portion within the folded Lamboo ultramafic complex.

Since then PNR has reported “*the conduct of significant work which has concluded that the basal contact over very wide zones is unusually enriched in PGEs and that there is the potential for large, bulk tonnage styles of PGE mineralisation. This style distinguishes*

*Lamboos from other PGE discoveries within the region and WA as the mineralisation occurs over very wide zones from surface.”*

PNR announced on 13 April 2022 the commencement of its further 20,000m drilling program at their Lamboos PGE Deposit – an activity that is likely to generate further results over the next several months and maintain a strong level of interest in the PGE mineralisation in the area.

**This announcement is authorised by:**

Paul Williams

Chief Executive Officer

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