



AuKing Mining Limited
ABN 29 070 859 522

ANNUAL REPORT
For the year ended 31 December 2021

CORPORATE DIRECTORY

AuKing Mining Limited ABN 29 070 859 522

<p>Board of Directors Dr Mark Elliott (Chairman) Mr Peter Tighe (Non-Executive Director) Mr Ian Hodgkinson (Non-Executive Director) Mr Shizhou Yin (Non-Executive Director)</p> <p>Chief Executive Officer Mr Paul Williams</p> <p>Company Secretary Mr Paul Marshall</p>	<p>Head Office</p> <p>Suite 27, Level 7 320 Adelaide Street Brisbane QLD 4000</p> <p>Telephone: 07 3535 1208 Email: admin@aukingmining.com Website: www.aukingmining.com</p> <p>ASX Code: AKN AKNO Listed \$0.25 30 June 2023 Options</p>
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REVIEW OF OPERATIONS

Koongie Park Project Earn-In

Introduction

On 8 February 2021, the Company entered into an agreement with Anglo Australian Resources NL (“AAR”) to earn up a 75% interest in the Koongie Park copper/zinc project (“Koongie Park”) situated in the eastern Kimberley Region of northern Western Australia (“Koongie Park Earn-In”). The earn-in retains for AAR’s benefit the rights to explore for and develop gold/platinum group metals deposits at Koongie Park.

Completion of Public Offer and Reinstatement to the Official Quotation on the ASX

The Company was reinstated to official quotation on the Australian Securities Exchange (“ASX”) on 15 June 2021 following the completion of an offer pursuant to a prospectus dated 9 March 2021 (“Offer”). The Offer raised the maximum \$7m (before costs) through the issue of 35M new fully paid ordinary shares at an issue price of \$0.20 per new share. As part of the Offer, the Company has also issued 17.5M free-attaching options that are also quoted on ASX. These options will be exercisable at \$0.25 each on or before 30 June 2023. As part of completion of the Offer, the Company’s existing share capital was consolidated on the basis of 200:1 – reducing the Company’s pre-Offer shares from 932,584,461 to 4,662,923 shares.

Koongie Park Location, Tenure and Potential

The Koongie Park copper/zinc project is situated in the highly mineralised Halls Creek Mobile Belt which also hosts the Savannah nickel project, the Argyle diamond mine and the Nicholsons gold mining operation of Pantoro Limited. Koongie Park is located about 25kms south west of the regional centre of Halls Creek on the Great Northern Highway.

The tenure holding comprises an area of more than 500km² covering over 40kms of the base metals prospective Koongie Park Formation. Koongie Park has already been the subject of significant exploration drilling and analysis since the 1970’s, often in line with movements in commodity prices. Since its discovery the Koongie Park Project has been the subject of over 245 RC and diamond drill holes consisting of more than 50,000m of drilling in total. The predominant focus of drilling has been at the Sandiego and Onedin deposits.

The Koongie Park Project has been held by AAR since 1989 and last drilled in 2010. AAR has previously reported Mineral Resource estimates for both the Sandiego and Onedin deposits at Koongie Park. Drilling and mining studies for base metal deposits ceased in 2011 when their attention turned to gold exploration.

These type of base metal massive sulphide deposits associated with chemical, clastic and volcanic sediments, formed during the Proterozoic age in tectonic active zones where ore fluids have produced multiple, large high-grade orebodies in other terrains. The Koongie Park Project is underexplored and has the potential for a major discovery.

Initial Drilling Program

AKN commenced its drilling program at the Koongie Park copper/zinc project in late July 2021 and made excellent progress for the rest of the year. (See photo below of diamond drilling activities at Sandiego).



Figure 1 – Diamond drilling at Sandiego

The initial drilling program at Koongie Park had the following 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.

Results from First Drilling Program

AKN completed the program late in December 2021. Approximately 6,400m of a combined reverse circulation (RC) and diamond core drilling was completed across 29 drill holes. Seven 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 2 is plan view diagrams of the completed drill hole locations at Sandiego and Onedin.

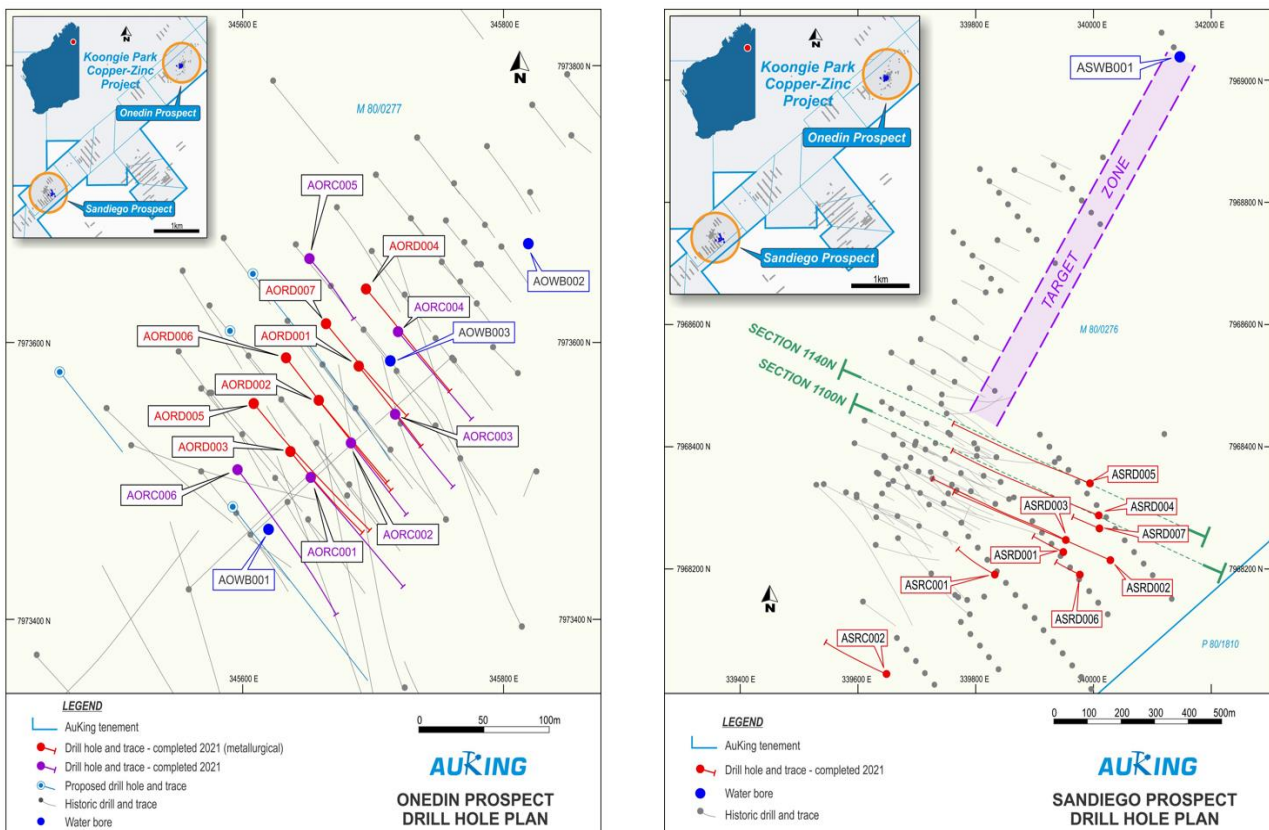


Figure 2 – Onedin and Sandiego drill hole locations

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. to provide a platform for significant exploration activities throughout 2022. 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).

Onedin Drill holes

Hole AOWB03

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 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)

Sandiego Drill holes

Hole ASWB001

5m @ 1.37% Cu from 50m; and

2m @ 1.71% Cu from 85m

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

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

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

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 assaying minerals 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 figure 3 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 (refer 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.

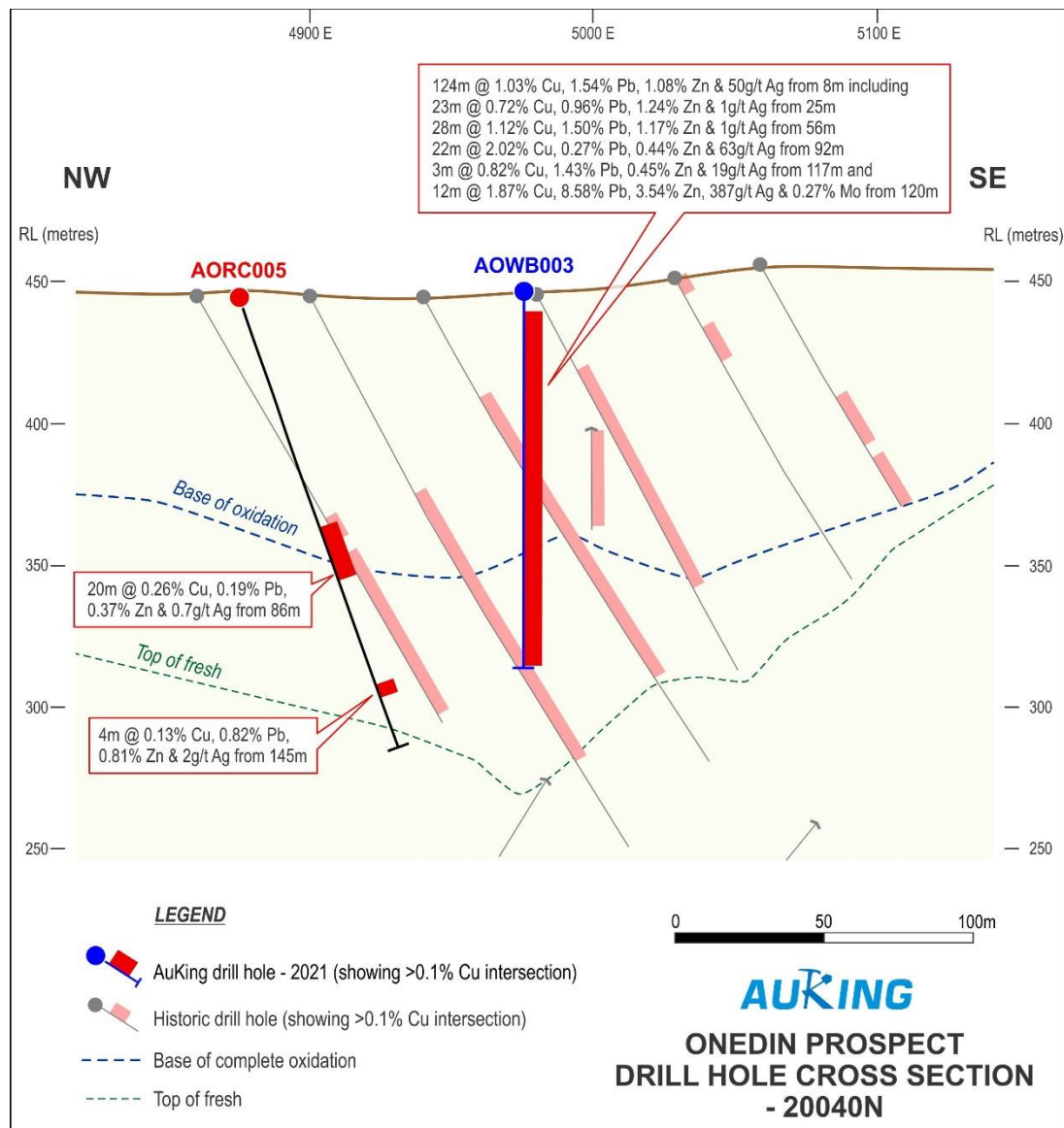


Figure 3 – Onedin Cross-section 20040N (showing holes AOWB003 and AORC005)

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 zones containing significant copper mineralisation were identified 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 2 above where this zone is highlighted. The new 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.

Koongie Park Earn-In Agreement

(a) General

The Company has entered into an Earn-in and Joint Venture Agreement with AAR with respect to the Koongie Park Project. Under the Koongie Park Earn-in, the Company and AAR have formed the Koongie Park Joint Venture on terms which include, but are not limited to, the following:

- the Company is granted the right to:
 - Explore for and develop base metals deposits within the project area;
 - Conduct exploration and development activities for base metals deposits on the project area during the earn-in period; and
 - Earn up to a 75% interest in the project area through the joint venture by funding exploration and project development studies (as stipulated below); and
- AAR retains the right to explore for and develop gold and platinum group metals deposits within the project area other than the area of the mining leases where the Sandiego and Onedin deposits are situated (see description of Precious Metals Rights agreement below).

(b) Earn-in Rights

The Koongie Park Earn-in provides for a two-staged earn-in process whereby the Company can ultimately secure a 75% project interest in the Koongie Park Project. A summary of the two-stage earn-in is outlined below:

First Earn-in Period

The Company earned an initial 25% interest in the Joint Venture by making a total initial payment of \$1,000,000 to AAR.

At commencement of the Joint Venture, the Koongie Park Exploration Tenements will be the only tenures held by the Joint Venture. AKN will however, have a licence from AAR to access the Koongie Park Mining Tenements for the purpose of Joint Venture activities. During the First Earn-In Period of twenty-four (24) months, the Company may earn a further 25% interest in the Joint Venture by incurring expenditure of \$1.5 million including expenditure on exploration, testwork and related analysis to establish a commercially viable processing solution for the Koongie Park oxide ores (**the First Earn-In Milestone**).

Upon satisfying the First Earn-in Milestone, the Company shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 50% interest in the Joint Venture. AAR will also be obliged to transfer the Koongie Park Mining Tenements (on which the Sandiego and Onedin deposits are situated) into the Joint Venture.

On 7 December 2021 the Company satisfied the First Earn-in Milestone during the year taking its total interest in Joint Venture to 50%.

Second Earn-in Period

During the Second Earn-in Period, which is a period of 12 months commencing immediately following completion of the First Earn-In Period, the Company may earn a further 25% interest in the Joint Venture by incurring additional Expenditure of \$1,500,000, including Expenditure on Exploration Activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Koongie Park Tenements (**Second Earn-In Milestone**).

Upon satisfying the Second Earn-in Milestone, the Company shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 75% interest in the Joint Venture. If the Company fails to satisfy the Second Earn-in Milestone during the Second Earn-in Period, then the Company will retain its earned interest in the Joint Venture of 50%.

For the duration of the Second Earn-in Period, the Company agrees to sole fund all expenditure on exploration activities in relation to the Joint Venture and free carry AAR's interest in the Joint Venture.

Other JV Provisions

The Koongie Park Earn-in between the Company and AAR contains various other provisions that are standard for an exploration joint venture including:

- The Company's wholly-owned subsidiary, AKN (Koongie Park) Pty Ltd, is the manager of all Joint Venture activities while it is earning interests in the Joint Venture and upon completion of those earn-ins;
- The Joint Venture manager is responsible for all reporting, budget and work program preparation, tenure management and generally report to the Joint Venture management committee from time to time;
- Upon conclusion of AKN's earning rights, the parties are then obliged to contribute on a pro-rata basis towards future work programs in accordance with their respective Joint Venture interests;
- Dilution mechanisms apply in the event a party is unwilling or unable to contribute towards their share of ongoing Joint Venture commitments;
- In the event a party's interest in the Joint Venture dilutes below 10%, they will be deemed to have withdrawn from the JV and their interest will revert to a 1% net smelter royalty.

Koongie Park Precious Metals Rights Agreement

In conjunction with the Koongie Park Earn-in summarised above, AKN and AAR have entered into an agreement titled Precious Metals Rights Agreement (**the PMRA**). The primary function of the PMRA is to establish the rights of AAR to explore for and develop gold and PGMs across the Koongie Park Project other than the area of the mining leases where the Sandiego and Onedin deposits are situated (**the Excluded Area**). Under the PMRA:

- Each party must submit an annual work program to the other, in advance of the proposed activities;
- In the case of AKN discovering a geologically anomalous concentration of gold or PGMs it must immediately notify AAR and vice versa in the case of AAR discovering a geologically anomalous concentration of minerals other than gold or PGMs. If either of these occur, the party receiving notice then has the right to exercise their rights to exclusively explore and develop minerals (**Mineral Rights**);
- There is provision to establish priority when a party is seeking to exercising their Mineral Rights that may interfere with existing exploration or mining activities of the other party;
- There is provision to establish priority when there is the potential for respective mining activities to be carried out by the parties within close proximity of each other;
- There is also provision to establish priority when there exists economic deposits of gold, PGM or other minerals within sufficient proximity that recovery of the minerals is best carried out by a single mining operation; and
- Finally, the PMRA provides for parties to be credited for the proceeds from the mining and sale of minerals (to which they are generally entitled) but where they are not the dominant mineral being the subject of mining activities. As noted previously, the PMRA has no application in respect of the area of the mining leases where the Sandiego and Onedin deposits are situated – AKN retains the full right to explore and develop all minerals (including gold and PGMs) within those mining leases.

Competent Person's Statement

The information relating to Exploration Results as outlined above is extracted from previous ASX announcements on 4 October 2021, 4 November 2021 and 30 November 2021. These reports are available to view on the Company's website www.aukingmining.com. The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Annual Mineral Resource Statement

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 31 December each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

The Company during the financial year has reported a JORC 2012 resource estimate for the Koongie Park project of **6.8Mt at 1.3% Cu, 4.1% Zn, 0.3g/t Au and 26g/t Ag**, details of which are set out below:

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
	TOTAL	Various	Total	6.8	1.3	4.1	0.3	26

[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]

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.

In completing the review for the period ended 31 December 2021, the historical resource factors were reviewed and found to be relevant and current. The Koongie Park project has not been converted to an active operation yet and hence no material resource depletion has occurred for the review period.

Material Changes and Resource Statement Comparison

The completion of the initial 2012 JORC resource at Koongie Park as above is the only revision to the Mineral Resource estimates during the review period from 1 January 2021 to 30 December 2021. The information in this Annual Report that relates to Mineral Resources was prepared and first disclosed under the JORC Code 2012 Edition. The Company is not aware of any new information or data that materially affects the information as previously released and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Governance Arrangements and Internal Controls

AuKing has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by suitably qualified personnel who are experienced in best practices in modelling and estimation methods, and AuKing has also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate.

Annual Review Competent Persons Statement

The information in this Annual Report that relates to the mineral resources and ore reserves statement as a whole has been reviewed and approved 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.

DIRECTORS AND OFFICERS

The following persons were directors of AuKing Mining Limited ('AKN' or 'the Company') during the whole of the financial period and up to the date of this report, unless stated:

Current Directors

Dr Mark Elliott (Appointed 9 June 2021)

Non-Executive Chairman, Dip Appl Geology, PhD, FAICD, FAusIMM(CP Geol), FAIG

Dr Elliott is a Chartered Professional geologist with over 45 years' experience in economic geology, exploration, mining, project development and in corporate management roles as Chairman and Managing Director for several ASX-listed resource companies.

Dr Elliott has extensive experience in managing companies and exploration/mining operations in a wide range of commodities including base metals, gold and geothermal energy. His management experience includes founding IPOs from commencement of project acquisition, exploration to production, capital raising and negotiating joint ventures. Dr Elliott is a Non-Executive Director of ASX listed Nexus Minerals Limited, Aruma Resources Limited and Astron Corporation Limited.

Dr Elliott has been a director of the following ASX listed companies in the prior 3 years:

- Nexus Minerals Limited (appointed October 2006)
- Aruma Resources Limited (appointed July 2017)
- Astron Corporation Limited (appointed January 2021)
- Mako Gold Limited (appointed March 2017, resigned October 2020)

Mr Peter Tighe (Appointed 9 June 2021)

Non-Executive Director

Mr Tighe started his working career in the family-owned JH Leavy & Co business, which is one of the longest established fruit and vegetable wholesaling businesses in the Brisbane Markets at Rocklea and has been trading since the late 1800s. As the owner and managing director of JH Leavy & Co, Mr Tighe expanded the company along with highly respected farms and packhouses that have been pleased to supply the company with top quality fruit and vegetables for wholesale/export for over 40 years. JH Leavy & Co is considered one of the most successful businesses operating within the Brisbane Markets.

Mr Tighe has been a director of Brisbane Markets Limited (BML) since 1999. BML is the owner of the Brisbane Markets® site and is responsible for its ongoing management and development of its \$350m asset portfolio. As the proprietor of the site, BML has over 250 leases in place including selling floors, industrial warehousing, retail stores and commercial offices. BML acknowledges its role as an economic hub of Queensland, facilitating the trade of \$1.5 billion worth of fresh produce annually, supporting local and regional businesses of the horticulture industry. As a Board member Mr Tighe has held roles in various sub-committees which include:

- Chairman of Safety and Tenant Advisory Committee;
- BML Strategy Investment Committee; and
- Legal and Compliance Committee.

In 2016 the JH Leavy & Co business was sold but Mr Tighe has continued as the CEO of Global Fresh Australia, trading as JH Leavy & Co, to ensure a successful transition of ownership.

He has not been a Director of any other Australian listed company in the last three years.

Mr Ian Hodkinson (Appointed 9 June 2021)

Non-Executive Director

Mr Hodkinson is a Registered Professional Geoscientist (RPGeo) in the fields of Mining and Mineral Exploration with over 40 years of experience in exploration, metalliferous mining and project development, in both Africa and Australia. Mr Hodkinson has a bachelor's degree in Geology and Geography from the University of London and a Master of Science in Mineral Exploration and Mining Geology from the University of Leicester in the UK. He is a long-standing member of the Australian Institute of Geoscientists (AIG) and the Society for Geology Applied to Mineral Deposits (SGA).

Mr Hodkinson's experience and ability to report as a Competent Person (CP) covers a broad spectrum of mineral commodities including base metals (copper, lead and zinc), precious metals (gold and silver), nickel/cobalt and tin/tungsten across both underground and open-pit operations. He has extensive experience in the project development

phase with a particular focus on resources/reserves and geometallurgical and geotechnical investigations. He has been the senior site geologist on numerous operational mine sites including Eloise, Mt Leyshon, Hadleigh Castle and Mungana as well as having Australia-wide metalliferous exploration experience.

He has not been a Director of any other Australian listed company in the last three years.

Mr ShiZhou Yin (Appointed 9 June 2021)

Non-Executive Director

Mr. Yin is a Chinese national without any foreign permanent residence, holds a Master of Professional Accounting degree and is a Chinese Certified Public Accountant and a Senior Accountant. From September 1994 to September 2010, Mr. Yin served successively as Accountant of Beijing No. 2 Water Pipe Factory, Audit Manager and Audit Partner of Yuehua Certified Public Accountants Firm, and Senior Partner of Zhongrui Yuehua Certified Public Accountants Co., Ltd. From October 2010 to May 2011, Mr Yin served as Chief Financial Officer of JCHX Mining Management Co., Ltd. From May 2011 to April 2017, Mr Yin served as Chief Financial Officer and Secretary of the Board of Directors of JCHX Mining Management Co., LTD (Shanghai Stock Exchange Code: 603979).

From April 2017 to the date of this Notice of Meeting, Mr Yin has been Vice President, Chief Financial Officer and Secretary of the Board of JCHX Group Co., Ltd. Mr. Yin has been the chairman of the Board of Supervisors of JCHX Mining Management Co., Ltd (Shanghai Stock Exchange Code: 603979) since May 2017.

Mr Yin has been an Independent Director of:

- Beijing Century Real Technology Co.,Ltd. (Shenzhen Stock Exchange Code: 300150) since September 2018;
- Beijing Yiqiao Shenzhou Technology Co., LTD. (which is to be listed on Growth Enterprise Market ("GEM") of Shenzhen Stock Exchange) since March 2020; and
- previously, from October 2009 to March 2015, Dalian East New Energy Development Co., Ltd. (Shenzhen Stock Exchange Code: 300125).

He has not been a Director of any other Australian listed company in the last three years.

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of AuKing Mining Limited are shown in the table below:

Director	Ordinary Shares	Options
Mark Elliott	37,750	-
Peter Tighe	1,883,500	-
Ian Hodgkinson	-	-
ShiZhou Yin *	9,425,092	-

* Shares are held by Bienitial International Industrial Co Ltd. Mr Yin has the capacity to control the voting of the shares held by Bienitial International Industrial Co Ltd.

Former Directors

Dr Huaisheng Peng (resigned 9 June 2021)

Non-Executive Chairman, BE (Mining), Executive MBA, PhD (Science)

Dr Peng is a Chinese citizen and professional senior mining engineer with over 35 years' experience in the mining sector. He was born in 1964 and obtained a Mining Engineering Bachelor degree from the Northeast University in Shenyang, Liaoning, an EMBA degree from Tsinghua University, Beijing, and a PhD in Science from Central South University at Changsha, China. He is also a supervisor of PhD degree applicants. Dr Peng is currently President of JCHX Group Co Ltd and a Director of Shanghai Stock Exchange-listed JCHX Mining Management Co Ltd ('JCMM').

Mr Qinghai Wang (resigned 9 June 2021)

Non-Executive Director, MMGT and Fin

Mr Wang is a Chinese citizen and holds a Masters Degree in Management and Finance from the University of Bath in the United Kingdom. Mr Wang is currently Vice President and Director of JCMM.

Mr Paul Williams (resigned as managing director on 9 June 2021, appointed as CEO on 9 June 2021).
CEO, LLB, BA.

Mr Williams holds both Bachelor of Arts and Law Degrees from the University of Queensland and practised as a corporate and commercial lawyer with Brisbane legal firm Hopgood Ganim for 17 years. He ultimately became an equity partner of that firm before joining Eastern Corporation as their Chief Executive Officer in August 2004. In mid-2006 Mr Williams joined Mitsui Coal Holdings in the role of General Counsel, participating in the supervision of the coal mining interests and business development activities within the multinational Mitsui & Co group.

Mr Williams is well known in the Brisbane investment community as well as in Sydney and Melbourne and brings to the AKN Board a broad range of commercial and legal expertise – especially in the context of mining and exploration activities. He also has a strong focus on corporate governance and the importance of clear and open communication of corporate activity to the investment markets.

Mr Williams is a founding member of Equine Learning for Futures Inc., a charitable organization based in SE Queensland which provides horse-based workshops and programs for disadvantaged children and youths. He has not been a Director of any other Australian listed company in the last three years.

Mr Zewen Yang (resigned 9 June 2021)
Executive Director, BA, MComm, MAICD

Mr Yang has more than 25 years' experience in mineral resources trading and project investment areas in China and Australia. He has previously worked for China Non-Ferrous Metals Import and Export Company and has been with the Chinalco Yunnan Copper Industry (Group) Co. Limited since March 2004.

He has a Bachelor of Arts degree majoring in Economics and specialising in International Business from Sichuan University, China and a Masters degree of Commerce majoring in International Business from University of New South Wales.

COMPANY SECRETARY

Mr Paul Marshall was the Secretary of AuKing Mining Limited throughout the period and until the date of this report.

Paul Marshall
Company Secretary and Chief Financial Officer, LLB, ACA

Paul Marshall is a Chartered Accountant. He holds a Bachelor of Law degree, and a post Graduate Diploma in Accounting and Finance. He has 30 years professional experience having worked for Ernst and Young for ten years, and subsequently twenty years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector. He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities.

PRINCIPAL ACTIVITIES

The principal activity of the Company and its controlled entities ('Consolidated Entity') during the period was mineral exploration. There were no significant changes in the nature of the Consolidated Entity's principal activity during the period.

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the period (2020: \$nil).

FINANCIAL RESULTS

Capital structure

Shares and Options on issue at 31 December 2021

At 31 December 2021 the Company had 75,289,651 ordinary shares and 17,500,000 options on issue.

Lead Manager Shares and Options to be issued at the next general meeting

As part of the share placement on 17 November 2021, the Company agreed to issue the lead manager, Vert Capital Pty Ltd, 4,000,000 options exercisable at 25c on or before 30 June 2023.

The Company also agreed Vert Capital Pty Ltd that in lieu of payment in cash of one-third of the lead manager fee (\$49,500), shares would be issued by the Company at the same price as the Placement – 16.5c per share. A total of 300,000 shares will be issued to Vert Capital as a result.

As the Company currently has no existing capacity to issue further securities under the ASX Listing Rules, these additional shares and options will not be issued to Vert Capital Pty Ltd until approved by AKN shareholders at the next available general meeting, which is likely to be held in early 2022 and by 31 May 2022 at the latest.

Treasury policy

The Consolidated Entity does not have a formally established treasury function. The Board is responsible for managing the Consolidated Entity's currency risks and finance facilities. The Consolidated Entity does not currently undertake hedging of any kind.

Liquidity, funding and going concern

As at 31 December 2021 the Consolidated Entity had cash reserves of \$2,500,076 and net current assets of \$2,143,463.

The Consolidated Entity requires further capital to fund future exploration activity and meet other necessary corporate expenditure.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Consolidated Entity's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has funded its activities through issuance of equity securities, and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating based on the Company's cash flow forecast.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

Operating Results

Revenue

As an early stage exploration company, AuKing Mining Limited does not generate any recurring income other than interest on its cash holdings.

Expenses

The Consolidated Entity's main expenses are as follows:

	December 2021
	\$
Employment and consultancy expenses	841,787
Depreciation expense	13,666
Costs related to the proposed Koongie Park transaction	97,922
Administration expenses	703,740
Finance costs	688,180
Total	2,345,295

Costs related to the proposed Koongie Park transaction arose from activities related to acquiring the initial interest in the Koongie Park Joint Venture. These costs will not be incurred moving forward.

Finance costs arose from shareholder loans, convertible notes and derivative financial instruments arising from convertible notes. All amounts were settled during in June 2021 and will not be incurred in future years.

Following the successful completion of the proposed capital raising and completion of the Koongie Park transaction the Company has now established a substantially different operating cost structure that is more consistent with a company that is in the process of developing a mining project.

OPTIONS

As at the date of this report there were 17,500,000 options on issue.

Lead Manager Options to be issued at the next general meeting

As part of the share placement on 17 November 2021, the Company agreed to issue the lead manager, Vert Capital Pty Ltd, 4,000,000 options exercisable at 25c on or before 30 June 2023.

As the Company currently has no existing capacity to issue further securities under the ASX Listing Rules, these additional options will not be issued to Vert Capital Pty Ltd until approved by AKN shareholders at the next available general meeting, which is likely to be held in early 2022 and by 31 May 2022 at the latest.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the nature of AKN's principal activities during the year.

AFTER BALANCE DATE EVENTS

On 4 February 2022 AKN announced that it had successfully completed the second earn-in milestone under the Koongie Park Earn-in Agreement. As a consequence, AKN's project interest in the Joint Venture is now 75%.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The work conducted by AKN in 2021 established the platform for a significant number of activities for the development of Koongie Park in 2022. These are summarized as follows:

Sandiego

- Test 700m target copper zone to north of known mineralisation
- 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 with the intention of increasing the existing known Sandiego resource estimates;
- Downhole geophysics – most of the completed drillholes in last year's program were cased with PVC piping allowing for geophysics tools to be sent back down the holes to carry out further assessment of potential mineralisation that is offset from the hole itself. This program will be conducted as soon as contractors can be mobilised for this purpose;

- Assess REE potential – 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 – 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
- Test other nearby anomalous zones – three clear magnetic anomalies have been identified near the Onedin deposit. These areas will be the focus of immediate geophysics and drilling, pending heritage surveys.

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 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 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 mid-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.

ENVIRONMENTAL ISSUES

In the conduct of exploration activities at Koongie Park, the Company is subject to compliance with various environmental and traditional owner cultural heritage regulations. The Company is not aware of any circumstances where a breach of these obligations may have occurred.

On 17 November 2021, the Company announced that it had 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.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for Directors and Key Management Personnel of the Company.

Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

Remuneration Committee

The Board does not have a Remuneration and Nomination Committee. The full Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team.

The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company.

Remuneration structure

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and other Key Management Personnel fairly and appropriately with reference to relevant employment market conditions for similar companies.

To assist in achieving this objective, the Board considers the nature and amount of Directors' and Officers' emoluments alongside the Company's operational performance, specifically considering their success in:

- the identification of prospective tenements;
- subsequent design and execution of exploration programs;
- negotiating joint venture arrangements on terms favourable to the Company;
- investigating other potential acquisition opportunities and negotiating the completion of those acquisitions;
- expanding the level of mineral resources under the control of the company;
- carrying out exploration programs in a timely and cost effective manner; and
- liaising with stockbrokers, investment banks and market participants generally.

The expected outcomes of the remuneration structure are the retention and motivation of key Executives, the attraction of quality management to the Company and performance incentives which allow Executives to share the rewards of the success of the Company.

In accordance with best practice corporate governance, the structure of Non-Executive Director remuneration and Executive Officers and Senior Management remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution of AuKing Mining Limited and the ASX Listing Rules specify that the Non-Executive Directors are entitled to remuneration as determined by the Company in the Annual General Meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The maximum aggregate remuneration currently approved by shareholders for non-executive Directors' fees is for a total of \$250,000 per annum.

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. Non-Executive Directors are entitled to be paid travel and other expenses properly incurred by them in attending Director's or General Meetings of the Company or otherwise in connection with the business of the Company.

Executive remuneration

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of Executives may from time to time be fixed by the Board. As noted above, the Board's policy is to align Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives. The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board, and the process consists of a review of both the Company's operational performance and individual performance, relevant comparative remuneration in the market and where appropriate, external advice provided by executive remuneration consultants.

In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual.

Employment contracts

Non-Executive Chairman Arrangements

The Company entered a service arrangement with Mr Mark Elliott as Non-Executive Chairman of the Company commencing from 9 June 2021. The key terms of the arrangement during the financial year were:

- Ongoing contract – no fixed term;
- Fee of \$60,000 per annum
- No retirement benefits

Non-Executive Director Arrangements

The Company has entered service arrangements with Mr Peter Tighe, Mr Ian Hodkinson and Mr ShiZhou Yin as Non-Executive Directors of the Company commencing from 9 June 2021. The key terms of the arrangement are:

- Ongoing contract – no fixed term;
- Fee of \$35,000 per annum
- No retirement benefits

Non-Executive Director Consulting Arrangement

The Company has entered into a consultancy agreement dated 16 February 2021 with Cornubian Resources Pty Ltd, an entity associated with the proposed senior geological consultant Ian Hodkinson (Hodkinson Consultancy Agreement). The Hodkinson Consultancy Agreement provides that Cornubian will procure the services of Mr Hodkinson, on a as-needed basis, in the role of Senior Geological Consultant of the Company.

Under the terms of the Hodkinson Consultancy Agreement, Cornubian will receive consultancy fees calculated on a service rate of \$1350.00 per day. The Company is also obliged to reimburse Cornubian for certain reasonable expenses including travel and accommodation incurred in the provision of the services. The Hodkinson Consultancy Agreement has a minimum term of 12 month unless the agreement is terminated. The Hodkinson Consultancy Agreement may be terminated by the Company immediately with cause (on the grounds of inappropriate conduct) and by either party with 1 months' notice (without cause).

Chief Executive Officer

The Company entered into an executive services agreement with Paul Williams to serve as Chief Executive Officer of the Company. Mr Williams' appointment in the role of Chief Executive Officer commenced on 9 June 2021. The agreement provides that Mr Williams will be paid an annual remuneration (inclusive of statutory superannuation) of \$300,000.

The agreement may be terminated by the Company immediately with cause (e.g. serious misconduct, breach of the agreement, criminal offence or bankruptcy) and by 6 months' notice (without cause). Mr Williams may terminate the agreement by 3 months' notice in writing.

Company Secretary and CFO

The Company Secretary and CFO, Mr Paul Marshall, is engaged on an on-going consultancy style agreement for the provision of services as company secretary and chief financial officer at a rate of \$52,000 per annum. Services are invoiced monthly based on services provided. The contract provides for a three-month notice period.

(a) Details of Directors and other Key Management Personnel

Directors

- Mark Elliott Non-Executive Chairman (appointed 9 June 2021)
- Peter Tighe Non-Executive Director (appointed 9 June 2021)
- Ian Hodkinson Non-Executive Director (appointed 9 June 2021)
- ShiZhou Yin Non-Executive Director (appointed 9 June 2021)

Former Directors

- Huaisheng Peng Non-Executive Chairman (resigned 9 June 2021)
- Qinghai Wang Non-Executive Director (resigned 9 June 2021)
- Paul Williams Managing Director (resigned 9 June 2021)
- Zewen Yang Executive Director (resigned 9 June 2021)

Key Management Personnel

- Paul Williams CEO (from 9 June 2021) (Managing director until 9 June 2021)
- Paul Marshall Company Secretary and CFO

(b) Remuneration of Directors and other Key Management Personnel

31 December 2021	Short Term			Post-Employment		Share-based Payments	Total	Performance Related %	% consisting of equity
	Salary & Fees	Consulting Fees	Other	Superan- nuation	Retirement benefits	2021 fee equity settled (3)			
Directors									
Mark Elliott	33,667	-	-	-	-	-	33,667	-	-
Peter Tighe	19,639	-	-	-	-	-	19,639	-	-
Ian Hodkinson	19,639	29,979	-	-	-	-	49,618	-	-
ShiZhou Yin	19,639	-	-	-	-	-	19,639	-	-
Former Directors									
Huaisheng Peng	-	-	-	-	-	15,900	15,900	-	-
Qinghai Wang	-	-	-	-	-	13,250	13,250	-	-
Paul Williams (1)	15,879	-	-	23,437	-	120,113	159,429	-	-
Zewen Yang	-	-	-	12,074	-	71,555	83,629	-	-
Key Management Personnel									
Paul Williams (2)	149,782	-	-	15,701	-	-	165,483	-	-
Paul Marshall	28,167	-	-	-	-	17,875	46,042	-	-
	286,412	29,979	-	51,212	-	238,693	606,296	-	-

Notes

- 1 Paul Williams was engaged as Managing Director up until 9 June 2021.
- 2 Paul Williams was engaged as CEO effective from 9 June 2021.
- 3 2021 fee equity settled represents the gross value of remuneration for services in the 2021 year that were settled in shares.

Former Director Remuneration – Fees Foregone

During the current year (up until the date of readmission on the ASX) and prior years, all Key Management Personnel deferred payment for their fees until the Company's financial position had improved. As part of the ASX readmission and capital raising process, Key Management Personnel entered into an agreement with the Company to receive ordinary shares (at an issue price of \$0.20 per share) in lieu of unpaid remuneration. The total amounts owing, settled by shares issued, and gain on extinguishment of financial liability were as follows:

	Remuneration owing at 15 June 2021 \$	Shares issued as consideration #	Shares issued as consideration \$	Gain on extinguishment of financial liability \$
Huaisheng Peng	114,900	420,000	84,000	30,900
Qinghai Wang	95,750	350,000	70,000	25,750
Paul Williams	424,532	1,114,445	222,889	201,643
Zewen Yang	263,702	635,485	127,097	136,605
Paul Marshall	69,875	262,150	52,434	17,441
	968,759	2,782,080	556,420	412,339

2020 Remuneration of Directors and other Key Management Personnel

31 December 2020	Short Term			Post-Employment		Share-based Payments	Total	Performance Related %	% consisting of equity
	Salary & Fees	Consulting Fees	Other	Superan- nuation	Retirement benefits	Deferred fee settlement			
Directors									
Huaisheng Peng	36,000	-	-	-	-	-	36,000	-	-
Qinghai Wang	30,000	-	-	-	-	-	30,000	-	-
Paul Williams	273,973	-	-	26,027	-	-	300,000	-	-
Zewen Yang	142,575	-	-	13,545	-	-	156,120	-	-
Key Management Personnel									
Paul Marshall	39,000	-	-	-	-	-	39,000	-	-
	521,458	-	-	39,572	-	-	561,120	-	-

(c) Shares issued on exercise of remuneration options or performance shares

There were no shares issued on the exercise of compensation options or performance shares during the period.

(d) Director and Key Management Personnel Equity Holdings

Director/Key Management Personnel share holdings (number of shares)

December 2021	Opening Balance	Share Consolidation (200:1)	Granted as Remuneration (1)	Convertible Note Conversion	JCHX Loan Conversion	Recognised on Appointment	Derecognised on Resignation	Closing Balance
Directors								
Mark Elliott	-	-	-	-	-	35,750	-	35,750
Peter Tighe	-	-	-	-	-	1,883,500	-	1,883,500
Ian Hodkinson	-	-	-	-	-	-	-	-
ShiZhou Yin (2)	-	-	-	-	-	9,425,092	-	9,425,092
Former Directors								
Huaisheng Peng	-	-	420,000	-	-	-	(420,000)	-
Qinghai Wang (2)	349,018,230	(347,273,138)	350,000	-	7,500,000	-	(9,595,092)	-
Zewen Yang	-	-	635,485	53,333	-	-	(688,818)	-
Key Management Personnel								
Paul Williams	10,707,173	(10,653,637)	1,114,445	500,000	-	-	-	1,667,981
Paul Marshall	5,000,000	(4,975,000)	262,150	-	-	-	-	287,150
	364,725,403	(362,901,775)	2,782,080	553,333	7,500,000	11,344,342	(10,703,910)	13,299,473

Notes

- 1 During the current year (up until the date of readmission on the ASX) and prior years, all Key Management Personnel deferred payment for their fees until the Company's financial position had improved. As part of the ASX readmission and capital raising process, Key Management Personnel entered into an agreement with the Company to receive ordinary shares (at an issue price of \$0.20 per share) in lieu of unpaid remuneration.
- 2 9,425,092 shares are held by Bienital International Industrial Co Ltd. ShiZhou Yin discloses these shares in his capacity a representative of Bienital International Industrial Co Ltd. This interest transitioned to ShiZhou Yin from Qinghai Wang upon Qinghai Wang's resignation.

(e) Additional Information

The factors that are considered to affect shareholder return since over the last 5 financial periods are summarised below:

Measures	December 2021 \$	December 2020 \$	December 2019 \$	December 2018 \$	December 2017 \$
Share price at end of financial period ¹	0.135	0.002	0.002	0.002	0.006
Market capitalisation at end of financial period (\$M)	10.16	1.87	1.87	1.87	5.60
Loss for the financial period	1,762,610	1,427,002	1,142,555	1,248,372	2,238,131
Director and Key Management Personnel remuneration	606,296	561,120	561,120	574,120	573,520

¹ AKN shares were suspended from the ASX official quotation from 30 September 2019 to 15 June 2021. The share price for 31 December 2020 and 31 December 2019 represents the last trade price before suspension.

During 2021, AKN shares were subject to a 200:1 share consolidation.

Given that the remuneration is commercially reasonable, the link between remuneration, Company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration.

The Company may issue options to provide an incentive for directors and key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of directors and key management personnel with those of the Company's shareholders.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITOR

Each Director and the Secretary of the Company has the right of access to all relevant information. The Company has insured all of the Directors of AuKing Mining Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of directors) held during the period and the number of meetings attended by each Director was as follows:

	Directors' Meetings	
	A	B
Mark Elliott	5	5
Peter Tighe	5	5
Ian Hodgkinson	5	5
ShiZhou Yin	5	5
Huasheng Peng	3	3
Qinghai Wang	3	3
Paul Williams	3	3
Zewen Yang	3	3

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the period

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-audit related firms:

Taxation Services – income tax preparation and tax compliance services \$21,979

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report.

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'M Elliott', is positioned above the printed name and title.

Mark Elliott
Director

8 February 2022

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF AU KING MINING LIMITED

As lead auditor of AuKing Mining Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AuKing Mining Limited and the entities it controlled during the year.

A handwritten signature in black ink, appearing to read 'T R Mann', with a long horizontal stroke extending to the right.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 8 February 2022

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

ADDITIONAL STOCK EXCHANGE INFORMATION

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 1 February 2022.

(a) Distribution of equity securities – AKN Ordinary Fully Paid Shares

Range	Securities	No. of holders	%
100,001 and Over	59,107,302	127	78.51%
10,001 to 100,000	14,454,015	344	19.20%
5,001 to 10,000	1,133,143	132	1.51%
1,001 to 5,000	454,065	159	0.60%
1 to 1,000	141,126	1,043	0.19%
Total	75,289,651	1,805	100.00%
Unmarketable Parcels	366,371	1,150	0.49%

Distribution of equity securities – AKNO Listed \$0.25 30 June 2023 Options

Range	Securities	No. of holders	%
100,001 and Over	11,696,686	45	66.84%
10,001 to 100,000	5,131,831	168	29.32%
5,001 to 10,000	294,807	37	1.68%
1,001 to 5,000	376,665	76	2.15%
1 to 1,000	11	3	0.00%
Total	17,500,000	329	100.00%

(b) Twenty largest holders – AKN Ordinary Fully Paid Shares

Rank	Name	No. Shares	%
1	BIENTIAL INTERNATIONAL INDUSTRIAL CO LTD #	9,245,092	12.28%
2	MR PAVLE TOMASEVIC	3,100,000	4.12%
3	ALTOR CAPITAL MANAGEMENT	1,893,786	2.52%
4	MR WILLI RUDIN	1,750,000	2.32%
5	JHB SUPER INVESTMENTS PTY LTD <THE JHB SUPER FUND A/C>	1,700,000	2.26%
6	S3 CONSORTIUM PTY LTD	1,515,152	2.01%
7	EMANDEL SUPER PTY LTD <BUSFY SUPER FUND A/C>	1,500,000	1.99%
8	YUNNAN COPPER INDUSTRY (GROUP) CO LIMITED	1,499,612	1.99%
9	N&M GREENHALGH NOMINEES PTY LTD	1,333,334	1.77%
10	MR PETER GERARD TIGHE & MRS PATRICIA JOAN TIGHE	1,300,167	1.73%
11	MR MARK WAYNE TIMMS	1,279,674	1.70%
12	MR PAUL ROBERT WILLIAMS <PAUL R WILLIAMS FAMILY A/C>	1,116,195	1.48%
13	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	1,040,001	1.38%
14	GOLD GEOLOGICAL CONSULTING PTY LTD	1,000,000	1.33%
15	SCINTILLA STRATEGIC INVESTMENTS LIMITED	999,997	1.33%
16	CS THIRD NOMINEES PTY LTD <HSBC CUST NOM AU LTD 13 A/C>	833,334	1.11%
17	MISHTALEM PTY LTD	737,557	0.98%
18	MRS ZENA DABAJA	735,279	0.98%
19	MR ROBERT YANG	688,818	0.91%
20	SARALAU PTY LTD <S&L GREENHALGH SUPER FUND>	666,666	0.89%
	Total	33,934,664	
	Balance of register	41,354,987	
	Grand total	75,289,651	

Substantial Shareholder

(c) Twenty largest holders – AKNO Listed \$0.25 30 June 2023 Options

Rank	Name	No. Shares	%
1	SYRACUSE CAPITAL PTY LTD <TENACITY A/C>	1,600,000	17.31%
2	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	750,000	8.11%
3	DR ROSAMUND JULIAN BANYARD & MR PHILLIP STANLEY HOLTEN	725,000	7.84%
4	HUSTLER INVESTMENTS PTY LTD	614,976	6.65%
5	JHB SUPER INVESTMENTS PTY LTD <THE JHB SUPER FUND A/C>	573,545	6.20%
6	SCINTILLA STRATEGIC INVESTMENTS LIMITED	437,500	4.73%
7	BAAMO PTY LTD <SILERVAULT SUPER FUND A/C>	400,000	4.33%
8	MR ORAZIO ALESSI	320,000	3.46%
9	GRAVIAS CAPITAL PTY LTD	300,000	3.25%
10	MR NICHOLAS DERMOTT MCDONALD	300,000	3.25%
11	MR PHILLIP STANLEY HOLTEN	279,625	3.02%
12	MR GORDON MICHAEL MOSEBY <THE ROMM A/C>	250,000	2.70%
13	DR GARY OWEN ROOKE	250,000	2.70%
14	MR KUMAIL HUSSAIN	225,000	2.43%
15	MR PUNIT ARORA & MRS SHWETA ARORA	220,000	2.38%
16	MR ASHISH DHUME	210,000	2.27%
17	CERTANE CT PTY LTD <VP CAPITAL FUND I>	200,000	2.16%
18	MR DONALD JOHN INGLIS	200,000	2.16%
19	M&M URBAN PROPERTY PTY LTD	200,000	2.16%
20	MR RICHARD JOHN STANLEY & MRS FIONA SUSAN LUMSDEN	200,000	2.16%
	Total	8,255,646	
	Balance of register	9,244,354	
	Grand total	17,500,000	

(c) Substantial Shareholders

The Company has received the following substantial shareholder notices as at 31 January 2022:

- Bienitial International Industrial Co., Ltd. hold an interest in 10,015,092 shares (13.3%)

(d) Restricted Securities

The Company has the following securities subject to escrow as at 31 January 2022

ASX Escrow

4,429,096 Shares have been classified as restricted securities by ASX and are subject to restriction for a period of 24 months ending on 15 June 2023.

2,500,000 Shares have been classified as restricted securities by ASX and are subject to restrictions for a period of 12 months from the date of issue of the securities. The expiry dates of the respective escrow periods for these shares are set out in the following table:

Number of Shares	Escrow Expiry Date
833,333	1 March 2022
833,334	3 March 2022
333,334	4 March 2022
333,333	10 March 2022
100,000	11 March 2022
66,666	12 March 2022
2,500,000	

Voluntary Escrow

10,019,930 Shares are subject to voluntary escrow are subject to restrictions for a period of 24 months from 15 June 2021 - the date of official quotation of the Shares. A total of 3,519,930 of the voluntary escrowed shares are also subject to mandatory ASX escrow restriction. As such, the total number of securities to which some form of escrow applies (whether mandatory or voluntary) is 13,429,096 Shares.

(e) Voting Rights

All fully paid ordinary shares carry one vote per share without restriction.

(f) Interests in Exploration Tenements

The Company holds the following tenement interests as at the date of this Report:

Project/Location	Tenement Reference	Current Holder	AKN % Interest	Comment
WESTERN AUSTRALIA				
Koongie Park, Halls Creek	E80/ 4389	Anglo Australian Resources NL	75	Refer Note 1
Koongie Park, Halls Creek	E80/ 4766	Anglo Australian Resources NL	75	Refer Note 1
Koongie Park, Halls Creek	E80/ 4957 (Emull)	Anglo Australian Resources NL	75	Refer Note 1
Koongie Park, Halls Creek	E80/ 4960	Anglo Australian Resources NL	75	Refer Note 1
Koongie Park, Halls Creek	E80/ 5076	Anglo Australian Resources NL	75	Refer Note 1
Koongie Park, Halls Creek	E80/ 5087	Anglo Australian Resources NL	75	Refer Note 1
Koongie Park, Halls Creek	E80/ 5127	Anglo Australian Resources NL	75	Refer Note 1 & 3
Koongie Park, Halls Creek	E80/ 5263	Anglo Australian Resources NL	75	Refer Note 1
Koongie Park, Halls Creek	M80/ 276 (Sandiego)	Anglo Australian Resources NL	75	Refer Note 2
Koongie Park, Halls Creek	M80/ 277 (Onedin)	Anglo Australian Resources NL	75	Refer Note 2
Koongie Park, Halls Creek	E80/5707	AKN (Koongie Park) Pty Ltd	75	Refer Note 4
Koongie Park, Halls Creek	P80/ 1878	AKN (Koongie Park) Pty Ltd	75	Refer Note 4
Koongie Park, Halls Creek	P80/ 1879	AKN (Koongie Park) Pty Ltd	75	Refer Note 4
Koongie Park, Halls Creek	P80/ 1880	AKN (Koongie Park) Pty Ltd	75	Refer Note 4
Koongie Park, Halls Creek	P80/ 1881	AKN (Koongie Park) Pty Ltd	75	Refer Note 4
Koongie Park, Halls Creek	P80/ 1882	AKN (Koongie Park) Pty Ltd	75	Refer Note 4
Tanami Region	E80/ 5688 (Blondie)	AKN (Koongie Park) Pty Ltd	100	Refer Note 5

Notes:

1. AKN has now acquired a 75% 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 and the Stage 2 earn-in commitment of \$1.5M in late January 2022. 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 after AKN 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.
5. This tenure is also pending grant by the WA DMIRS.

**Consolidated Statement of Comprehensive Income
For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
Finance income		-	377
Other income - Government Grants		-	14,122
Gain on extinguishment of financial liability - employee liabilities	7	460,730	-
Gain on extinguishment of financial liability - loan	9	121,955	-
Employment and consultancy expenses		(841,787)	(623,599)
Depreciation expense		(13,666)	(1,043)
Costs related to the Koongie Park transaction		(97,922)	(223,377)
Administration expenses		(703,740)	(209,860)
Finance costs – derivative financial instruments	9	(544,417)	(39,500)
Finance costs – other		(143,763)	(173,676)
Foreign currency translation reserve reclassification adjustment included in profit or loss		-	(170,446)
Loss before income tax		(1,762,610)	(1,427,002)
Income tax expense	14	-	-
Loss for the period		(1,762,610)	(1,427,002)
Loss after income tax		(1,762,610)	(1,427,002)
Other comprehensive income/(loss)			
Foreign currency translation reserve reclassification adjustment included in profit or loss		-	170,446
Total comprehensive loss		(1,762,610)	(1,256,556)
		Cents	Cents
Earnings per share			
Basic and diluted loss per share	13	(4.69)	(30.60)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

**Consolidated Balance Sheet
As at 31 December 2021**

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	2	2,500,076	21,156
Trade and other receivables	3	225,727	9,155
TOTAL CURRENT ASSETS		2,725,803	30,311
NON-CURRENT ASSETS			
Other receivables		2,470	2,470
Other non-current assets	4	-	100,000
Exploration and evaluation assets	5	4,865,744	-
Plant and equipment	6	131,286	385
TOTAL NON-CURRENT ASSETS		4,999,500	102,855
TOTAL ASSETS		7,725,303	133,166
CURRENT LIABILITIES			
Trade and other payables	7	554,813	1,104,235
Borrowings	9	-	2,424,319
Employee benefit provisions	8	27,527	71,626
TOTAL CURRENT LIABILITIES		582,340	3,600,180
NON-CURRENT LIABILITIES			
Employee benefit provisions	8	44,137	-
TOTAL NON-CURRENT LIABILITIES		44,137	-
TOTAL LIABILITIES		626,477	3,600,180
NET ASSETS/(LIABILITIES)		7,098,826	(3,467,014)
EQUITY			
Share capital	10	8,721,436	42,630,609
Reserves	12	140,000	-
Accumulated losses		(1,762,610)	(46,097,623)
TOTAL EQUITY/(DEFICIT)		7,098,826	(3,467,014)

The Consolidated Balance Sheet should be read in conjunction with the Notes to the Consolidated Financial Statements

**Consolidated Statement of Changes in Equity
For the year ended 31 December 2021**

Consolidated Entity	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2020	42,630,609	379,457	(45,220,524)	(2,210,458)
Transactions with owners in their capacity as owners				
Transfer of expired share based payment reserves	-	(549,903)	549,903	-
Total	-	(549,903)	549,903	-
Comprehensive income				
Loss after income tax	-	-	(1,427,002)	(1,427,002)
Other comprehensive income	-	170,446	-	170,446
Total comprehensive income	-	170,446	(1,427,002)	(1,256,566)
Balance at 31 December 2020	42,630,609	-	(46,097,623)	(3,467,014)
Balance at 1 January 2021	42,630,609	-	(46,097,623)	(3,467,014)
Transactions with owners in their capacity as owners				
Section 258F Corporations Act share capital adjustment ¹	(46,097,623)	-	46,097,623	-
Issue of share capital	13,600,297	-	-	13,600,297
Share issue costs	(1,411,847)	140,000	-	(1,271,847)
Total	(33,909,173)	140,000	46,097,623	12,328,450
Comprehensive income				
Loss after income tax	-	-	(1,762,610)	(1,762,610)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(1,762,610)	(1,762,610)
Balance at 31 December 2021	8,721,436	140,000	(1,762,610)	7,098,826

1 On 31 December 2021, AuKing Mining Limited reduced its share capital by \$46,097,623 in accordance with section 258F of the Corporations Act 2001, reducing accumulated losses deemed to be of a permanent nature by the same amount.

There is no impact on shareholders from the capital reduction as no shares have been cancelled or rights varied, and there is no change in the net asset position of the Company. There is also no impact on the availability of the Company's tax losses from this capital reduction.

**Consolidated Cash Flow Statement
For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,618,574)	(319,828)
Payments for other Koongie Park transactions costs		(97,922)	-
Receipts from government grants		-	14,122
Interest received		-	377
Interest and other borrowing costs paid		(129,877)	(28,176)
Net cash used in operating activities	2	(1,846,373)	(333,505)
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposit for the Koongie Park Earn-in and Joint Venture Agreement	4	-	(100,000)
Payments for plant and equipment		(144,566)	-
Payments for exploration and evaluation assets		(4,400,201)	-
Net cash provided by/(used in) investing activities		(4,544,767)	(100,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	2	9,475,000	-
Cost associated with the issue of shares	2	(1,204,940)	-
Proceeds from borrowings	2	750,000	358,000
Repayment of borrowings	2	(150,000)	-
Net cash provided by financing activities		8,870,060	358,000
Net increase/(decrease) in cash and cash equivalents		2,478,920	(75,505)
Cash and cash equivalents at the beginning of the period		21,156	96,661
Cash and cash equivalents at the end of the period	2	2,500,076	21,156

The Consolidated Cash Flow Statement should be read in conjunction with the Notes to the Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

This financial report covers the Consolidated Entity of AuKing Mining Limited (the “Company”) and its controlled entities (together referred to as the “Consolidated Entity”). AuKing Mining Limited is a listed public company, incorporated and domiciled in Australia. The Consolidated Entity is a for-profit entity for the purpose of preparing the financial statements.

Operations and principal activities

The principal activity of the Consolidated Entity is mineral exploration.

Currency

The financial report is presented in Australian dollars, which is the functional currency of the Company, and is rounded to the nearest one dollar.

Authorisation of financial report

The financial report was authorised for issue on 8 February 2022.

Comparative figures

When required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial period.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, and the Corporations Act 2001.

Compliance with IFRS

The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes below.

Accounting policies

(a) Going Concern

As at 31 December 2021 the Consolidated Entity had cash reserves of \$2,500,076 and net current assets of \$2,143,463.

The Consolidated Entity requires further capital to fund future exploration activity and meet other necessary corporate expenditure.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Consolidated Entity’s tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity’s ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has funded its activities through issuance of equity securities, and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating based on the Company's cash flow forecast.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

(b) New Accounting Standards and Interpretations

Apart from the policy relating to Exploration and Evaluation Assets (refer Note 5) and Plant and Equipment (refer Note 6), the accounting policies adopted are consistent with those of the previous financial year.

Several other amendments and interpretations applied for the first time during the year but these changes did not have an impact on the Consolidated Entity's financial statements and hence, have not been disclosed.

The Consolidated Entity has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(c) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the Group's financial assets or financial position, financial performance or disclosure.

(d) Other Income

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

NOTE 2 CASH AND CASH FLOW INFORMATION

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of financing and investing activities, which are disclosed as operating cash flows.

	December 2021	December 2020
	\$	\$
Reconciliation of cash flows used in operations with loss after income tax		
Loss after income tax	(1,762,610)	(1,427,002)
<i>Non-cash items in loss after income tax</i>		
Depreciation	13,666	1,043
Accrued/non-cash interest expense	13,886	145,500
Fair value movement - derivative	544,417	39,500
Gain on extinguishment of financial liabilities	(582,685)	-
Foreign currency translation reserve reclassification adjustment on disposal of subsidiary	-	170,446
<i>Movements in assets and liabilities</i>		
Other receivables	(216,571)	(5,290)
Other assets	-	7,032
Trade payables and accruals	143,486	734,325
Provisions	38	941
Cash flow from operations	(1,846,373)	(333,505)

Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash on hand and at bank	2,489,649	10,779
Cash on deposit	10,427	10,377
	2,500,076	21,156

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Reconciliation of cash and non-cash movements in borrowings for the year (refer to Note 9 for further details)

Opening balance at 1 January	2,424,319	1,881,319
<i>Cash movements in borrowings</i>		
Drawdowns	750,000	358,000
Repayments - principal	(150,000)	-
Repayments - interest	(93,658)	-
<i>Non-cash movements in borrowings</i>		
Accrued interest	107,544	145,500
Conversion to equity	(2,783,000)	-
Fair value finance movement - derivative	(133,250)	39,500
Gain on extinguishment of financial liability	(121,955)	-
Closing balance	-	2,424,319

NOTE 2 CASH AND CASH FLOW INFORMATION (continued)

Reconciliation of cash and non-cash movements in share capital for the year (refer to Note 10 for further details)

	December 2021	December 2020
	\$	\$
Opening balance at 1 January	42,630,609	42,630,609
<i>Cash movements in share capital</i>		
Shares issued – Public Offer June 2021	7,000,000	-
Shares issued – Placement November 2021	2,475,000	-
Share issue expenses – cash settled	(1,204,940)	-
<i>Non-cash movements in share capital</i>		
Director and employee fees – equity settled	627,130	-
JCHX shareholder loan – equity settled	1,500,000	-
Convertible notes – equity settled	1,283,000	-
Broker success shares – equity settled	37,500	-
Share issue expenses – trade creditors	(66,907)	-
Share issue expenses – equity settled	(140,000)	-
Settlement of derivative financial instruments arising from convertible notes	677,677	-
Section 258F Corporations Act share capital adjustment	(46,097,623)	-
Closing balance	8,721,436	42,630,609

Non-cash movements in investing activities

Exploration and evaluation assets amounts included in trade and other creditors at 31 December 2021 were \$365,543 (2020: \$Nil). Refer to Note 9 for further details.

NOTE 3 TRADE & OTHER RECEIVABLES

GST receivable	255,727	9,155
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NOTE 4 OTHER NON-CURRENT ASSETS

Deposit for the Koongie Park Earn-in and Joint Venture Agreement	-	100,000
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Following the payment of the remaining \$900,000 to acquire initial 25% interest in the Joint Venture to Anglo Australian Resources NL (“AAR”) the \$100,000 was transferred to Exploration and Evaluation Assets.

NOTE 5 EXPLORATION AND EVALUATION ASSETS

Opening balance	-	-
Transfer of Koongie Park deposit from other non-current assets	100,000	-
Exploration expenditure during the period	4,765,744	-
	4,865,744	-

Exploration costs are capitalised only when the Consolidated Entity has either a granted tenement in its name or an interest through a earn-in and joint venture arrangement.

Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or sale of the respective area of interest or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

NOTE 5 EXPLORATION AND EVALUATION ASSETS (continued)

Koongie Park Earn-In Agreement

(a) **General**

The Company has entered into an Earn-in and Joint Venture Agreement with AAR with respect to the Koongie Park Project on terms which include, but are not limited to, the following:

- the Company is granted the right to:
 - Explore for and develop base metals deposits within the project area;
 - Conduct exploration and development activities for base metals deposits on the project area during the earn-in period; and
 - Earn up to a 75% interest in the project area through the joint venture by funding exploration and project development studies (as stipulated below); and
- AAR retains the right to explore for and develop gold and platinum group metals deposits within the project area other than the area of the mining leases where the Sandiego and Onedin deposits are situated (see description of Precious Metals Rights agreement below).

(b) **Earn-in Rights**

The Koongie Park Earn-in provides for a two-staged earn-in process whereby the Company can ultimately secure a 75% project interest in the Koongie Park Project. A summary of the two-stage earn-in is outlined below:

First Earn-in Period

The Company has acquired an initial 25% interest in the Koongie Park Joint Venture following the initial payment of \$1,000,000 to AAR.

During the First Earn-In Period of twenty-four months, the Company may earn a further 25% interest in the Joint Venture by incurring expenditure of \$1.5 million including expenditure on exploration, testwork and related analysis to establish a commercially viable processing solution for the Koongie Park oxide ores (**the First Earn-In Milestone**).

Upon satisfying the First Earn-in Milestone, the Company shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 50% interest in the Joint Venture. AAR will also be obliged to transfer the Koongie Park Mining Tenements (on which the Sandiego and Onedin deposits are situated) into the Joint Venture.

The Company satisfied the First Earn-in Milestone during the year taking its total interest in Joint Venture to 50%.

Second Earn-in Period

During the Second Earn-in Period, which is a period of 12 months commencing immediately following completion of the First Earn-In Period, the Company may earn a further 25% interest in the Joint Venture by incurring additional Expenditure of \$1,500,000, including Expenditure on Exploration Activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Koongie Park Tenements (**Second Earn-In Milestone**).

Upon satisfying the Second Earn-in Milestone, the Company shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 75% interest in the Joint Venture. If the Company fails to satisfy the Second Earn-in Milestone during the Second Earn-in Period, then the Company will retain its earned interest in the Joint Venture of 50%.

For the duration of the Second Earn-in Period, the Company agrees to sole fund all expenditure on exploration activities in relation to the Joint Venture and free carry AAR's interest in the Joint Venture.

December 2021 December 2020
\$ \$

NOTE 6 PLANT AND EQUIPMENT

Field equipment at cost	22,587	-
Accumulated depreciation	(1,160)	-
	21,427	-
Motor vehicles at cost	67,689	-
Accumulated depreciation	(6,361)	-
	61,328	-
Office equipment at cost	54,290	3,130
Accumulated depreciation	(5,759)	(2,745)
	48,531	385
Total plant and equipment	131,286	385

Movements during the year

December 2021	Field Equipment	Motor Vehicles	Office Equipment	Total
Opening balance	-	-	385	385
Additions	22,587	67,689	54,290	144,566
Depreciation	(1,160)	(6,361)	(6,144)	(13,666)
Closing balance	21,427	61,328	48,531	131,286

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of asset is:

<u>Class of Fixed Asset</u>	<u>Depreciation Rates</u>
Field equipment	10-20%
Motor vehicles	20%
Office equipment	20% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

December 2021
\$

December 2020
\$

NOTE 7 TRADE & OTHER PAYABLES

Trade payables	465,483	311,105
Other payables and accrued expenses	69,691	115,063
Accrued wages and fees payable to Directors	19,639	678,067
	554,813	1,104,235

During the prior year and up until 15 June 2021, the below Key Management Personnel and other employees entered into an agreement with the Company to receive ordinary shares (at an issue price of \$0.20 per share) in lieu of unpaid remuneration. The total amounts owing, settled by shares issued, and forgiven:

	Remuneration owing at 15 June 2021 \$	Shares issued as consideration #	Shares issued as consideration \$	Remuneration forgiven \$
Huaisheng Peng	99,000	420,000	84,000	30,900
Qinghai Wang	82,500	350,000	70,000	25,750
Paul Williams	304,420	1,114,445	222,889	201,643
Zewen Yang	192,147	635,485	127,097	136,605
Paul Marshall	57,200	262,150	52,434	17,441
Other employees	119,101	353,550	70,710	48,391
	1,087,860	3,135,630	627,130	460,730

NOTE 8 EMPLOYEE BENEFITS PROVISIONS

CURRENT

Employee benefits	27,527	71,626
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NON-CURRENT

Employee benefits	44,137	-
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Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

	December 2021	December 2020
	\$	\$
NOTE 9 BORROWINGS		
<u>Shareholder loans</u>		
Opening balance	1,730,283	1,402,949
Drawdowns during the period	-	200,000
Interest accrued/(paid) during the period	41,672	127,334
Converted to share capital during the period	(1,500,000)	-
Gain on extinguishment of financial liability	(121,955)	-
Repaid during the period	(150,000)	-
	-	1,730,283
<u>Convertible notes</u>		
Opening balance	560,786	384,620
Drawdowns during the period	750,000	158,000
Interest accrued/(paid) during the period	(27,786)	18,166
Converted to share capital during the period	(1,283,000)	-
	-	560,786
<u>Derivative financial instruments arising from convertible notes</u>		
Opening balance	133,250	93,750
Arising from convertible notes issued	544,417	39,500
Settled through issue of share capital	(677,667)	-
	-	133,250
Total Borrowings	-	2,424,319

Shareholder loan

Shareholders loans are measured at amortised cost. Amortised cost is the amount at which the financial liability is measured at initial recognition less principal repayments and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method. The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial liability. The terms of the shareholder loans are as follows:

JCHX Loan Agreement

The Company and JCHX entered into a \$1 million loan agreement, details of which were announced to ASX on 31 October 2017 (JCHX Loan). The primary features of the JCHX Group loan included:

- interest being payable on the loan, in arrears, at the rate of 8% per annum;
- the loan being unsecured; and
- repayment of the loan as soon as possible out of the proceeds of a capital raising.

The Company reached agreement with JCHX providing for the loan moneys and all accrued interest to be repaid and discharged in full and final satisfaction by the issue of 7,500,000 ordinary shares in the Company at an issue price of \$0.20 per share. The shares were issued in June 2021 prior to the ASX re-listing. JCHX has agreed to enter a voluntarily escrow agreement pursuant to which trading in the ordinary shares issued to repay the JCHX Loan are restricted for a two-year period from the date of issue.

Tighe Loan Agreement

On 7 September 2020, the Company entered into a short-term loan agreement with the Peter Tighe Super Fund making provision for the loan of \$150,000 to the Company. Interest accrued on the loan at the rate of 20%. The loan and accrued interest was repaid in full in June 2021.

NOTE 9 BORROWINGS (Continued)

Convertible notes

Convertible notes are measured at amortised cost. Amortised cost is the amount at which the financial liability is measured at initial recognition less principal repayments and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The terms of the convertible notes are as follows:

	Tranche 1 (Paul Williams)	Tranche 2 (Private Investor)	Tranche 3 (Peter Tighe)	Tranche 4 (Zewen Yang)	Tranche 5 (Private Investors)
Issue date	19 July 2019	16 September 2019	30 June 2020	3 August 2020	Between 23 February and 5 March 2021
Principal amount	\$75,000	\$300,000	\$150,000	\$8,000	\$750,000
Interest rate (payable quarterly in arrears)	10% per annum	10% per annum	10% per annum	10% per annum	10% per annum
Maturity date	30 September 2020	30 September 2020	30 September 2020	30 September 2020	31 December 2021
Conversion rights to ordinary shares	25% discount to issue price	25% discount to issue price	25% discount to issue price	25% discount to issue price	40% discount to issue price
Number of shares issued to note holders (post 200:1 share consolidation)	500,000	2,000,000	1,000,000	53,333	6,250,000

On 26 April the expiry date of convertible notes were all extended to 15 June 2021.

All convertible notes were converted to ordinary shares on 8 June 2021.

All interest amounts on convertible notes were settled in cash.

NOTE 10 SHARE CAPITAL

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

	December 2021	December 2020
	\$	\$
Fully paid ordinary shares	8,721,436	42,630,609

Ordinary Shares

	December 2021	December 2020	December 2021	December 2020
	\$	\$	Number	Number
At the beginning of the period	42,630,609	42,630,609	932,584,461	932,584,461
Share consolidation (200:1)	-	-	(927,921,293)	-
<i>Shares issued – Public Offer June 2021</i>				
Director and employee shares (\$0.20 per share) ¹	627,130	-	3,135,650	-
JCHX shareholder loan (\$0.20 per share) ²	1,500,000	-	7,500,000	-
Convertible notes tranches 1 – 4 (\$0.20 per share) ³	710,667	-	3,553,333	-
Convertible notes tranche 5 (\$0.20 per share) ³	1,250,000	-	6,250,000	-
Public offer shares (\$0.20 per share) ⁴	7,000,000	-	35,000,000	-
Broker success shares (\$0.20 per share) ⁵	37,500	-	187,500	-
<i>Shares issued – Placement November 2021</i>				
Share placement ⁶	2,475,000	-	15,000,000	-
Share issue expenses	(1,411,847)	-	-	-
Share capital reduction – Section 285F ⁷	(46,097,623)	-	-	-
At reporting date	8,721,436	42,630,609	75,289,651	932,584,461

Notes

- 627,130 shares issued in full satisfaction of unpaid in remuneration. Refer to Note 7.
- 1,500,000 shares issued in full satisfaction of unpaid loan monies. Refer to Note 9.
- 9,803,333 shares issued on conversion of convertible notes. Refer to Note 9.
- 35,000,000 shares issued under the public offer.
- 187,500 shares issued to Novus Capital under the agreed Lead Manager Mandate.
- 15,000,000 shares issued under a share placement plan.
- On 31 December 2021, AuKing Mining Limited reduced its share capital by \$46,097,623 in accordance with section 258F of the Corporations Act 2001, reducing accumulated losses deemed to be of a permanent nature by the same amount. There is no impact on shareholders from the capital reduction as no shares have been cancelled or rights varied, and there is no change in the net asset position of the Company. There is also no impact on the availability of the Company's tax losses from this capital reduction.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 11 DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the period. There are no franking credits available to the shareholders of the Company.

December 2021 December 2020
\$ \$

NOTE 12 RESERVES

Share based payment reserve	140,000	-
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The share based payment reserve is used to record the value of share based payments provide to consultants for capital raising services.

NOTE 13 EARNINGS PER SHARE

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

December 2021 December 2020
\$ \$

Total losses used to calculate basic and dilutive EPS	(1,762,610)	(1,427,002)
---	-------------	-------------

2021 **2020**
Number **Number**

Weighted average number of ordinary shares outstanding during the period	37,619,484	4,663,168
--	------------	-----------

Weighted average number of dilutive options outstanding	-	-
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Weighted average number of ordinary shares outstanding during the period used in calculating EPS and dilutive EPS	37,619,484	4,663,167
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Basic and diluted loss per share - cents	(4.69)	(30.60)
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NOTE 14 INCOME TAX

Income tax expense

The income tax expense for the period comprises current income tax expense and deferred tax expense. Current income tax expense charged to profit or loss is the tax payable on taxable income.

A reconciliation of income tax expense/(benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Consolidated Entity's effective income tax rate for the periods ended 31 December 2021 and 31 December 2020 is as follows:

December 2021 December 2020
\$ \$

Accounting loss before income tax	(1,762,610)	(1,427,002)
-----------------------------------	-------------	-------------

Tax at the Australian tax rate of 26.0% (2020: 27.5%)	(458,279)	(392,426)
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Non-deductible/(assessable) items	985	11,110
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Deferred tax assets not brought to account	459,264	381,316
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Income tax expense	-	-
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Current tax liabilities

Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority. The Consolidated Entity did not have any current tax liabilities at 31 December 2021 (2020: Nil).

NOTE 14 INCOME TAX

Deferred tax balances

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses. Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Current and deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised directly in equity, in which case the deferred tax is adjusted directly against equity. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Future income tax benefits in relation to tax losses have not been brought to account at this stage as it is not probable the benefit will be utilised. The temporary differences and tax losses do not expire under current tax legislation. Availability of the tax losses is dependant on satisfying the continuity of ownership test or same business test at the time of use.

	December 2021	December 2020
	\$	\$
Unrecognised temporary differences and tax losses		
Tax losses	34,838,449	33,434,295

Recognised temporary differences and tax losses

Deferred tax assets and liabilities are attributable to the following:

Provisions	18,633	19,697
Exploration and evaluation assets	(1,265,093)	-
Deferred tax attributed to temporary differences not recognised	1,246,460	(19,697)
Tax losses carried forward	-	-
Net deferred tax liability/(asset)	-	-

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances GST is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

NOTE 15 RELATED PARTY AND KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity.

	December 2021	December 2020
	\$	\$
Summary		
Short-term employee benefits	316,391	521,548
Post-employment benefits	51,212	39,572
Share-based payments	238,693	-
	606,296	561,120

Detailed remuneration disclosures are provided in the remuneration report on pages 18 to 23.

NOTE 15 RELATED PARTY AND KEY MANAGEMENT PERSONNEL

Amounts owed to Key Management Personnel

\$19,639 is owed to Key Management Personnel for unpaid remuneration (December 2020: \$735,267). These amounts were at call and did not bear interest.

During the current period Key Management Personnel entered into an agreement with the Company to receive ordinary shares (at an issue price of \$0.20 per share) in lieu of unpaid remuneration. The total amounts owing, settled by shares issued, and gain on extinguishment of financial liability were as follows:

	Remuneration owing at 15 June 2021 \$	Shares issued as consideration #	Shares issued as consideration \$	Gain on extinguishment of financial liability \$
Huaisheng Peng	114,900	420,000	84,000	30,900
Qinghai Wang	95,750	350,000	70,000	25,750
Paul Williams	424,532	1,114,445	222,889	201,643
Zewen Yang	263,702	635,485	127,097	136,605
Paul Marshall	69,875	262,150	52,434	17,441
	968,759	2,782,080	556,420	412,339

Other related party transactions

The Company entered into a loan agreement with the JCHX Group, an entity associated with Mr Qinghai Wang, and convertible note arrangements with entities associated with Paul Williams and Zewen Yang. Transactions in relation to these agreements during the year were as follows:

	December 2021 \$	December 2020 \$
<u>JCHX loan</u>		
Opening balance	1,570,995	1,402,949
Drawdowns during the period	-	50,000
Interest accrued during the period	50,960	118,046
Extinguishment of financial liability	(121,955)	-
Converted to share capital during the period	(1,500,000)	-
	-	1,570,995
<u>Convertible notes – P Williams</u>		
Opening balance	79,067	76,991
Drawdowns during the period	-	-
Interest accrued during the period	3,267	7,706
Interest paid during the period	(7,334)	(5,630)
Converted to share capital during the period	(75,000)	-
	-	79,067
<u>Convertible notes – Z Yang</u>		
Opening balance	8,329	-
Drawdowns during the period	-	8,000
Interest accrued during the period	348	329
Interest paid during the period	(677)	-
Converted to share capital during the period	(8,000)	-
	-	8,329

NOTE 16 FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The main risk arising from the financial instruments is foreign exchange risk.

There have been no substantive changes in the Consolidated Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Consolidated Entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for day to day management of these risks to the Managing Director and the Chief Financial Officer. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Consolidated Entity's competitiveness and flexibility. Further details regarding these policies are set out below:

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Consolidated Entity incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Consolidated Entity.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There is no collateral held as security at 31 December 2021.

Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions.

The Consolidated Entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Consolidated Entity.

The credit quality of cash and cash equivalents is considered strong. The counterparty to these financial assets are large financial institutions with strong credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity may encounter difficulties raising funds to meet financial obligations as they fall due.

Liquidity risk is reviewed regularly by the Board.

The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are maintained. The Consolidated Entity did not have any financing facilities available at balance date.

Refer to Note 1 "*Going Concern*" for details on the Consolidated Entity's current financial position, funding arrangements and its ability to meet its future obligations.

(c) Market Risk

Market risk arises from the use of interest bearing, tradeable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

The Consolidated Entity does not have any material exposure to market risk.

(d) Capital Risk Management

When managing capital, the director's objective is to ensure the entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the Consolidated Entity may seek to issue new shares.

The Consolidated Entity has no minimum capital requirements.

Refer to Note 1 "*Going Concern*" for details on the Consolidated Entity's current financial position, funding arrangements and its ability to meet its future obligations.

NOTE 16 FINANCIAL RISK MANAGEMENT (continued)

(e) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Fair value hierarchy

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

31 December 2021

	Level 1	Level 2	Level 3	Total
<i>Liabilities</i>				
Derivative instruments - conversion feature of convertible notes	-	-	-	-
	-	-	-	-

31 December 2020

	Level 1	Level 2	Level 3	Total
<i>Liabilities</i>				
Derivative instruments - conversion feature of convertible notes	-	-	133,250	133,250
	-	-	133,250	133,250

Valuation techniques for fair value measurements categorised within level 3

Derivative instruments - conversion feature of convertible notes

Under the convertible note agreements, note holders have the right immediately upon issue to convert the notes into ordinary shares equivalent equal to the face value of the notes plus 25% for tranches 1 – 4, and 40% for tranche 5. The fair value of the derivative liability component of the convertible notes at the time of issue has been determined to equal the conversion discount applicable to the initial note proceeds received.

For the derivative instruments, changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would not change fair value significantly.

All convertible notes were converted to ordinary shares on 8 June 2021.

NOTE 17 SHARE BASED PAYMENTS

Options

Lead Manager Options to be issued at the next general meeting

As part of the share placement on 17 November 2021, the Company agreed to issue the lead manager, Vert Capital Pty Ltd, 4,000,000 options exercisable at 25c on or before 30 June 2023.

As the Company currently has no existing capacity to issue further securities under the ASX Listing Rules, these additional options will not be issued to Vert Capital Pty Ltd until approved by AKN shareholders at the next available general meeting, which is likely to be held in early 2022 and by 31 May 2022 at the latest.

Fair value of options granted

The assessed fair value at the date of grant of options issued (\$0.035) was determined with reference to the fair value of AKN quoted options (ASX: AKNO). A total of \$141,000 was recognised in the share based payment reserve.

NOTE 18 SEGMENT REPORTING

Reportable Segments

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Consolidated Entity does not yet have any products or services from which it derives an income.

Management currently identifies the Consolidated Entity as having only one reportable segment, being exploration for minerals in Australia. The financial results from this segment are equivalent to the financial statements of the consolidated entity. All assets are located in Australia.

NOTE 19 COMMITMENTS

Future exploration

The Consolidated Entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Consolidated Entity.

<i>Exploration obligations to be undertaken:</i>		
Payable within one year	417,100	-
Payable between one year and five years	993,400	-
Payable after five years	273,000	-
	<hr/>	
	1,683,500	-

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements or to meet expenditure requirements by joint venture or farm in agreements.

The Consolidated Entity currently does not have any other obligations to expend minimum amounts on either operating leases or exploration in tenement areas.

NOTE 20 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at 31 December 2021 (31 December 2020: Nil).

December 2021 December 2020
\$ \$

NOTE 21 AUDITORS' REMUNERATION

Remuneration paid for:

- Auditing and reviewing the financial report	53,179	16,500
- Investigating accountants report	25,000	-
<i>Other services</i>		
- Tax compliance	21,979	-

NOTE 22 EVENTS AFTER BALANCE SHEET DATE

On 4 February 2022 AKN announced that it had successfully completed the second earn-in milestone under the Koongie Park Earn-in Agreement. As a consequence, AKN's project interest in the Joint venture is now 75%.

There have been no other events since 31 December 2021 that impact upon the financial report.

NOTE 23 PARENT ENTITY INFORMATION

The Parent Entity of the Consolidated Entity is AuKing Mining Limited.

December 2021 December 2020
\$ \$

Parent Entity Financial Information

Current assets	2,488,253	30,311
Non-current assets	4,953,400	102,855
Total assets	7,441,653	133,166
Current liabilities	161,922	3,600,180
Non-current liabilities	44,137	-
Total liabilities	206,059	3,600,180
Net assets	7,235,594	(3,467,014)
Share capital	8,721,436	42,630,609
Reserves	140,000	-
Accumulated losses	(1,625,842)	(46,097,623)
Total equity	7,235,594	(3,467,014)
Loss after income tax	(1,621,939)	(1,281,556)
Other comprehensive income	-	-
Total comprehensive loss	(1,621,939)	(1,281,556)

Controlled Entities of the Parent Entity

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

NOTE 23 PARENT ENTITY INFORMATION (continued)

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

Intercompany transactions, balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

	Percentage Owned		Country of Incorporation
	2021	2020	
	%	%	
China Yunnan Copper Australia Chile Limitada	-	100%	Chile
AKN (Koongie Park) Pty Ltd	100%	-	Australia

Commitments, Contingencies and Guarantees of the Parent Entity

The minimum committed expenditure for future periods of the Parent Entity is the same as those for the Consolidated Entity. The Parent Entity has no contingent assets, contingent liabilities or guarantees at balance date.

DIRECTORS' DECLARATION

In the Directors opinion:

- (a) the attached consolidated financial statements and notes that are set out on pages 30 to 51 and the remuneration report set out on pages 18 to 23 in the Directors' Report are in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements, including:
 - (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the financial period ended on that date.
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1 to the consolidated financial statements; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of directors.



Mark Elliott
Director

8 February 2022

INDEPENDENT AUDITOR'S REPORT

To the members of AuKing Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AuKing Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group’s ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for convertible notes

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Refer to note 9 of the financial report.</p> <p>The group previously issued four tranches of convertible notes, they issued one further tranche of convertible notes during the period. All convertible notes were converted to ordinary shares.</p> <p>The convertible notes are measured at amortised cost and the derivative instrument liability components are measured at fair value through profit and loss under AASB 9 <i>Financial Instruments</i>.</p> <p>The classification and accounting treatment of convertible notes is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the total transaction • The determination of the fair value of the derivative instrument can be complex and involves judgement. 	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the terms and conditions of the convertible note agreements to determine the accounting treatment • Reviewing reasonableness of the methodology and assumptions applied in the valuation of derivative instruments • Reviewing management’s assessment of the movements in fair value of the derivative instruments • Reviewing the adequacy of disclosures in the financial report and agreeing these to the convertible note agreement.

Carrying value of exploration and evaluation assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group carries exploration and evaluation assets in accordance with the Group’s accounting policy for exploration and evaluation assets as set out in Note 5.</p> <ul style="list-style-type: none"> The recoverability of exploration and evaluation asset is a key audit matter due to the significance of the total balance as a proportion of total assets and the level of procedures undertaken to evaluate management’s application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources (‘AASB 6’) in light of any indicators of impairment that may be present. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation such as licence agreements and also considering whether the Group maintains the tenements in good standing. Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest. Enquiring of management, reviewing ASX announcements and reviewing directors’ minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 31 December 2021, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 23 of the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of AuKing Mining Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 8 February 2022