
31 December 2021

The Manager
Listings Compliance
ASX, SYDNEY

RE: ADJUSTMENT TO SHARE CAPITAL UNDER SECTION 258F OF CORPORATIONS ACT

The Board of AKN advises that it has resolved to reduce the share capital of the Company by an amount of \$46,097,623 in accordance with s258F of the *Corporations Act 2001* (**Corporations Act**).

This decision was taken by the Board as a result of AKN re-listing on ASX in June 2021 and the significant recapitalisation and balance sheet clean up that was associated with that exercise. Under s258F of the Corporations Act, a company may reduce its share capital by cancelling any paid-up capital that is not represented by available assets.

As at 31 December 2020, AKN had accumulated losses of \$46,097,623 and its net assets (at the parent level) were less than the share capital. The deficiency in net assets has arisen over several years as a result of impairment of intangible assets (ie, mostly capitalised exploration expenditure) and historical investment write-offs.

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

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

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

This announcement is authorised by:

Paul Williams
Chief Executive Officer
p.williams@aukingmining.com
+61 419 762 487