

30 October 2020

The Manager
Listings Compliance
ASX, SYDNEY

RE: SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

The activities of AuKing Mining Limited (“AKN”) during the three months to 30 September 2020 were as follows:

Koongie Park Project Earn-In

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



Figure 1 – Koongie Park Location

The Koongie Park Earn-In is subject to the completion of due diligence, conduct of a significant new capital raising, AKN shareholder approval and certain other regulatory

approvals. This proposed acquisition comprises a significant change in the scale of AKN's activities in accordance with ASX Listing Rule 11.1.3, requiring AKN to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

AKN Acquisition Strategy

The Koongie Park Earn-In is based upon the following business strategy that will be implemented by AKN:

- Optimising existing feasibility studies on the proposed mining of the well-established Sandiego deposit incorporating results from planned resource extension drilling targeting extensions along strike and at depth;
- Carrying out a detailed exploration program across the Koongie Park Project tenures to identify additional base metals deposits to complement the existing reported Sandiego and Onedin resources. This includes possible drilling at depth below both deposits to identify sulphide extensions to mineralisation below the existing known oxide and transitional ore zones; and
- Trialling and evaluating the Ammleach® metallurgical process for the near surface ores at the Onedin deposit which has shown good recovery test work results on other deposits with similar ore characteristics at Koongie Park.

Appointment of Lead Manager

On 15 September AKN advised that it had signed a mandate with Sydney-based Novus Capital Limited as the Lead Manager for its upcoming capital raising and proposed re-quotations on the ASX. Novus will lead and co-ordinate all funds raised for the AKN capital raising and will continue to provide corporate advisory services after that activity is completed. Novus has a 20-plus year history of raising funds and floating small cap companies, most recently acting as Lead Manager or Participating Broker for companies such as North Stawell Minerals Ltd. (NSM), Ora Gold Ltd (OAU) TechGen Metals Ltd and Li-S Energy.

AKN is proposing to raise a minimum of \$6M, with provision to accept over-subscriptions for a further \$1M, in order to raise sufficient funds to enable AKN to proceed with the Koongie Park Earn-in. **AKN will be making provision for a priority entitlement under the capital raising for existing shareholders who wish to participate in the raising.**

Subject to completion of prospectus disclosure documentation and arrangements with ASX, it is the intention AKN to commence the capital raising in late October/early November 2020.

Prospectus Preparation

AKN and its key advisors are well-advanced with preparation of a prospectus and conduct of associated legal, technical and financial due diligence activities. Subject to receipt of the ASX "in principle" determination (see below), AKN is seeking to lodge the prospectus with ASIC in early November and open the capital raising later in November.

Independent Technical Report

AKN's independent technical advisor for the prospectus, CSA Global, has now completed its independent report for inclusion in the prospectus. As part of the report work, CSA has also updated the existing JORC resources for the Sandiego and Onedin deposits from 2004 to the 2012 JORC Code standard. These updated resource estimates will be included in the prospectus.

ASX "In Principle" Approval Application

AKN has recently lodged an application with the ASX for "in principle" approval in relation to the proposed Koongie Park Earn-in and capital raising. As previously advised by AKN on 25 June 2020, the company applied for an in-principle determination from ASX regarding an earlier version of the proposed Koongie Park Earn-in transaction. Whilst ASX advised that based on that application, there was significant likelihood that ASX would exercise its discretion to decline AKN's application for re-admission to the official list, AKN believes that steps it has taken subsequent to the ASX determination should, in reasonable circumstances, address the specific concerns that were noted by ASX. There however remains a risk that ASX's view will not change. AKN expects to receive notification from ASX of its determination shortly.

Subject to completion of prospectus disclosure documentation and arrangements with ASX, it is the intention AKN to commence the capital raising later in November 2020. A general meeting of AKN shareholders will also be convened for the purposes of approving the proposed Koongie Park Earn-in and associated transaction activities – that meeting will be scheduled for later in December 2020. More specific details of the overall AKN capital raising timetable will be advised as soon as possible.

Exploration Activities

No exploration was carried out by AKN during the period.

Exploration Expenditure for September 2020 Quarter

Nil exploration expenditure was incurred for the September 2020 Quarter.

Corporate Update

June 2020 Half-Year Financial Statements

AKN's Annual General Meeting was held earlier today and all resolutions were approved by shareholders by the requisite majorities. Included in the approved resolutions was the appointment of BDO as AKN's new company auditors, replacing Ernst & Young after that firm had acted as auditors for a 5 year period.

JCHX Group Loan

No funds were drawn down under this loan facility of \$1,500,000 during the quarter, leaving total of loaned funds \$1,300,000 together with accrued interest.

Tighe Short-Term Loan

During the September 2020 Quarter, AKN entered into a short-term loan agreement with a private investor in the sum of \$150,000, with interest accruing on the loan at 20% per annum and repayable on or before 30 November 2020.

Related Party Payments

During the September 2020 Quarter AKN paid a total of \$25,852 to related parties and their associated entities, representing executive remuneration (\$23,982) and interest payable on convertible notes (\$1,870).

Board Composition

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

Financial Position

As at 30 September 2020, AKN had cash reserves of \$50,000. With funds undrawn from the JCHX Group loan (referred to above) AKN should have sufficient funding to carry out proposed transaction activities for the immediate future.

Further details of AKN's financial activities during the September 2020 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this Report.

Top 10 shareholders of AKN as 30 September 2020:

Rank	Name	Number of Shares	%
1	Bienitial International Industrial Co Ltd #	349,018,230	37.42%
2	Yunnan Copper Industry (Group) Co Limited #	299,922,326	32.16%
3	Mr Billy Fleshman	15,163,208	1.63%
4	Mr Paul Robert Williams & Ms Jill Caroline Strachan	10,357,173	1.11%
5	Mr Peter Gerard Tighe & Mrs Patricia Joan Tighe	10,033,333	1.08%
6	Mr Norman Joseph Zillman	7,980,343	0.86%
7	Mr Barry Edward Tanton & Mrs Elizabeth Mary Tanton	7,500,000	0.80%
8	Mr Anthony John Barber	7,199,905	0.77%
9	Elliott Nominees Pty Ltd	7,150,000	0.77%
10	Citicorp Nominees Pty Ltd	6,572,557	0.70%
TOTAL		721,697,075	77.40%

Denotes Substantial Shareholder

Share Information

Issued share capital of 932,584,461 ordinary shares.

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

Other Details:

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This Report is authorised by:

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