



Announcement Summary

Entity name

AUKING MINING LIMITED

Announcement Type

New announcement

Date of this announcement

Monday July 6, 2020

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
AKNAB	CONVERTIBLE NOTES	150,000

Proposed +issue date

Monday July 6, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

AUKING MINING LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

29070859522

1.3 ASX issuer code

AKN

1.4 The announcement is

New announcement

1.5 Date of this announcement

Monday July 6, 2020

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +Security Code and Description

AKNAB : CONVERTIBLE NOTES

Maximum Number of +securities proposed to be issued

150,000

Purpose of the issue

The funds raised from the issue of these convertible notes will be used for ongoing operating costs and costs associated with the Koongie Park earn-in agreement and the Company's re-compliance activities including a prospectus capital raising, shareholder meeting and other actions as may be required by ASX.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 1.00000



Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

No

Part 7C - Timetable

7C.1 Proposed +issue date

Monday July 6, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

No

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

No

7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

No

7E.2 Is the proposed issue to be underwritten?

No



7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No



7F.2 Any other information the entity wishes to provide about the proposed issue

AuKing Mining Limited Unlisted \$1 30 September 2020 Convertible Notes

Facility

Issuer AuKing Mining Limited ACN 070 859 522.

Instrument Convertible redeemable notes (Notes).

Face Value On issue each Note will have a face value of \$1.00 per Note.

Total Value of Notes or Principal Amount \$525,000

Rights attached The Notes are convertible at the election of the Investor into fully paid ordinary shares in Issuer (Shares), ranking equally with all other Shares (Conversion Shares); or redeemable at the election of the Issuer at any time on or before the Maturity Date; or redeemable at the election of the Investor on the Maturity Date.

Term Approximately 12 months, commencing on the Issue Date and ending on the Maturity Date.

Maturity Date 30 September 2020.

Interest Interest is payable on the Notes from the date of issue at the rate of 10% per annum, payable quarterly in arrears.

Issue of Notes and availability of proceeds The Notes will be issued upon receipt by the Issuer of their Face Value in Immediately Available Funds, on the Issue Date.

Redemption or Conversion of Notes The Notes will be either:
converted on the Maturity Date;

redeemed on or before Conversion, at the Issuer's election;

redeemed on the Maturity Date, at the Investor's election;

repaid on the occurrence of an Event of Default; or

a combination of one or more of the alternatives set out above in accordance with the terms of this Term Sheet.

Excluded offers only: The Issuer may only issue Notes to persons to whom disclosure under Part 6D.2 of the Corporations Act is not required. Examples of such persons may include:

Small scale raisings, as set out in section 708(1) of the Corporations Act (20 in 12 months, less than \$2M funds raised);

sophisticated investors, being investors to whom section 708(8) of the Corporations Act applies;

professional investors, being investors to whom section 708(11) of the Corporations Act applies; and

persons associated with the Company, being persons to whom section 708(12) of the Corporations Act applies.

Investor's Conversion Rights Subject to paragraph (c) below, the Investor may convert any or all of the Notes on the Maturity Date (Conversion).

The Conversion Price per Conversion Share for a Conversion, shall be a 25% discount to the 20 Trading Day VWAP for the Issuer Shares as at the date of the Conversion Notice (Conversion Price).

Conversion of the Notes shall be conditional upon the Issuer obtaining any required shareholder approval under the Corporations Act 2001 (Cth) or the Listing Rules of ASX to issue the Conversion Shares (Conversion Approval).

Subject to paragraph (c) above and the receipt of a valid Conversion Notice, the Issuer is obliged to issue the Conversion Shares on the Maturity Date.

Each Conversion Share will rank, on and from issue, in all respects pari passu with the Shares then on issue, and the Issuer will use its reasonable endeavours to apply to ASX for official quotation of the Conversion Shares.

Voting rights prior to conversion The Notes shall carry the right to attend but not to vote at any general meeting of the Issuer prior to their conversion into Shares.

Rights to participate in new issues The Notes do not carry any entitlement to participate in any future issues of Shares by the Issuer prior to their conversion into Shares.

No listing The notes will not be listed on ASX or any other recognised stock exchange.

Transferability The Notes shall be transferable in accordance with the Conditions.

Events of default Event of default means:

An Insolvency Event occurring in respect of the Company; or

in relation to a Holder, the Company failing to pay Money Owing to that Holder when they fall due for payment.