

Notice of Annual General Meeting



AuKing Mining Limited
ACN 070 859 522

ANNUAL GENERAL MEETING

Date of Meeting: Tuesday, 31 May 2022
Time of Meeting: 9.30am (Brisbane time)
Place of Meeting: Level 7 Waterfront Place
1 Eagle St, Brisbane

If Shareholders wish to attend the Meeting in person they will need to contact the Company Secretary Mr Paul Marshall (email:p.marshall@aukingmining.com) in order for the Company to ensure it is able to maintain compliance with any COVID related restrictions applicable as at the Meeting date.

Each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice in accordance with the instructions set out on that form by no later than 9.30am on 29 May 2022

Notice of Annual General Meeting

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of **AUKING MINING LIMITED** ACN 070 859 522 (**Company**) will be held at Level 7 Waterfront Place, 1 Eagle St, Brisbane, on Tuesday, 31 May 2022, at 9.30am (Brisbane time).

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at the date of this Notice.

While the Board would like to hold all Shareholders in person, in order to minimise the risk to Shareholders and to the Company, the Company suggests that Shareholders carefully consider whether they attend the Meeting in person. If Shareholders wish to attend the Meeting in person they will need to contact the Company Secretary Mr Paul Marshall (email:p.marshall@aukingmining.com) in order for the Company to ensure it is able to maintain compliance with any COVID related restrictions applicable as at the Meeting date.

Each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice in accordance with the instructions set out on that form by no later than 9.30am on 29 May 2022.

A copy of your personalised proxy form is attached to this Notice. Shareholders are strongly encouraged to complete and lodge their proxies online or otherwise in accordance with instructions set out in the proxy form and the Notice of Meeting.

Shareholders are encouraged to submit questions in advance of the Meeting to the Company by emailing the Company Secretary Mr Paul Marshall (email:p.marshall@aukingmining.com). Responses will be provided at the Meeting in respect of all valid questions received prior to 5pm on Thursday, 26 May 2022.

The Company will continue to monitor the Australian and Queensland Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders by making an announcement on its ASX platform.

Terms used in this Notice are defined in the "Definitions" section of the accompanying Explanatory Memorandum".

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AGENDA

ORDINARY BUSINESS

Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 31 December 2021.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

“That, the Remuneration Report for the year ended 31 December 2021 (as set out in the Directors' Report) is adopted.”

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Terms used in this Notice of Meeting are defined in the “Definitions” section of the accompanying Explanatory Memorandum.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report;
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (i) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
 - (ii) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intention of the Chair.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions subject to this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.

Resolution 2 – Re-Election of Peter Tighe as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That in accordance with the Company's Constitution, Peter Tighe, who retires by rotation in accordance with Rule 39.1(c) of the Company's Constitution and, being eligible for re-election offers himself for re-election, be re-elected as a Director of the Company.”

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SPECIAL BUSINESS

(See details below for Notes and Voting Exclusion Statements relating to Resolutions 3-13).

Resolution 3 - Ratification of Prior Issue of Shares under the Initial Placement

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 18,822,412 Shares issued on or about 29 April 2022 at a price of \$0.14 per Share (**Initial Placement Shares**) and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting, to the Initial Placement Recipients.”*

Resolution 4 - Issue of Free-Attaching Initial Placement Options

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

*“That, in accordance with Listing Rule 7.1, and for all other purposes, the Company be authorised to issue 6,274,137 Options (that are free-attaching to the Initial Placement Shares referred to in Resolution 3) with an exercise price of \$0.25 per Option expiring on 30 June 2023 (**Initial Placement Options**) and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting, to the Initial Placement Recipients.”*

Resolution 5 – Issue of Further Shares under the Further Placement

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

*“That, in accordance with Listing Rule 7.1, and for all other purposes, the Company be authorised to issue 7,000,000 Shares at an issue price of \$0.14 per Share (**Further Placement Shares**) and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting, to the Further Placement Recipients.”*

Resolution 6 - Issue of Further Free-Attaching Options under the Further Placement

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

*“That, in accordance with Listing Rule 7.1, and for all other purposes, the Company be authorised to issue 2,333,333 free-attaching Options (with an exercise price of \$0.25 per Option expiring on 30 June 2023) (**Further Placement Options**) and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting, to the Further Placement Recipients.”*

Resolution 7 – Issue of Advisor Options

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

“That, in accordance with Listing Rule 7.1, and for all other purposes, the Company be authorised to issue to Vert Capital Pty Ltd ACN 635 566 424 (or their nominees) up to a total of 20,000,000 Options with an exercise price of \$0.25 per Option expiring on 30 June 2023

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(Advisor Options) and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Resolution 8 – Issue of AAR Consideration Shares

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

“That, in accordance with Listing Rule 7.1, and for all other purposes, the Company be authorised to issue to Anglo Australian Resources NL ACN 009 159 077 (or its nominee) up to the maximum number of Shares calculated in accordance with the formula set out in the Explanatory Memorandum at a price per Share determined in accordance with the formula set out in the Explanatory Memorandum (AAR Consideration Shares) in accordance with the obligations under a sale and purchase agreement dated 4 April 2022 and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Resolution 9 – Approval of Employee Share Options Plan (ESOP)

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

“That the Employee Share and Option Plan (ESOP), which is summarised in the attached Explanatory Memorandum, be approved and that for the purposes of Exception 13(b) of Listing Rule 7.2 and for all other purposes, the issue of securities under the ESOP within three (3) years from the date of this resolution be an exception to Listing Rules 7.1 and 7.1A.”

A detailed summary of the key terms of the ESOP is set out in Schedule 1.

Resolution 10 – Issue of Incentive Options to Dr Mark Elliott under the ESOP

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

“That, for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 1,000,000 Director Options to subscribe for Shares in the Company to Dr Mark Elliott (or his nominee), pursuant to the ESOP (Elliott Options) and on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 11 – Issue of Incentive Options to Peter Tighe under the ESOP

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

“That, for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 500,000 Director Options to subscribe for Shares in the Company to Peter Tighe (or his nominee), pursuant to the ESOP (Tighe Options) and on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 12 – Issue of Incentive Options to Ian Hodkinson under the ESOP

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

“That, for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 500,000 Director Options to

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subscribe for Shares in the Company to Ian Hodgkinson (or his nominee), pursuant to the ESOP (Hodkinson Options) and on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 13 – Issue of Incentive Options to Shizhou Yin under the ESOP

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

“That, for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 500,000 Director Options to subscribe for Shares in the Company to Shizhou Yin (or his nominee), pursuant to the ESOP (Yin Options) and on the terms and conditions set out in the Explanatory Memorandum.”

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

BY ORDER OF THE BOARD



Paul Marshall

Company Secretary
29 April 2022

Notes and Voting Exclusion Statements

Notes:

- A detailed summary of the Resolutions 3-13 is contained within the Explanatory Memorandum.
- With respect to Resolutions 4, 5, 6, 7 and 8, the Company intends to issue the Shares and Options (as the case may be) as soon as practicable in each case, but no later than three months after the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).
- With respect to Resolutions 10,11,12 and 13 the Company intends to issue the Options as soon as practicable in each case, but no later than three years after the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).
- With respect to Resolutions 10,11,12,and 13, a copy of this Notice and the Explanatory Memorandum which accompany this Notice has been lodged with the Australian Securities and Investments Commission in accordance with section 218 of the Corporations Act.
- With respect to Resolutions 3 and 5 the proposed use of the funds raised, or to be raised, is set out in the Explanatory Memorandum.

Voting Exclusion Statements

Voting Exclusion Statements

The Company will disregard any votes cast on the Resolution listed below by or on behalf of the persons or entities listed under “Persons excluded from voting” below, however the Company need not disregard a vote cast by such persons in the circumstances set out under “Exceptions to voting exclusion” set out below.

Resolution	Persons excluded from voting	Exceptions to voting exclusion
<p>Resolution 3 – Ratification of prior issue of shares under the Initial Placement</p>	<p>Listing Rule 7.5.8</p> <p>The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:</p> <ul style="list-style-type: none"> • The Initial Placement Recipients; or • an Associate of those persons. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
<p>Resolution 4 – Issue of free-attaching Initial Placement Options</p>	<p>Listing Rule 7.3.9</p> <p>The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:</p> <ul style="list-style-type: none"> • the Initial Placement Recipients; or • an Associate of those persons. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
<p>Resolution 5 – Issue of Further Placement</p>	<p>Listing Rule 7.3.9</p> <p>The Company will disregard any votes cast in favour</p>	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the

Voting Exclusion Statements

Resolution	Persons excluded from voting	Exceptions to voting exclusion
Shares	<p>of Resolution 5 by or on behalf of:</p> <ul style="list-style-type: none"> • any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue of the Further Placement Shares (except a benefit solely by reason of being a holder of Shares); or • an Associate of those persons. 	<p>Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or</p> <ul style="list-style-type: none"> • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
Resolution 6 – Issue of free attaching Further Placement Options	<p>Listing Rule 7.3.9</p> <p>The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:</p> <ul style="list-style-type: none"> • any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue of the Further Placement Options (except a benefit solely by reason of being a holder of Shares); or • an Associate of those persons. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
Resolution 7 – Issue of Advisor Options	<p>Listing Rule 7.3.9</p> <p>The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:</p> <ul style="list-style-type: none"> • Vert Capital Pty Ltd and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares); or 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary

Voting Exclusion Statements

Resolution	Persons excluded from voting	Exceptions to voting exclusion
	<ul style="list-style-type: none"> • an Associate of those persons. 	<p>capacity on behalf of a beneficiary provided the following conditions are met:</p> <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
<p>Resolution 8 – Issue of AAR Consideration Shares</p>	<p>Listing Rule 7.3.9 The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:</p> <ul style="list-style-type: none"> • Anglo Australian Resources NL and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares); or • an Associate of those persons. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
<p>Resolution 9 – Approval of ESOP</p>	<p>Listing Rule 7.3.9 The Company will disregard any votes cast in favour of the Resolution 9 by or on behalf of:</p> <ul style="list-style-type: none"> • any person who is eligible to participate in the Employee Share Option Plan; or • an Associate of those persons. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Exclusion Statements

Resolution	Persons excluded from voting	Exceptions to voting exclusion
	<p>Voting restriction pursuant to section 250BD of the Corporations Act</p> <p>As Resolution 9 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 9 must not be cast by:</p> <ul style="list-style-type: none"> • any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or • a Closely Related Party of such KMP, <p>who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 9.</p> <ul style="list-style-type: none"> • 	<p>The Company need not disregard a vote on this Resolution 9 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 9 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.</p> <p>Voting Intention of the Chair</p> <p>Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 9, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.</p>
<p>Resolution 10 – Approval to issue Options to Dr Mark Elliott</p>	<p>Listing Rule 10.15</p> <ul style="list-style-type: none"> • Dr Elliott; • a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan; or • an associate of or those persons. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by

Voting Exclusion Statements

Resolution	Persons excluded from voting	Exceptions to voting exclusion
	<p>Section 224 and Chapter 2E of the Corporations Act</p> <ul style="list-style-type: none"> • Dr Elliott; or • an associate of Dr Elliott. 	<p>the beneficiary to the holder to vote in that way.</p> <p>Section 224 and Chapter 2E of the Corporations Act</p> <p>The Company need not disregard a vote if:</p> <ul style="list-style-type: none"> • it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the Resolution 10; and • it is not cast on behalf of Dr Elliott or an associate of Dr Elliott.
	<p>Voting restriction pursuant to section 250BD of the Corporations Act</p> <p>As Resolution 10 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 10 must not be cast by:</p> <ul style="list-style-type: none"> • any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or • a Closely Related Party of such KMP, <p>who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 10.</p>	<p>The Company need not disregard a vote on this Resolution 10 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 10 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.</p> <p>Voting Intention of the Chair</p> <p>Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 10, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.</p>

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Resolution	Persons excluded from voting	Exceptions to voting exclusion
<p>Resolution 11 – Approval to issue Options to Peter Tighe</p>	<p>Listing Rule 10.15</p> <ul style="list-style-type: none"> • Mr Tighe; • a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan; or • an associate of those persons. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
	<p>Section 224 and Chapter 2E of the Corporations Act</p> <ul style="list-style-type: none"> • Mr Tighe; or • an associate of Mr Tighe. 	<p>Section 224 and Chapter 2E of the Corporations Act</p> <p>The Company need not disregard a vote if:</p> <ul style="list-style-type: none"> • it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the Resolution 11; and • it is not cast on behalf of Mr Tighe or an associate of Mr Tighe.
	<p>Voting restriction pursuant to section 250BD of the Corporations Act</p> <p>As Resolution 11 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 11 must not be cast by:</p> <ul style="list-style-type: none"> • any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or 	<p>The Company need not disregard a vote on this Resolution 11 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 11 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.</p> <p>Voting Intention of the Chair</p> <p>Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 11, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set</p>

Voting Exclusion Statements

Resolution	Persons excluded from voting	Exceptions to voting exclusion
	<ul style="list-style-type: none"> • a Closely Related Party of such KMP, <p>who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 11.</p>	<p>out in the accompanying proxy form.</p>
<p>Resolution 12 – Approval to issue Options to Ian Hodkinson</p>	<p>Listing Rule 10.15</p> <ul style="list-style-type: none"> • Mr Hodkinson; • a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan; or • an associate of those persons. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
	<p>Section 224 and Chapter 2E of the Corporations Act</p> <ul style="list-style-type: none"> • Mr Hodkinson; or • an associate of Mr Hodkinson. 	<p>Section 224 and Chapter 2E of the Corporations Act</p> <p>The Company need not disregard a vote if:</p> <ul style="list-style-type: none"> • it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the Resolution 12; and • it is not cast on behalf of Mr Hodkinson or an associate of Mr Hodkinson.

Voting Exclusion Statements

Resolution	Persons excluded from voting	Exceptions to voting exclusion
	<p>Voting restriction pursuant to section 250BD of the Corporations Act</p> <p>As Resolution 12 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 12 must not be cast by:</p> <ul style="list-style-type: none"> • any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or • a Closely Related Party of such KMP, <p>who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 12.</p>	<p>The Company need not disregard a vote on this Resolution 12 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 12 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.</p> <p>Voting Intention of the Chair</p> <p>Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 12, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.</p>
<p>Resolution 13 – Approval to issue Options to Shizhou Yin</p>	<p>Listing Rule 10.15</p> <ul style="list-style-type: none"> • Mr Yin; • a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan; or • an associate of those persons, including Bienitial International Industrial Co., Ltd. 	<p>Listing Rules</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Exclusion Statements

Resolution	Persons excluded from voting	Exceptions to voting exclusion
	<p>Section 224 and Chapter 2E of the Corporations Act</p> <ul style="list-style-type: none"> Mr Yin; or an associate of Mr Yin. 	<p>Section 224 and Chapter 2E of the Corporations Act</p> <p>The Company need not disregard a vote if:</p> <ul style="list-style-type: none"> it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the Resolution 13; and it is not cast on behalf of Mr Yin or an associate of Mr Yin.
	<p>Voting restriction pursuant to section 250BD of the Corporations Act</p> <p>As Resolution 13 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 13 must not be cast by:</p> <ul style="list-style-type: none"> any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or a Closely Related Party of such KMP, <p>who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on this Resolution 13.</p>	<p>The Company need not disregard a vote on this Resolution 13 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution 13 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.</p> <p>Voting Intention of the Chair</p> <p>Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 13, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying proxy form.</p>
<p>Voting Intentions of Chair</p> <p>Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of all resolutions the subject of this Meeting, including any resolution in which the Chair has an interest, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the meeting may change his voting intention on any resolution, in which case an ASX announcement will be made.</p> <p>Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form.</p>		

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EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum is provided to Shareholders of **AUKING MINING LIMITED ACN 070 859 522 (Company)** to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 7 Waterfront Place, 1 Eagle St, Brisbane, on Tuesday, 31 May 2022, at 9.30am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

This Explanatory Memorandum provides Shareholders with all information known to the Company that is material to the decision on how to vote on the Resolutions to be put to the Meeting, other than such information that has been previously disclosed by the Company to its Shareholders.

CONSIDER THE COMPANY'S ANNUAL REPORT

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 31 December 2021 was released to the ASX Limited on 8 February 2022 and subsequently dispatched to shareholders as required.

Shareholders can access a copy of the Company's Annual Report at www.aukingmining.com. The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

The Company's Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

RESOLUTION 1 - REMUNERATION REPORT

Remuneration Report

In accordance with section 250R of the Corporations Act, the Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report for the period ending 31 December 2021. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic objectives and current and emerging market practices.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The report can be viewed on the Company website at www.aukingmining.com

The "Two Strikes Rule"

The Corporations Act requires that listed companies must put their remuneration report to a non-binding advisory shareholder vote at the AGM (**Remuneration Report Resolution**). The "Two Strikes Rule" was

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introduced by the *Corporations Legislation (Improving Accountability on Director and Executive Remuneration) Act 2011* and commenced on 1 July 2011. Under the “Two Strikes Rule” if the Remuneration Report Resolution receives a “no” vote of 25% or more (a **Strike**) at two consecutive AGMs, a resolution to spill the board and hold Director re-elections, in accordance with Part 2G.2, Division 9 of the Corporations Act (**Spill Resolution**) must be put to Shareholders.

Recommendation

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

A vote on this Resolution is advisory only and does not bind the Directors of the Company, except in relation to the “Two Strikes Rule”.

Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

Members of the Key Management Personnel (**KMP**) and their Closely Related Parties (**CRP**) (**Restricted Voters**) and proxies of Restricted Voters are restricted from voting on a resolution which is connected directly or indirectly with the remuneration of a member of the Key Management Personnel (**Voting Restriction**).

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Voting Restriction applies to Resolution 1. However, it does not apply where:

- (a) the member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a Restricted Voter) as a proxy where the appointment specifies the way the proxy is to vote on the resolution; or
- (b) the Chairperson is appointed in writing (by a Shareholder who is not a Restricted Voter) as a proxy where the appointment does not specify the way the proxy is to vote on the resolution and expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should be aware that any undirected proxies given to the Chairperson will be cast by the Chairperson and counted in favour of the resolutions the subject of this Meeting (including Resolution 1) subject to compliance with the Corporations Act.

The Proxy Form attached to this Notice has been prepared on this basis.

RESOLUTION 2 – RE-ELECTION OF PETER TIGHE AS A DIRECTOR

The Company's Constitution and ASX Listing Rule 14.4 requires that at each AGM, one-third of the Directors in office (excluding directors appointed to fill casual vacancies or a Managing Director) must stand for re-election, with Directors required to retire based upon length of tenure. As such Mr Tighe is required to stand for re-election at the 2022 AGM and set out below is a summary of his CV:

Mr Peter Tighe, non-executive Director – Appointed 9/6/21

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.

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 \$400m 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

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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
- Legal and Compliance Committee

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

Mr Tighe (with his wife Patty) own Magic Bloodstock Racing (MBR), a thoroughbred horse racing and breeding company. MBR has acquired many horses which are trained and raced across Australia and around the world including “Winx”, one of the greatest thoroughbreds of all time winning more than \$26m in prizemoney.

Mr Tighe is considered by the Board to fulfil the role of an Independent Director for the purposes of the ASX Corporate Governance Principles and Recommendations (Fourth Edition).

BACKGROUND TO SPECIAL BUSINESS RESOLUTIONS

Introduction

In February 2021, AKN entered into an earn-in and joint venture agreement with AAR providing AKN with the right to earn up to a 75% interest in the Koongie Park project by completing exploration expenditure of \$3m over a 3-year period. AKN has since completed these earn-in expenditure commitments and currently holds a 75% interest in the Koongie Park JV.

During the same period, AKN and AAR entered into a separate agreement titled “Precious Metals Rights Agreement” under which, the right to explore for and develop the gold and PGEs were excluded from the Koongie Park tenures for the 100% sole benefit of AAR.

On 5 April 2022 the Company (**AKN or the Company**) announced that it had entered into an agreement with Anglo Australian Resources NL (**AAR**) to progress the acquisition by AKN of the following existing interests from AAR:

- 25% participating interest in the Koongie Park Joint Venture (Allowing AKN to achieve a 100% ownership interest in the project); and
- the gold and platinum group elements (PGEs) rights held in respect of the Koongie Park tenures.

The proposed AAR Acquisition will secure for AKN a 100% interest in all the base metals, gold, silver, PGEs and other minerals across the entire Koongie Park tenure package. The purchase price payable by AKN to secure these rights is a total of A\$6M payable in three instalments:

- \$3M cash in May 2022;
- \$1.5M in AKN shares to be issued following shareholder approval on or before 30 June 2022; and
- \$1.5M cash by 31 October 2022.

Koongie Park JV Interest

Once the proposed transaction is completed, AKN will have secured 100% ownership of the Koongie Park project in less than 12 months from commencement of the original earn-in agreement with AAR. AKN has already established a strong foundation from which to continue significant exploration of the Koongie Park project assets, especially the existing-defined Onedin and Sandiego deposits. As 100% owner of these assets, AKN will be in total control of all future exploration and development activities.

Koongie Park PGE Interests

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

There has already been considerable exploration undertaken at the project and an important feature of the PGE rights at Koongie Park is the outstanding recent drilling results reported by Pantoro Limited (“PNR”) at its nearby Lamboo PGE Project. PNR has recently announced the commencement of a further 20,000m drilling program at its Lamboo PGE project which is likely to ensure significant ongoing interest in PGEs will continue in the area.

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Capital Raising

On 20 April 2022 the Company also announced a proposed total capital raising of approximately \$7.1M consisting of:

- A two-tranche Placement totalling \$3.61M to sophisticated and professional investors through the issue of new shares at an issue price of \$0.14 per share (**Placement**); and
- A non-renounceable rights issue to eligible shareholders, on the basis of one (1) new fully paid ordinary share for every three (3) shares held at an issue price of \$0.14 per share (**New Share**), to raise approximately \$3.53M (before costs) (**Offer**).

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

In the case of both the Placement and the Offer, free-attaching options (of the same class as AKN's existing ASX-listed options) (**Options**) are also to be issued on the basis of one (1) new Option for every three (3) New Shares issued.

The Placement is to proceed in two tranches namely, first tranche issuing 18,822,412 New Shares (**Initial Placement**) immediately and a second tranche of 7,000,000 New Shares (**Further Placement**) to be issued subject to AKN shareholder approval at the Annual General Meeting.

The Initial Placement was conducted pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. A total of 11,263,447 shares were issued under Listing Rule 7.1 and 7,558,965 shares were issued under Listing Rule 7.1A.

Vert Capital Pty Ltd (**Vert**) acted as lead manager for the Placement and has also been appointed as the underwriter of any shortfall under the Offer. The fees payable to Vert are:

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

The Offer is an offer to Eligible Shareholders only. The issue price of \$0.14 represents a 12.5% discount to AKN's last traded share price on 13 April 2022, an 18.1% discount to the 5-day VWAP (\$0.171) and a 23.5% discount to the 15-day VWAP (\$0.183).

Assuming no existing options on issue in the Company are exercised prior to the record date, approximately 25,196,551 New Shares (and 8,398,851 free-attaching Options) will be offered under the Offer.

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER INITIAL PLACEMENT

Resolution 3 is an Ordinary Resolution and seeks Shareholder approval and ratification of prior issue of the first tranche Shares under the Placement ("First Tranche Shares"), in accordance with Listing Rule 7.4.

Listing Rules 7.1, 7.1A and 7.4

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue of the Initial Placement Shares under the Placement.

A total of 18,822,412 Shares were issued under the Initial Placement and 7,558,965 Shares were issued within the Company's capacity under Listing Rule 7.1A.

The balance of 11,263,447 Shares were issued within Company's capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

In addition, and subject to a number of exceptions, pursuant to Listing Rule 7.1A shareholders can give prior approval (by special resolution at an annual general meeting) to the issue of securities equivalent to an additional 10% over a 12 month period.

The Placement did not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by the Company's shareholders, it effectively used up all of the 15% limit in Listing Rule 7.1

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and the additional 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the issue date.

Listing Rule 7.4 sets out an exception to Listing Rules 7.1. and 7.1A. It provides that where a company in a general meeting ratifies a previous issue of securities made or agreed to be made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1, and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule. It also provides that an issue made in accordance with Listing Rule 7.1A can be approved subsequently under Listing Rule 7.4 and, if it is, the issue will then be excluded from calculation of Company's capacity to issue further equity securities under Listing Rule 7.1A. The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rules 7.1 and 7.1A.

Ratification by the Shareholders of the Company to the Placement is now sought pursuant to Listing Rule 7.4 under Resolution 3 in order to reinstate the Company's capacity to issue up to 15% of its issued capital under Listing Rule 7.1.

The effect of this Resolution 3 is that the Company, for the purposes of Listing Rules 7.1 will be able to refresh its 15% placement capacity, with effect from the date of the Annual General Meeting, to the extent of the Initial Placement Shares.

If Resolution 3 is passed, the Initial Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date.

If Resolution 3 is not passed, the Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date.

Listing Rule 7.5

Pursuant to Listing Rule 7.5, the following information is provided in respect of the Listing Rule 7.4 ratification sought under Resolution 3:

(a) **The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected**

The Initial Placement Shares were issued to the Initial Placement Recipients, none of whom is a related party of the Company. The participants of the Placement were introduced by the Lead Manager or were prospective investors already known to the Board. Vert Capital was appointed as lead manager to undertake the Placement and received a placement sales fee of 6% of the Placement (\$216,600), together with the Adviser Options which are the subject of Resolution 9.

No Placement Recipient is a related party of the Company. No Placement Recipient is:

- a member of the Company's Key Management Personnel;
- a substantial holder of the Company;
- an adviser to the Company;
- an associate of any of the above.

None of the Initial Placement Recipients are considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.4.

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(b) **The number and class of securities the entity issued or agreed to issue**

The Company issued 18,822,412 fully paid ordinary shares.

(c) **If the securities are not fully paid ordinary securities, a summary of the material terms of the securities**

The Initial Placement Shares were fully paid on issue and ranked equally in all aspects with all existing Shares previously issued by the Company.

(d) **The date or dates on which the securities were or will be issued**

The Initial Placement Shares will be issued on or about 29 April 2022.

(e) **The price or other consideration the entity has received or will receive for the issue**

The issue price of the Initial Placement Shares was \$0.14 per Share.

(f) **The purpose of the issue, including the use (or intended use) of any funds raised by the issue**

Proceeds from the Initial Placement Shares will be used to advance AKN's exploration activities at Koongie Park, payment of part of purchase price under the KP Acquisition (if it proceeds to completion) and for general working capital.

(g) **If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**

The Initial Placement Shares were not issued under an agreement.

(h) **A voting exclusion statement**

A voting exclusion statement is set out in the Notice of Meeting.

Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

RESOLUTION 4 – ISSUE OF FREE-ATTACHING PLACEMENT OPTIONS

Background

As part of the Initial Placement, the Company offered free-attaching Options in the Company exercisable at \$0.25 per share, exercisable on or before 30 June 2023 – being the same terms and conditions of the Company's existing Options that are also listed for quotation on ASX. A total of 6,274,137 Options are to be issued (**Initial Placement Options**). The Initial Placement Options will be issued on the basis of one (1) Option for each three (3) shares issued under the Placement, but subject to the Company obtaining shareholder approval for the Initial Placement Options to be issued.

Resolution 4 is an Ordinary Resolution and seeks Shareholder approval to the issue of the Initial Placement Options, in connection with the Initial Placement Shares and for the purposes of Listing Rule 7.1.

Listing Rule 7.1 - Issues exceeding 15% of capital

A summary of Listing Rule 7.1 is set out above in respect of Resolution 3.

The issue of the Initial Placement Options does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue the Initial Placement Options to the Initial Placement Recipients. In addition, the Initial Placement Options will be excluded from the calculation of the

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number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to issue the Initial Placement Options in relation to the Initial Placement.

Information for Listing Rule 7.3

Pursuant to Listing Rule 7.3, the following information is provided in respect of the Listing Rule 7.1 approval sought under Resolution 4:

(a) **The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected**

The Initial Placement Options are to be issued to the Initial Placement Recipients, none of whom is a related party of the Company. The participants of the Placement were introduced by the Lead Manager or were prospective investors already known to the Board. Vert Capital was appointed as lead manager to undertake the Placement and received a placement sales fee of 6% of the Placement (\$216,600), together with the Adviser Options which are the subject of Resolution 9.

No Initial Placement Recipient is a related party of the Company. No Initial Placement Recipient is:

- a member of the Company's Key Management Personnel;
- a substantial holder of the Company;
- an adviser to the Company;
- an associate of any of the above.

None of the Initial Placement Recipients are considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.4.

(b) **The number and class of securities the entity will issue**

The Company will issue a total of 6,274,137 Initial Placement Options.

(c) **If the securities are not fully paid ordinary securities, a summary of the material terms of the securities**

The terms of issue of the Initial Placement Options are set out in Schedule 5 to this Explanatory Memorandum and are identical to the Company's existing Options that are listed for quotation on ASX.

(d) **The date or dates on or by which the entity will issue the securities**

The Initial Placement Options will be issued shortly after the Meeting, on or about 2 June 2022 and, in any event, within three months of the date of the Meeting or such later date as is permitted by an ASX waiver or modification of the Listing Rules.

(e) **The price or other consideration the entity will receive for the securities**

The Initial Placement Options are being issued as free-attaching options to the Initial Placement Shares under the Initial Placement. The exercise price of each First Tranche Option is \$0.25.

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(f) **The purpose of the issue, including the intended use of any funds raised by the issue**

The Initial Placement Options will be issued free-attaching to the Initial Placement Shares under the Initial Placement and the Company will receive no funds from their issue.

(g) **If the securities are being issued under an agreement, a summary of any other material terms of the agreement**

The Initial Placement Options are not being issued pursuant to an agreement.

(h) **If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover**

The Initial Placement Options are not being issued under, or to fund, a reverse takeover.

(i) **A voting exclusion statement**

A voting exclusion statement is set out in the Notice of Meeting.

Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

RESOLUTION 5 – ISSUE OF FURTHER PLACEMENT SHARES UNDER FURTHER PLACEMENT

Background

As part of the Placement, the Company received offers from the Placement Recipients to acquire a further 7,000,000 Shares (**Further Placement Shares**) but subject to the Company obtaining shareholder approval for these Further Placement Shares to be issued. A further \$980,000 is to be raised by the Company as a result of the issue of the Further Placement Shares. The terms of the Further Placement Shares are identical to those applicable to the Initial Placement Shares which are the subject of Resolution 3.

Resolution 5 is an Ordinary Resolution and seeks Shareholder approval to the issue of Further Placement Shares under the Placement and for the purposes of Listing Rule 7.1.

Listing Rule 7.1 - Issues exceeding 15% of capital

A summary of Listing Rule 7.1 is set out above in respect of Resolution 3.

The issue of the Further Placement Shares does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue the Further Placement Shares to the Further Placement Recipients. In addition, the Further Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to issue the Further Placement Shares in relation to the Further Placement and therefore not obtain the \$980,000 in additional funding.

Information for Listing Rule 7.3

Pursuant to Listing Rule 7.3, the following information is provided in respect of the Listing Rule 7.1 approval sought under Resolution 5:

(a) **The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected**

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The Further Placement Shares are to be issued to the Further Placement Recipients, none of whom is a related party of the Company. The participants of the Placement were introduced by the Lead Manager or were prospective investors already known to the Board. Vert Capital was appointed as lead manager to undertake the Placement and received a placement sales fee of 6% of the Placement (\$216,600), together with the Adviser Options which are the subject of Resolution 9.

No Placement Recipient is a related party of the Company. No Placement Recipient is:

- a member of the Company's Key Management Personnel;
- a substantial holder of the Company;
- an adviser to the Company;
- an associate of any of the above.

None of the Placement Recipients are considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.4.

(b) The number and class of securities the entity will issue

The Company will issue a total of 7,000,000 Further Placement Shares.

(c) If the securities are not fully paid ordinary securities, a summary of the material terms of the securities

The Further Placement Shares will be fully paid on issue and rank equally in all aspects with all existing Shares previously issued by the Company.

(d) The date or dates on or by which the entity will issue the securities

The Further Placement Shares will be issued shortly after the Meeting, on or about 2 June 2022 and, in any event, within three months of the date of the Meeting or such later date as is permitted by an ASX waiver or modification of the Listing Rules.

(e) The price or other consideration the entity will receive for the securities

The issue price for the Further Placement Shares is \$0.14, giving rise to a total \$980,000 of funds raised..

(f) The purpose of the issue, including the intended use of any funds raised by the issue

Proceeds from the Further Placement Shares will be used to advance AKN's exploration activities at Koongie Park, payment of part of purchase price under the KP Acquisition (if it proceeds to completion) and for general working capital.

(g) If the securities are being issued under an agreement, a summary of any other material terms of the agreement

The Further Placement Shares are not being issued pursuant to an agreement.

(h) If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover

The Further Placement Shares are not being issued under, or to fund, a reverse takeover.

(i) A voting exclusion statement

A voting exclusion statement is set out in the Notice of Meeting.

Explanatory Memorandum

Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

RESOLUTION 6 – ISSUE OF FURTHER FREE-ATTACHING OPTIONS UNDER THE FURTHER PLACEMENT

Background

As part of the Further Placement, the Company offered free-attaching Options in the Company exercisable at \$0.25 per share, exercisable on or before 30 June 2023 – being the same terms and conditions of the Company's existing Options that are also listed for quotation on ASX. A total of 2,333,333 Options are to be issued (**Further Placement Options**). The Further Placement Options will be issued on the basis of one (1) Option for each three (3) shares issued under the Placement, but subject to the Company obtaining shareholder approval for the Further Placement Options to be issued.

Resolution 6 is an Ordinary Resolution and seeks Shareholder approval to the issue of the Further Placement Options, in connection with the Further Placement Shares under the Further Placement and for the purposes of Listing Rule 7.1.

Listing Rule 7.1 - Issues exceeding 15% of capital

A summary of Listing Rule 7.1 is set out above in respect of Resolution 3.

The issue of the Further Placement Options does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue the Further Placement Options to the Further Placement Recipients. In addition, the Further Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to issue the Further Placement Options in relation to the Further Placement.

Information for Listing Rule 7.3

Pursuant to Listing Rule 7.3, the following information is provided in respect of the Listing Rule 7.1 approval sought under Resolution 6:

(a) The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected

The Further Placement Options are to be issued to the Further Placement Recipients, none of whom is a related party of the Company. The participants of the Placement were introduced by the Lead Manager or were prospective investors already known to the Board. Vert Capital was appointed as lead manager to undertake the Placement and received a placement sales fee of 6% of the Placement (\$216,600), together with the Adviser Options which are the subject of Resolution 9.

No Placement Recipient is a related party of the Company. No Placement Recipient is:

- a member of the Company's Key Management Personnel;
- a substantial holder of the Company;
- an adviser to the Company;
- an associate of any of the above.

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None of the Placement Recipients are considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.4.

(b) The number and class of securities the entity will issue

The Company will issue a total of 2,333,333 Further Placement Options.

(c) If the securities are not fully paid ordinary securities, a summary of the material terms of the securities

The terms of issue of the Further Placement Options are set out in Schedule 5 to this Explanatory Memorandum and are identical to the Company's existing Options that are listed for quotation on ASX.

(d) The date or dates on or by which the entity will issue the securities

The Further Placement Options will be issued shortly after the Meeting, on or about 2 June 2022 and, in any event, within three months of the date of the Meeting or such later date as is permitted by an ASX waiver or modification of the Listing Rules.

(e) The price or other consideration the entity will receive for the securities

The Further Placement Options are being issued as free-attaching options to the Further Placement Shares under the Further Placement. The exercise price of each Further Placement Option is \$0.25.

(f) The purpose of the issue, including the intended use of any funds raised by the issue

The Further Placement Options will be issued free-attaching to the Further Placement Shares under the Further Placement and the Company will receive no funds from their issue.

(g) If the securities are being issued under an agreement, a summary of any other material terms of the agreement

The Further Placement Options are not being issued pursuant to an agreement.

(h) If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover

The Further Placement Options are not being issued under, or to fund, a reverse takeover.

(i) A voting exclusion statement

A voting exclusion statement is set out in the Notice of Meeting.

Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

RESOLUTION 7 – ISSUE OF ADVISOR OPTIONS

Background

As referred to above, the Company appointed Vert Capital Pty Ltd (**Vert Capital** or **Vert**) to act as lead manager in respect of the Placement, under the terms and conditions set out in the Mandate. In addition, Vert Capital has agreed to underwrite the shortfall of subscriptions under the Offer pursuant to the Underwriting Agreement as described in the Prospectus issued by the Company dated 20 April 2022.

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In consideration of the provision of these services by the Vert Capital, the Company has agreed, subject to obtaining shareholder approval, to allot and issue to the Vert Capital (or its nominees) 20,000,000 Options (**Advisor Options**) in the Company exercisable at \$0.25 per share, exercisable on or before 30 June 2023 – being the same terms and conditions of the Company's existing Options that are also listed for quotation on ASX.

Resolution 7 is an Ordinary Resolution and seeks Shareholder approval to the issue of the Advisor Options, for the purposes of Listing Rule 7.1.

Listing Rule 7.1 - Issues exceeding 15% of capital

A summary of Listing Rule 7.1 is set out above in respect of Resolution 3.

The issue of Advisor Options does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue the Advisor Options to Vert Capital in relation to services provided in connection with the Placement and the Offer. In addition, the Advisor Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to issue the Advisor Options in connection with the services provided by Vert Capital in relation to the Placement and the Offer.

Information for Listing Rule 7.3

Pursuant to Listing Rule 7.3, the following information is provided in respect of the Listing Rule 7.1 approval sought under Resolution 7:

(a) The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected

The Advisor Options will be issued and allotted to the Vert Capital or its nominees.

(b) The number and class of securities the entity will issue

The Company will issue a total of 20,000,000 Advisor Options.

(c) If the securities are not fully paid ordinary securities, a summary of the material terms of the securities

The terms of the Advisor Options are set out in Schedule 5 to this Explanatory Memorandum and are identical to the Company's existing Options that are listed for quotation on ASX.

(d) The date or dates on or by which the entity will issue the securities

The Advisor Options will be issued shortly after the Meeting, on or about 2 June 2022 and, in any event, within three months of the date of the Meeting or such later date as is permitted by an ASX waiver or modification of the Listing Rules.

(e) The price or other consideration the entity will receive for the securities

The Advisor Options are being issued in consideration for the services provided by the Lead Manager pursuant to the Mandate and the Underwriting Agreement and a nominal issue price is payable by the Lead Manager of \$0.00001 per Advisor Option. The exercise price of each Advisor Option is \$0.25.

(f) The purpose of the issue, including the intended use of any funds raised by the issue

Explanatory Memorandum

The Advisor Options will be issued in part consideration for Vert Capital acting as lead manager to the Placement and as underwriter of the Offer shortfall.

A nominal issue price per Advisor Option is payable by the Lead Manager of \$0.00001 per Advisor Option.

(g) If the securities are being issued under an agreement, a summary of any other material terms of the agreement

The Lead Manager was engaged under the Mandate to act as the lead manager of the Placement. Under the Mandate and the Underwriting Agreement, subject to shareholder approval being obtained, the Company has agreed to allot and issue to the Lead Manager a total of 20,000,000 Options in the Company exercisable at \$0.25 per share, exercisable on or before 30 June 2023 – being the same terms and conditions of the Company's existing Options that are also listed for quotation on ASX.

If the Underwriting Agreement is terminated by the Underwriter, the number of Adviser Options to be issued will be reduced to 10,000,000.

The Company is also to pay the Lead Manager a management fee of 6% of funds raised under the Placement and the Offer, which is payable by the Company in the form of cash.

Further details of the Mandate and the Underwriting Agreement pursuant to which the Adviser Options are to be issued are set out in Schedule 3 to this Explanatory Memorandum.

(h) If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover

The Advisor Options are not being issued under, or to fund, a reverse takeover.

(i) A voting exclusion statement

A voting exclusion statement is set out in the Notice of Meeting.

Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

RESOLUTION 8 – ISSUE OF AAR CONSIDERATION SHARES

General

Under the proposed AAR Acquisition, the Company is obliged to pay an initial instalment of \$3,000,000 of the purchase price in May 2022. The second instalment of the purchase price comprises the issue of \$1,500,000 in AKN Shares – with the number of Shares to be calculated by reference to an amount that is a 15% discount to the 20-day VWAP in respect of AKN's shares traded on the ASX prior to the date of the Annual General Meeting.

Based on the current 20-day VWAP for AKN's shares traded on the ASX as at 22 April 2022, (\$0.178) the number of shares to be issued to AAR (or its nominee) would be 9,914,078 Shares. **Shareholders should note that this number is an example only and the number of Shares to be issued to AAR pursuant to Resolution 8 will likely differ to this amount.**

Resolution 8 seeks Shareholder approval for the Company to issue the AAR Shares and allow the Company to comply with its obligations under the AAR Acquisition.

Listing Rule 7.1 - Issues exceeding 15% of capital

The issue of the AAR Consideration Shares does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

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If Resolution 8 is passed, the Company will be able to issue the AAR Consideration Shares to AAR in completion of its obligations under the AAR Acquisition. In addition, the AAR Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to issue the AAR Consideration Shares and will be obliged to pay the \$1,500,000 amount to AAR in cash.

Information for Listing Rule 7.3

Pursuant to Listing Rule 7.3, the following information is provided in respect of the Listing Rule 7.1 approval sought under Resolution 8:

(a) The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected

The AAR Consideration Shares will be issued to AAR or its nominee.

(b) The number and class of securities the entity will issue

The Company will issue a total value of \$1,500,000 in AKN Shares – with the number of AAR Consideration Shares to be calculated by reference to an amount that is a 15% discount to the 20-day VWAP in respect of AKN's shares traded on the ASX prior to the date of the Annual General Meeting.

Accordingly, the number of AAR Consideration Shares to be issued will be calculated as follows:

$$N = \$1,500,000 / (85\% \times \text{VWAP})$$

Where:

N is the number of AAR Consideration Shares to be issued; and

VWAP is the average of the daily volume weighted average price of trading in A\$ in AKN Shares for the period of 20 days on which AKN Shares traded prior to the date of the Meeting, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

(c) If the securities are not fully paid ordinary securities, a summary of the material terms of the securities

The AAR Consideration Shares will be fully paid ordinary securities

(d) The date or dates on or by which the entity will issue the securities

The AAR Shares will be issued shortly after the Meeting, on or about 2 June 2022 and, in any event, within three months of the date of the Meeting or such later date as is permitted by an ASX waiver or modification of the Listing Rules.

(e) The price or other consideration the entity will receive for the securities

The AAR Shares are to be issued in discharge of the Company's obligations under the AAR Acquisition to pay part of the consideration equal to \$1,500,000.

(f) The purpose of the issue, including the intended use of any funds raised by the issue

The AAR Shares are to be issued in discharge part of the Company's obligations under the AAR Acquisition

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(g) If the securities are being issued under an agreement, a summary of any other material terms of the agreement

The AAR Consideration Shares are being issued under the Anglo Acquisition, details of which have been summarised in Schedule 4 to this Explanatory Memorandum.

(h) If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover

The AAR Shares are not being issued under, or to fund, a reverse takeover.

(i) A voting exclusion statement

A voting exclusion statement is set out in the Notice of Meeting.

Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

RESOLUTION 9 – APPROVAL OF EMPLOYEE SHARE AND OPTION PLAN

The Company proposes to adopt an employee share and option plan (**ESOP**) pursuant to which issued capital of the Company may be made available to directors, senior management and employees as a form of longer term equity incentive.

Pursuant to Resolution 9, the Company is seeking Shareholder approval to adopt the ESOP and approval for any potential future issue of securities under the Company's ESOP as an exception under Listing Rule 7.2, Exception 13(b) to Listing Rules 7.1 and 7.1A.

Approval of the ESOP is sought under exception 13(b) to Listing Rule 7.2 so that any issue of securities under the ESOP over the next 3 years will be excluded from the calculation of the number of securities issued for the purposes of Listing Rules 7.1 and 7.1A.

This is the first approval sought for the ESOP and accordingly no securities have been issued under the ESOP.

The maximum number of equity securities proposed to be issued under the ESOP in reliance on Listing Rule 7.2 (Exception 13(b)), is 5,300,000 securities, which includes the securities proposed to be issued pursuant to Resolutions 10, 11, 12 and 13. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

This maximum is not intended to be a prediction of the actual number of equity securities to be issued under the ESOP but is specified for the purposes of setting a ceiling on the number of equity securities approved to be issued under and for the purposes of ASX Listing Rule 7.2, Exception 13(b). Once that number is reached, any additional issues of equity securities under the ESOP would not have the benefit of Exception 13 without a fresh shareholder approval and will only be able to be made without shareholder approval under ASX Listing Rule 7.1 if the Company has sufficient placement capacity available at the time under ASX Listing Rule 7.1 (or if applicable ASX Listing Rule 7.1A).

A summary of the ESOP is set out in Schedule 1 to this Explanatory Memorandum.

The Company believes that it will derive a significant benefit by incentivising its senior management and key employees through the issue of securities under the ESOP. Additionally, the Company believes it to be in the best interests of the Company to preserve the maximum commercial flexibility to issue equity securities that is afforded to it by Listing Rule 7.1.

If the Resolution is passed, the Company will be able to issue securities under the ESOP over the next three years, up to a maximum of 5,300,000 of securities, without reducing the Company's 15% capacity to issue Shares under Listing Rule 7.1.

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If the Resolution is not passed, the Company will not be able to issue securities under the ESOP without either reducing its 15% capacity or seeking shareholder approval for every such issue of securities.

A voting exclusion statement is set out in the Notice of Meeting.

Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

RESOLUTIONS 10-13 – ISSUE OF INCENTIVE OPTIONS TO DIRECTORS UNDER THE ESOP

Introduction

The Company has recently undertaken a review of, and has implemented an updated policy in respect of, board, executive and employee remuneration. The purpose of the policy is to establish clear and guiding principles for decisions by the Company around employee, executive and director remuneration and to ensure fair, competitive and appropriate pay for the markets in which the Company operates. The Company's goal is to ensure that the mix and balance of remuneration is appropriate to attract, motivate and retain high calibre directors, senior executives and key management personnel, utilising a policy that is consistent with the Company's business strategy and contemporary corporate governance standards.

As part of this review, the Directors have resolved to refer to Shareholders for approval the proposed grant of:

- (a) 1,000,000 options to Dr Mark Elliott;
- (b) 500,000 options to Mr Tighe;
- (c) 500,000 options to Mr Hodgkinson; and
- (d) 500,000 options to Mr Yin,

under the ESOP (the **Director Options**).

The terms of the Director Options are set out in more detail below.

Approval of Resolutions 10 to 13 for the issue of the Director Options is sought in accordance with Listing Rule 10.14 and Part 2E of the Corporations Act. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rules 7.1 or 10.11. In order for the Director Options to be granted to a Director, the Board has determined that the requirements of Chapter 2E of the Corporations Act should also be observed.

Director Options terms

A summary of the terms of the ESOP is set out in Schedule 1 and the terms of the Director Options is set out in Schedule 2.

Relevant legislation and regulatory requirements

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in a general meeting in circumstances where certain requirements specified in Chapter 2E in relation to the convening of that meeting have been met.

A "Related Party" is defined widely in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company, any entity that controls (or is reasonably likely to control) a public company, and any entity that is controlled by a person or entity which is otherwise a

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Related Party, or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company.

A “Financial Benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolutions 10 to 13, if passed, will confer Financial Benefits to the recipients of the Director Options (being Mark Elliott, Peter Tighe, Ian Hodkinson and Shizhou Yin as Directors of the Company) and the Company seeks to obtain Shareholder approval in accordance with the requirements of Part 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders.

(a) **The Related Parties to whom Resolutions 10,11,12 and 13 would permit the Financial Benefits to be given (section 219(1)(a))**

With respect to:

- (1) Resolution 10, Dr Elliott;
- (2) Resolution 11, Mr Tighe;
- (3) Resolution 12, Mr Hodkinson; and
- (4) Resolution 13, Mr Yin,

(or their respective nominees), who are Related Parties of the Company because they are Directors of the Company.

(b) **The nature of the Financial Benefits (section 219(1)(b))**

The nature of the proposed Financial Benefit to be given is the grant of:

- (1) 1,000,000 Director Options to Dr Elliott as referred to in Resolution 10;
- (2) 500,000 Director Options to Mr Tighe as referred to in Resolution 11;
- (3) 500,000 Director Options to Mr Hodkinson as referred to in Resolution 12; and
- (4) 500,000 Director Options to Mr Yin as referred to in Resolution 13,

which shall be issued on the terms set out in Schedule 2.

(c) **Directors’ recommendation (section 219(1)(c))**

- (1) With respect to Resolution 10, Mr Tighe, Mr Hodkinson and Mr Yin (with Dr Elliott abstaining) recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:
 - (A) the grant of the Director Options as proposed to Dr Elliott are intended to drive leadership and overall direction of the company, consistent governance and oversight of the Company and its management and are awarded based on service;
 - (B) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
 - (C) in the Company’s circumstances as they existed as at the date of this Explanatory Memorandum, Mr Tighe, Mr Hodkinson and Mr Yin considered that the incentive provided a cost effective and efficient incentive as opposed

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to alternative forms of incentives (e.g. cash bonuses). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options (and resulting Shares) to a third party.

As Dr Elliott is interested in the outcome of Resolution 10, he makes no recommendation to Shareholders in respect of this Resolution.

(2) With respect to Resolution 11, Dr Elliott, Mr Hodkinson and Mr Yin (with Mr Tighe abstaining) recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (A) the grant of the Director Options as proposed to Mr Tighe are intended to drive consistent governance and oversight of the Company and its management and are awarded based on service;
- (B) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (C) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, Dr Elliott, Mr Hodkinson and Mr Yin considered that the incentive provided a cost effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options (and resulting Shares) to a third party.

As Mr Tighe is interested in the outcome of Resolution 11, he makes no recommendation to Shareholders in respect of this Resolution.

(3) With respect to Resolution 12, Dr Elliott, Mr Tighe and Mr Yin (with Mr Hodkinson abstaining) recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (A) the grant of the Director Options as proposed to Mr Hodkinson are intended to drive consistent governance and oversight of the Company and its management and are awarded based on service;
- (B) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (C) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, Dr Elliott, Mr Tighe and Mr Yin considered that the incentive provided a cost effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options (and resulting Shares) to a third party.

As Mr Hodkinson is interested in the outcome of Resolution **Error! Reference source not found.**, he makes no recommendation to Shareholders in respect of this Resolution.

(4) With respect to Resolution 13, Dr Elliott, Mr Tighe and Mr Hodkinson (with Mr Yin abstaining) recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (A) the grant of the Director Options as proposed to Mr Yin are intended to drive consistent governance and oversight of the Company and its management and are awarded based on service;
- (B) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and

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- (C) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, Dr Elliott, Mr Tighe and Mr Hodgkinson considered that the incentive provided a cost effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options (and resulting Shares) to a third party.

As Mr Yin is interested in the outcome of Resolution 13, he makes no recommendation to Shareholders in respect of this Resolution.

(d) **Directors' interest and other remuneration (section 219(1)(d))**

- (1) Dr Elliott has a material personal interest in the outcome of Resolution 10, as it is proposed that the 1,000,000 Director Options be granted to him (or his nominee) as set out in Resolution 10.

Excluding the Director Options, Dr Elliott (and entities associated with him) holds 35,750 Shares. In addition, Dr Elliott currently receives director's fees of \$60,000 per annum from the Company for his services as Non-Executive Chair of the Company

- (2) Mr Tighe has a material personal interest in the outcome of Resolution 11, as it is proposed that the 500,000 Director Options be granted to him (or his nominee) as set out in Resolution 11.

Excluding the Director Options, Mr Tighe (and entities associated with him) holds 1,833,333 Shares. In addition, Mr Tighe currently receives director's fees of \$35,000 per annum from the Company for his services as Non-Executive Director of the Company.

- (3) Mr Hodgkinson has a material personal interest in the outcome of Resolution 12, as it is proposed that the 500,000 Director Options be issued to him (or his nominee) as set out in Resolution 12.

Excluding the Director Options, Mr Hodgkinson currently receives director's fees of \$35,000 per annum from the Company for his services as Non-Executive Director of the Company.

- (4) Mr Yin has a material personal interest in the outcome of Resolution 13, as it is proposed that the 500,000 Director Options be issued to him (or his nominee) as set out in Resolution 13.

Excluding the Director Options, Mr Yin (and entities associated with him) holds 9,245,091 Shares. In addition, Mr Yin currently receives director's fees of \$35,000 per annum from the Company for his services as Non-Executive Director of the Company.

If all of the Director Options granted vest and are exercised by Dr Elliott, Mr Tighe, Mr Hodgkinson and Mr Yin, it will have the following effect on their holdings in the Company (assuming successful completion of the Placement and the Offer and no other Shares in the Company are issued or acquired by those Directors other than taking up their entitlements under the Offer) and the dilutionary impact on current Shareholders of the Company:

Shareholder	Current Share Holding	% of Total Share Capital Shares on issue	Shares held Upon issue and exercise of Directors Shares	% of Total Share Capital Shares on issue
Current Shareholders	111,712,991	88.235%	111,712,991	86.526%
Mark Elliott	47,667	0.038%	1,047,667	0.812%
Peter Tighe	2,461,167	1.944%	2,961,167	2.294%

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Shareholder	Current Share Holding	% of Total Share Capital Shares on issue	Shares held Upon issue and exercise of Directors Shares	% of Total Share Capital Shares on issue
Ian Hodgkinson	Nil	-	500,000	0.387%
Shizhou Yin	12,386,789	9.783%	12,886,789	9.981%
Total	126,608,614	100%	129,108,614	100%

(e) Valuation

The Director Options are not currently quoted on the ASX and as such have no readily observed market value. The Director Options each grant the holder thereof a right to subscribe for one Share upon exercise of each Director Option and payment of the Exercise Price of the Director Option. Accordingly, the Director Options may have a present value at the date of their grant.

The Director Options may acquire future value dependent upon the extent to which the Shares exceed the Exercise Price of the Director Options during the term of the Director Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

- (1) the period outstanding before the expiry date of the options;
- (2) the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- (3) the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- (4) the value of the shares into which the options may be converted; and
- (5) whether or not the options are listed (i.e. readily capable of being liquidated),
and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model option valuation formula).

The Company has undertaken a valuation of the Director Options utilising the Black-Scholes Model, which is the most widely used and recognised model for pricing options.

Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in the valuation applying the Black-Scholes Model was:

- (1) an exercise price of the Director Options being \$0.25;
- (2) a market price of Shares of \$0.15 being the closing price of Shares prior to the 21 April 2022 (being the date the valuation was undertaken), as a proxy for the market price at the future date of issue, being the date of the Meeting to approve the issue;
- (3) the Director Options vesting following 12 months of service on 31 May 2023;
- (4) an expiry dates of 31 May 2025 for the Director Options;
- (5) a volatility measure of 106%;

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- (6) a risk-free interest rate of 2.46%; and
- (7) a dividend yield of nil.

Some relatively minor variables were included in the calculation to estimate the value of the Director Options as “American style” options (being exercisable at any time prior to the stated expiry date). Theoretically, the Black-Scholes Model prices “European style” options (being exercisable only on this exercise date).

Based on the valuation, the Company has adopted an indicative value for the Director Options as follows:

Item	Director Options
Underlying security spot price	\$0.15
Exercise price	\$0.25
Valuation date	21/04/2022
Commencement of vesting period	31/5/2022
Vesting dates	31/5/2023
Vesting period (years)	1.0
Expiry date	31/5/2025
Life of the Options (years)	3
Volatility	106%
Risk-free rate	2.46%
Dividend yield	0%
Valuation per Option	\$0.084

On that basis, the respective value of the Director Options to be issued pursuant to Resolutions 10 to 13 is as follows:

Directors name	Number of Options	Total \$ based on option valuation of \$0.084 per option
Mark Elliott	1,000,000	\$84,000
Peter Tighe	500,000	\$42,000
Ian Hodgkinson	500,000	\$42,000
Shizhou Yin	500,000	\$42,000

- (f) **Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors (section 219(1)(e) and 219(2))**

There is no other information known to the Company or any of its Directors save and except as follows:

(1) **Market Price movements**

The option valuation noted above is based on a market price of the Shares at the time of the valuation dated 21 April 2022 of \$0.084 per option. There is a possibility that the market price of the Shares on the date of issue of the Director Options will be different to this and that the market price of the Shares will change up to the date of the Meeting.

Examples of the effect on the valuation per option of movements in the market price of the Shares is set out below:

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Market Price	Valuation per option
\$0.135	\$0.073
\$0.165	\$0.096

(2) Trading history

As at 21 April 2022, the closing price of Shares on the ASX was \$0.14.

Set out below is the trading history of the Shares over the past 12 months.

In the 12 months prior to 21 April 2022, the Company's trading history is as follows:

	Market Price 6 months prior to Notice of Meeting	Market Price 12 months prior to Notice of Meeting
High	\$0.307	\$0.366
Low	\$0.119	\$0.119
VWAP	\$0.215	\$0.223

(3) Opportunity costs

The opportunity costs and benefits foregone by the Company issuing the Director Options to Dr Elliott, Mr Tighe, Mr Hodgkinson and Mr Yin (or their respective nominees) is the potentially dilutionary impact on the issued Share capital of the Company (in the event that the Director Options are exercised). Until exercised, the issue of the Director Options will not impact upon the number of Shares on issue in the Company. To the extent that the dilutionary impact caused by the issue of the Director Options will be detrimental to the Company, this is considered to be more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms.

(4) Taxation consequences

No stamp duty will be payable in respect of the grant of the Director Options. No GST will be payable by the Company in respect of the grant of the Director Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

(5) Dilutionary effect

The effect of the issue of the Director Options, assuming that none of the existing options on issue in the Company have been exercised, is summarised at paragraph 1.1(d) above.

(6) Lodgement with ASIC

A copy of this Notice and the Explanatory Memorandum has been lodged with ASIC in accordance with section 218 of the Corporations Act.

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Listing Rule 10.14

(b) **Listing Rule 10.14**

The Company is proposing to issue the Director Options.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (1) **(Listing Rule 10.14.1)** a director of the Company;
- (2) **(Listing Rule 10.14.2)** an associate of a director of the Company; or
- (3) **(Listing Rule 10.14.3)** a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders,

unless it obtains the approval of its Shareholders.

The issue of the Director Options falls within Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 10 to 13 seek the required Shareholder approval to issue the Director Options under and for the purposes of Listing Rule 10.14.

If Resolutions 10 to 13 are passed, the Company will be able to proceed with the issue of the Director Options and the Directors will be remunerated accordingly.

If any of the Resolutions 10 to 13 are not passed, the Company will not be able to proceed with the issue of the Director Options and the Company may need to consider other forms of performance-based remuneration in that regard.

For the purposes of Listing Rule 10.15, the Company advises as follows:

- (1) **(Listing Rule 10.15.1)** the following Directors (or their respective nominees) are to be the recipients of the Director Options:
 - (A) Resolution 10, Dr Elliott;
 - (B) Resolution 11, Mr Tighe;
 - (C) Resolution 12, Mr Hodgkinson; and
 - (D) Resolution 13, Mr Yin.
- (2) **(Listing Rule 10.15.2)** as each of the above are Directors they fall within the category stipulated by Listing Rule 10.14.1. In the event the Director Options are issued to a nominee of the relevant Directors, that person will fall within the category stipulated by Listing Rule 10.14.2;
- (3) **(Listing Rule 10.15.3)** The maximum number of Director Options to be issued to the Directors is 2,500,000 Director Options, being:
 - (A) to Dr Elliott (or his nominee), 1,000,000 Director Options;
 - (B) to Mr Tighe (or his nominee), 500,000 Director Options;
 - (C) to Mr Hodgkinson (or his nominee), 500,000 Director Options; and
 - (D) to Mr Yin (or his nominee), 500,000 Director Options

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- (4) **(Listing Rule 10.15.4)** details of the total remuneration package of each of Dr Elliott, Mr Tighe, Mr Hodgkinson and Mr Yin is set out above;
- (5) **(Listing Rule 10.15.5)** No securities have previously been issued to any Director under the ESOP;
- (6) **(Listing Rule 10.15.6)** a summary of the material terms of the Director Options is set out at Schedule 2.

The Company has proposed to issue the Director Options to reward and incentivise the Directors to contribute to the growth of the Company. The Company believes that the grant of the Director Options provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses).

Details of the value of the Director Options are set out at paragraph 1.1(e) above;

- (7) **(Listing Rule 10.15.7)** the Director Options are intended to be granted as soon as possible following the meeting, but in any event, within three (3) years of the date of the Meeting;
- (8) **(Listing Rule 10.15.8)** the Director Options are being issued for nil cash consideration;
- (9) **(Listing Rule 10.15.9)** A summary of the material terms of the ESOP is set out in **Error! Reference source not found.**;
- (10) **(Listing Rule 10.15.10)** no loans of any description will be provided to the Directors in relation to the Director Options;
- (11) **(Listing Rule 10.15.11)** details of any equity securities issued under the ESOP will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who will become entitled to participate in an issue of Equity Securities under the ESOP after Resolutions 10 to 13 are approved (should they be approved) and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14; and

- (12) **(Listing Rule 10.15.12)** a voting exclusion statement for each of Resolutions 10 to 13 is contained in the Notice of Meeting above.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.14, approval is not required to be obtained under Listing Rule 7.1.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 10 to 13.

DEFINITIONS

\$ means Australian dollars.

AAR means Anglo Australian Resources NL ACN 009 159 077.

AAR Acquisition means the proposed acquisition by the Company of the balance 25% interest of the Koongie Park Joint Venture by way of the acquisition of all of the issued shares in Koongie Park Pty Ltd ACN 644 953 551 from AAR.

AAR Consideration Shares means the Shares to be issued by AKN pursuant to the AAR Acquisition as partial consideration being that number of shares equal to \$1,500,000 calculated by reference to the 20-day

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volume weighted average price for Shares on the ASX prior to the date of the Meeting.

ASX means ASX Limited ACN 008 624 691.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph.

Company or AKN means AuKing Mining Ltd ACN 070 859 522.

Convertible Securities has the meaning given to that term in the Listing Rules.

Corporations Act means the Corporations Act 2001 (Cth) as amended from time to time.

Equity Securities has the meaning given to that term in the Listing Rules.

Further Placement means the placement of Shares by the Company to sophisticated and professional investors of up to a maximum of 7,000,000 Shares, together with up to 2,333,333 free-attaching Options to raise up to a maximum of \$980,000.

Further Placement Options means a maximum of 2,333,333 free attaching Options to be issued under the Further Placement.

Further Placement Recipients means the recipients of the Further Placement Shares and the Further Placement Options being sophisticated and professional investors.

Further Placement Shares means a maximum of 7,000,000 Shares to be issued under the Further Placement.

Initial Placement means the placement of Shares by the Company to sophisticated and professional investors of up to a maximum of 18,822,412 Shares, together with (subject to shareholder approval) up to 6,274,138 free-attaching Options to raise up to a maximum of \$2,635,138.

Initial Placement Options means a maximum of 6,274,138 free attaching Options to be issued under the Initial Placement.

Initial Placement Recipients means the recipients of the Initial Placement Shares and the Initial Placement Options being sophisticated and professional investors.

Initial Placement Shares means a maximum of 18,822,412 Shares issued pursuant to the Initial Placement

Key Management Personnel or KMP has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Koongie Park JVA means the agreement dated 8 February 2021 between AKN and AAR.

Koongie Park Joint Venture means the joint venture established by the Koongie Park JVA.

Listing Rules means the listing rules of the ASX.

Meeting means this meeting.

Offer means the pro rata, non-renounceable offer to eligible shareholders to subscribe for one (1) New Share for every for every three (3) Shares held at an issue price of \$0.14 per Share pursuant to a prospectus issued by the Company dated 20 April 2022.

Options means options to subscribe for Shares, exercisable at \$0.25 on or before 30 June 2023.

Placement means the Initial Placement and the Further Placement.

Proxy Form means the proxy form accompanying the Notice.

Shareholder means shareholder of the Company.

Shares means ordinary shares in the capital of the Company.

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VWAP means the volume weighted average closing price on the ASX.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Paul Marshall (Company Secretary):

Telephone: 0433 019 836 or by email to p.marshall@aukingmining.com

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Proxy, representative and voting entitlement instructions

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

AuKing Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

Facsimile No: +61 2 9287 0309

Telephone Phone: 1300 554 474

Alternative online voting can be accessed at: www.linkmarketservices.com.au. Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on 29 May 2022. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

- | | |
|--------------------|--|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the security holders should sign. |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | Where the company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the <i>Corporations Act 2001</i>) does not have a Company Secretary, a Sole Director can also sign alone. |

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place

Explanatory Memorandum

Schedule 1 Schedule 1 – Summary of ESOP

Note that terms not otherwise defined in the Notice or Explanatory Memorandum have the meaning given to them under the ESOP (referred to below as the “Plan”)

1. The Plan is to extend to Eligible Persons or Eligible Associate (as the case may be) of AuKing Mining Limited ACN 070 859 522 (**Company**) or an Associated Body Corporate of the Company as the Board may in its discretion determine.
2. The total number of Securities which may be offered by the Company under the Plan shall not at any time exceed 5% of the Company’s total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous three year period under:
 - (a) an employee incentive scheme covered by ASIC CO 14/1000; or
 - (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
3. The Shares are to be issued at a price determined by the Board.
4. The Options are to be issued for no consideration.
5. The exercise price of an Option is to be determined by the Board at its sole discretion.
6. The Option Commencement Date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board prior to the issuance of the relevant Options.
7. The Option Period commences on the Option Commencement Date and ends on the earlier of:
 - (a) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than two years;
 - (b) if an Eligible Person’s employment or engagement with the Company or an Associated Body Corporate ceases because of an Uncontrollable Event, the earlier of:
 - (i) the expiry of the Option Period; or
 - (ii) six months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement;
 - (c) if an Eligible Person’s employment or engagement with the Company or an Associated Body Corporate ceases because of a Controllable Event:
 - (i) the expiry of the Option Period; or
 - (ii) three months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement; or
 - (d) the Eligible Person ceasing to be employed or engaged by the Company or an Associated Body Corporate of the Company due to fraud, dishonesty or being in material breach of their obligations to the Company or an Associated Body Corporate.
8. Eligibility to participate is determined by the Board. Eligibility is restricted to Eligible Persons (or their Eligible Associates where applicable) of the Company or an Associated Body Corporate of the Company. The Board is entitled to determine:
 - (a) subject to paragraph 2, the total number of Shares and Options to be offered in any one year to Eligible Persons or Eligible Associates;
 - (b) the Eligible Persons to whom offers will be made; and
 - (c) the terms and conditions of any Shares and Options granted, subject to the Plan.
9. In respect of Options, Option holders do not participate in dividends or in bonus issues unless the Options are exercised.
10. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.
11. In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with the formula in the terms of the Plan.

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12. The Board has the right to vary the entitlements of Participants to take account of the effect of capital reorganisations, bonus issues or rights issues.
13. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
14. The Board may impose as a condition of any offer of Shares and Options under the Plan any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
15. The Board may vary the Plan.
16. The Plan is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an Eligible Person under the terms of his or her employment or arrangement.
17. At any time from the date of an Offer until the Acceptance Date of that Offer, the Board undertakes that it shall provide information as to:
 - (a) the Current Market Price of the Shares; and
 - (b) the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the Offer,to any Participant within three Business Days of a written request to the Company from that Participant to do so.
18. Any Offer made pursuant to the Plan will specify whether subdivision 83A-C of the applicable Tax Laws applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.

In the Plan:

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Uncontrollable Event means:

- (a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
- (b) forced early retirement, retrenchment or redundancy; or
- (c) such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

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Schedule 2 - Summary of the Director Option Terms

A summary of the material terms of the Director Options is set out below:

1. The Director Options shall be issued in accordance with the ESOP.
2. The Director Options are intended to be issued as soon as possible following the Meeting (**Issue Date**), but in any event, no later than three (3) years after the date of the Meeting.
3. The Director Options shall be issued for no cash consideration.
4. The Director Options will vest in full after the Director has completed 12 months service in that capacity from the date of issue of the Director Options.
5. A Change of Control Event occurs where:
 - (a) an offer is made for the issued share capital of the Company pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
 - (b) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of the issued share capital of the Company immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
 - (d) the Company enters into agreements to dispose of its main business undertaking or the principal assets (whether or not in the form of shares in the Company) of the Company to a person, or a number of persons, and those agreements become unconditional.
6. If a Change of Control Event in relation to the Company occurs or is likely to occur (as determined by the Board):
 - (a) all unvested Director Options will automatically vest and become exercisable; and
 - (b) the Board may in its absolute discretion determine the manner in which any or all of the Director Options (including the Director Options which vest as a result of the occurrence or likely occurrence of the relevant Change of Control Event) will be dealt with.
7. If, as a result of a Change of Control Event, the Company has or will become a wholly owned subsidiary of another entity listed on an internationally recognised stock exchange, the Board may (but is not obliged to) determine that any or all of the vested but unexercised Director Options, be exchanged for options issued by the new head company with equivalent value (and so far as if legally practicable) and the same rights.
8. The exercise price of each Director Option is equal to a 50% premium on the VWAP of Shares calculated over 20 trading days immediately prior to the issue of the Director Option. (**Exercise Price**).
9. The Director Options will expire on 31 May 2025 (**Expiry Date**), unless earlier exercised.
10. The Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative).
11. The Director Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Director Option to the Company at any time on or after the Issue Date of the Director Options and on or before the Expiry

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Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.

12. The number of Director Options that may be exercised at one time must be not less than 250,000, unless the Director Option holder holds less than 250,000 Director Options in which case all Director Options must be exercised at one time.
13. Upon the valid exercise of the Director Options and payment of the Exercise Price, the Company will issue one fully paid ordinary Share for each Director Option exercised ranking pari passu with the then issued Shares.
14. Director Option holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Director Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
15. Director Option holders do not participate in any dividends unless the Director Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
16. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) the number of Director Options, the Exercise Price of the Director Options or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Director Options which are not conferred on shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Director Options will remain unchanged.
17. If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O' = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

- O' = the new exercise price of the Director Option;
- O = the old exercise price of the Director Option;
- E = the number of underlying securities into which one Director Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities during the five trading days ending on the day before the ex-right date or the ex-entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

18. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Director Option is exercisable may be increased by the number of shares which the Director Option holder would have received if the Director Option had been exercised before the record date for the bonus issue.
19. The terms of the Director Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all

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necessary waivers of the Listing Rules are obtained, the terms of the Director Options shall not be changed to reduce the Exercise Price, increase the number of Director Options or change any period for exercise of the Director Options.

20. The Company does not intend to apply for listing of the Director Options on the ASX.
21. The Company shall apply for listing of the resultant Shares of the Company issued upon exercise of any Director Options.

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Schedule 3 - Summary of the Mandate and Underwriting Agreement

Mandate with Vert Capital Pty Ltd

The Company entered a mandate to appoint Vert Capital Pty Ltd as Lead Manager to the Placement dated 15 April 2022. The Mandate will oblige Vert to coordinate and manage the Placement on the following terms:

- (a) by placing a minimum of 18,822,412 Shares at fourteen cents (\$0.14) per share to sophisticated and professional investors to raise up to \$2,635,138 (the Initial Placement), with the ability to accept oversubscriptions for up to 7,000,000 Shares or \$980,000 (the Further Placement). Any oversubscriptions will be subject to shareholder approval to be sought at the next general meeting of the Company; and
- (b) subject to shareholder approval, for every three (3) Shares issued under the Placement investors will receive one (1) free attaching option, each with an exercise price of twenty-five cents (\$0.25) expiring 30 June 2023.

The fee payable to Vert under the Mandate for the Placement is a lead manager fee of 6% plus GST, of the total funds raised under the Placement (Placement Fee). Subject to shareholder approval if necessary, which shall be sought at the Meeting, Vert (and/or their nominee/s) has the right to elect to receive some or all of the Placement Fee in Shares at a price equal to the Placement Price, however Vert has advised the Company that they do not intend to make this election and accordingly the fee will be payable in cash.

Vert is entitled to be reimbursed for expenses incurred, subject to limitations and approvals.

Vert can terminate the Mandate if the Company commits a material breach of the Mandate, breaches a warranty or representation or suffers an insolvency event. The Company can terminate on 7 days notice without cause.

The Company provides standard warranties and indemnities to Vert for losses incurred arising from a breach by the Company of the Mandate terms.

Underwriting Agreement

The Company engaged Vert Capital Pty Ltd (**Underwriter**) as the Underwriter for the Offer under the underwriting agreement dated 19 April 2022 (**Underwriting Agreement**).

The Underwriting Agreement is subject to standard terms and conditions.

The key terms of the Underwriting Agreement are as follows:

- (c) the Company must pay to the Underwriter an underwriting fee of 6% (plus any applicable GST) of the Underwritten Amount, being \$3,513,517 in consideration for the Underwriter underwriting the Entitlement Offer. Subject to shareholder approval if necessary, the Underwriter (and/or their nominee/s) has the right to elect to receive some or all of this fee in Shares at a price equal to the Offer Price, however Vert has advised the Company that they do not intend to make this election and accordingly the fee will be payable in cash;
- (d) the Company will also issue the Underwriter 20,000,000 Adviser Options, subject to the Company obtaining prior Shareholder approval for their issue. In the event that the Underwriting Agreement is terminated by the Underwriter in accordance with its terms, the number of Adviser Options to be issued to the Underwriter will be reduced to 10,000,000;
- (e) the Underwriter must liaise with the Company and both must use best endeavours to agree an allocation of the shortfall;
- (f) the Underwriter must ensure that no party will receive Shares under the shortfall that would result in that party holding a Relevant Interest in 19.9% or more of the Company upon completion of the Offer;

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- (g) the Company provides standard warranties and indemnities in favour of the Underwriter. The indemnities relate to liabilities arising from the prospectus, Entitlement Offer or a breach by the Company of the Underwriting Agreement;
- (h) the Company must issue a shortfall notice and accompanying certificate to Vert four (4) Business Days after the closing date of the Offer and the Underwriter must lodge or cause to be lodged applications for the shortfall within a further five (5) Business Days;
- (i) the Underwriter is entitled to be reimbursed for reasonable costs and expenses incurred provided that the aggregate does not exceed \$1,000 without the consent of the Company;
- (j) the underwriting obligations can be terminated by the Underwriter in a number of circumstances including if:
 - (1) (Indices fall) the S&P or ASX 200 Index closes on any two (2) consecutive trading days before the Company is obliged to give a shortfall notice to the Underwriter 5% or more below its respective level as at the close of business on the Business Day prior to the execution date of the Underwriting Agreement;
 - (2) (Share price fall) the Company share price closes on any two (2) consecutive trading days before the Shortfall Notice Deadline Date 5% or more below the Offer price;
 - (3) (Offer Document): the Offer is withdrawn by the Company;
 - (4) (Restriction on allotment): the Company is prevented from allotting the new Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
 - (5) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt. 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
 - (6) (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, the United Kingdom, the United States of America, India or the People's Republic of China, which causes an indices fall in accordance with paragraph (1) above;
 - (7) (Authorization): any authorization which is material to anything referred to in the prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
 - (8) (Event of Insolvency): an event of insolvency occurs in respect of the Company or a subsidiary of the Company (**Relevant Company**);
 - (9) (Indictable offence): a director or senior manager of a Relevant Company is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer; or
 - (10) (Termination Events): upon the occurrence of any of the following events and in the reasonable opinion of the Underwriter reached in good faith, such event has or is likely to have, or those events together have, or could reasonably be expected to have, a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act:
 - (11) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the date on which the Underwriter is obliged to subscribe for Shortfall shares;

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- (12) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (13) (Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (14) (Adverse change): an event occurs which gives rise to a material adverse effect in relation to the Company's assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
- (15) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Entitlement Offer or the Prospectus except where required by law or the Listing Rules;
- (16) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the affairs of any Relevant Company is or becomes misleading or deceptive in a material respect or likely to mislead or deceive in a material respect;
- (17) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (18) (Prescribed Occurrence): a prescribed occurrence (such as a reconstruction of capital, buy-back, disposal, insolvency event) occurs, other than as disclosed in the prospectus or on ASX;
- (19) (Suspension of debt payments): the Company suspends payment of its debts generally;
- (20) (Judgment against a Relevant Company): a judgment in an amount exceeding \$50,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (21) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (22) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the new Shares without the prior written consent of the Underwriter;
- (23) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (24) (Force Majeure): a force majeure affecting the Company's business or any obligation under the Underwriting Agreement in excess of 5 days occurs;
- (25) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;

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- (26) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by this Prospectus or the Underwriting Agreement other than in relation to an issue of Shares on the conversion of convertible securities on issue in the Company at the date of the prospectus;
 - (27) (Breach of Material Contracts): any of the material contracts of the Company are terminated or substantially modified;
 - (28) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
 - (29) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.
- (k) the Company gives various warranties, indemnities and covenants in favour of the Underwriter that are considered standard for an agreement of this nature.

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Schedule 4 – Summary of AAR Acquisition Agreement

In February 2021, the Company entered into an earn-in and joint venture agreement with Anglo Australian Resources NL ACN 009 159 077 (**AAR**) providing the Company with the right to earn up to a 75% interest in the Koongie Park Project by completing exploration expenditure of \$3m over a 3-year period. The Company has since completed these earn-in expenditure commitments and currently holds a 75% interest in the Koongie Park Joint Venture. During the same period, the Company and AAR entered into a separate agreement titled “Precious Metals Rights Agreement” under which, the right to explore for and develop the gold and platinum group elements (PGEs) were excluded from the Koongie Park tenures for the 100% sole benefit of AAR.

On 4 April 2022, the Company entered into an agreement with AAR to progress the acquisition by the Company from AAR of the remaining 25% participating interest in the Koongie Park Joint Venture (by which the Company will achieve a 100% ownership interest in the project). The AAR Acquisition will proceed by way of:

- (a) AAR transferring the tenements that are subject to the Koongie Park Joint Venture to its wholly owned subsidiary Koongie Park Pty Ltd (**KPPL**);
- (b) the Company acquiring all of the issued shares in KPPL;
- (c) the Koongie Park Joint Venture being terminated; and
- (d) the Precious Metals Rights Agreement in respect of the PGEs rights held in respect of the Koongie Park tenures being terminated.

Conditions Precedent

The AAR Acquisition is conditional upon:

- (a) the Company successfully raising a minimum of \$7,000,000 pursuant to a capital raising on or before 16 May 2022 (or such other date as agreed by the Company and AAR); and
- (b) KPPL and AAR obtaining approval from the Minister for Lands to transfer the Mining Lease which forms part of the Koongie Park Joint Venture from AAR to KPPL.

The Company and AAR must use reasonable endeavours to satisfy the Conditions Precedent as soon as possible and, in any event, by no later than 4 July 2022.

Purchase Price

A purchase price of \$6,000,000 is payable to AAR by the Company in the following manner:

- (a) the payment of three million dollars (\$3,000,000) on the date which is two business days following the satisfaction or waiver of the conditions precedent;
- (b) the issue of Shares (or the payment of a cash equivalent) to AAR (or its nominee) immediately after the Meeting, subject to the Company obtaining shareholder approval for the issue of the Shares (**Purchase Shares**); and
- (c) the payment of one million five hundred thousand dollars (\$1,500,000) on or before 31 October 2022 (**Deferred Payment**).

The Company may elect to defer payment of the Deferred Payment to AAR until 31 March 2023, but on the basis that the final payment is then increased to two million dollars (\$2,000,000).

Other Conditions

Certain other features of the proposed acquisition involve the following:

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- (a) The Purchase Shares to be issued to AAR will be issued at a price that is calculated by reference to the 20-day volume weighted average price for Shares on the ASX prior to the date of the Meeting;
- (b) AAR has agreed to a voluntary restriction of their shares for a 3 month period from the date of issue, however the imposition of this restriction by the Company will be subject to any limitation on the Company obtaining an interest in its own shares through the voluntary restriction in excess of 20% of the issued capital of the Company;
- (c) The parties agree that the Joint Venture Agreement and PMRA is terminated with effect from the completion date.

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Schedule 5 – Terms of Initial Placement Options, Further Placement Options and Adviser Options

The Initial Placement Options, Further Placement Options and Adviser Options (**Options**) are issued on and subject to the following terms:

- (d) The exercise price of each Option is \$0.25 (**Exercise Price**).
- (e) The Options will expire on 30 June 2023 (**Expiry Date**) unless earlier exercised.
- (f) The Options are transferrable.
- (g) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise (**Exercise Notice**) together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
- (h) The number of Options that may be exercised at one time must be not less than 25,000, unless the holder of the Option (**Option Holder**) holds less than 25,000 Options in which case all Options must be exercised at one time.
- (i) The Company will, within timeframes that comply with the Listing Rules (and in any event within 20 Business Days after the valid exercise of the Options):
 - (1) allot and issue the number of fully paid ordinary Shares ranking pari passu with the then issued Shares as required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company; and
 - (2) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (j) Option Holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where and only to the extent required pursuant to the Listing Rules, provide Option Holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (k) Option Holders do not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- (l) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (i) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the Option Holders are not conferred on Shareholders; and
 - (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (m) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

$$N + 1$$

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Where:

- O^n = the new exercise price of the Option;
 - O = the old exercise price of the Option;
 - E = the number of underlying securities into which one Option is exercisable;
 - P = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex-right date or the ex-entitlements date;
 - S = the subscription price for a security under the pro rata issue;
 - D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
 - N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- (n) If there is a bonus issue to the Shareholders of the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.
 - (o) The terms of the Options shall only be changed if Shareholders (whose votes are not to be disregarded) of in the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
 - (p) The Company intends to apply for listing of the Options on the ASX.