



AKN completes \$2.47M placement and underwrites drilling commitments in early 2022

17 November 2021

AuKing Mining Limited

ABN 29 070 859 522

(ASX Code: AKN, AKNO)

AKN is a resource exploration and development company seeking to develop the Koongie Park copper/zinc project in Western Australia.

Issued Capital:

75,289,651
Ordinary shares
17,500,000
Options (30 June 2023 @
25c each)

Directors:

Dr Mark Elliott
Chairman
Peter Tighe
Non-Executive Director
Ian Hodgkinson
Non-Executive Director
Shizhou Yin
Non-Executive Director

Chief Executive Officer:

Paul Williams

Company Secretary:

Paul Marshall

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Highlights:

- AKN receives binding commitments to raise \$2.47M through a strongly supported share placement at 16.5c per share
- A total of 15M new shares will be issued under the placement which was managed by Perth-based Vert Capital
- The placement funds (less costs) enable AKN to enter into commitments with drilling companies to carry out further drilling activities from March/April 2022
- News flow to continue from existing drilling program at Koongie Park (Sandiego and Onedin deposits)
- AKN also formally commits to ESG principles in conjunction with technology platform, Socialsuite

AKN Chief Executive Officer, Paul Williams said *“We are very pleased to have completed our \$2.47M placement in conjunction with lead manager Vert Capital. The placement will expand and enhance AKN’s exposure to the Perth investor market. In addition, the placement provides AKN with sufficient funds to enable the company to enter into commitments with drilling companies for drilling programs to start in March/April 2022*

“AKN has also recognised the importance of mining and exploration companies to support the “Environment, Social and Governance” (ESG) reporting principles. In conjunction with Socialsuite, AKN has committed to provide quarterly updates to record its performance in accordance with a list of 21 criteria.”

Completion of \$2.47M placement

AuKing Mining Limited (“AKN” or “the Company”) has received binding commitments for a share placement to raise \$2.47M before costs (“the Placement”). The Placement will comprise the issue of 15M new ordinary fully paid shares in AKN at an issue price of 16.5c per share. The Placement is not subject to shareholder approval as it falls within the Company’s placement capacity under ASX Listing Rule 7.1 and 7.1A.

The Placement was completed by Lead Manager, Vert Capital Pty Ltd (“Vert”). Vert is entitled to be paid fees for their services in respect of the Placement as follows:

- A cash payment comprising 6% of the funds raised (approx. \$148k); and
- The issue to Vert (or its nominee) of a total 4M AKN options, being the same class of options that are currently listed for quotation on the ASX (under code AKNO) – exercisable at 25c on or before 30 June 2023 (“Vert Options”). The Vert Options can only be issued after the Company obtains confirmation from ASX and its existing shareholders to do so, at the next available general meeting.

The Placement was strongly supported by clients of Vert and other sophisticated investors introduced to the Company by Vert.

Together with existing cash and receivables (approx. \$1.8M), the Placement ensures that AKN is well-funded to enter into binding commitments with drilling companies for proposed exploration drilling scheduled to commence in March/April 2022. Those commitments are being finalised as soon as possible. The Placement funding will also provide for corporate costs and working capital requirements.

Placement Details

The issue price of 16.5c represents an 8.33% discount to AKN’s last close on 12 November 2021 of 18c, a 10.3% discount to the 5-day VWAP of 18.4c and a 24.3% discount to the 15-day VWAP of 21.8c.

The Placement shares will rank equally with existing fully paid ordinary shares. Settlement of the Placement is expected to be completed on 23 November 2021 and the shares are expected to be allotted on 24 November 2021.

The Placement has been conducted pursuant to the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A. A total of 8,971,035 shares will be issued under Listing Rule 7.1 and 6,028,965 shares will be issued under Listing Rule 7.1A.

Drilling program update

The Company’s drilling program at Koongie Park is continuing, with approximately 5,700m of the scheduled 7,500m program completed. Diamond drilling is currently taking place at the Onedin deposit with the primary purpose of obtaining samples for the planned metallurgical testwork program on the near-surface oxide and transition ores at Onedin. Assay results will continue to be available over the next several weeks.

Koongie Park JORC resource update

AKN has appointed CSA Global to prepare an updated 2012 JORC resource estimate for the Koongie Park project. Work has commenced but will not be completed until all of the assays have been obtained from the current drilling program – possibly not all available until early January 2022, with the final report expected to be completed in late January, early February 2022.

ESG commitment

The Company has adopted the World Economic Forum’s “Environment, Social and Governance” (“ESG”) framework and instructed management to set up an impact measurement plan for each sustainability area. These areas include governance, anti-corruption practices, ethical behaviour, health and safety, GHG emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and economic contribution.

To ensure that AKN can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the outcomes measurement and ongoing ESG reporting process. These reports will appear quarterly in the Company’s future Quarterly Activities Reports to ASX.

Koongie Park copper/zinc project overview

Koongie Park is situated in north-eastern Western Australia in the highly mineralised Halls Creek region. The Koongie Park project comprises 10 licences (two mining and eight exploration) covering an area of over 500km². The asset has existing JORC 2012 resources of **6.8Mt at 1.3% Cu, 4.1% Zn, 0.3g/t Au and 26g/t Ag***.

*[*See full resources table at the end of this Release and CSA Global Independent Report, AKN Prospectus dated 9 March 2021]*

Koongie Park remains significantly under explored at depth and along strike and highly prospective for further VMS base metal mineralisation discoveries at depths below 150m. The Company has identified multiple drill targets to expand on the existing known resources at both the Sandiego and Onedin deposits. Both deposits remain open at depth and to the south.

Koongie Park Earn-in

In February 2021, AKN entered into an earn-in and joint venture agreement (“JVA”) with Anglo Australian Resources NL 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. This expenditure is in addition to the \$1m already paid by AKN to secure an initial 25% interest in the JV. The JVA commenced on 15 June 2021 upon AKN’s re-quotations on the ASX.

ENDS

This announcement is authorised by:

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Competent Person's Statement

The information in this report that relates to Mineral Resources at the Koongie Park Project is based on information compiled by Mr David Williams who is a member of the Australian Institute of Geoscientists. Mr Williams is a Principal Consultant Geologist (Brisbane) of CSA Global and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information relating to the Mineral Resources at the Koongie Park copper/zinc project is extracted from the Independent Technical Report of CSA Global (the CSA Global Report), which is included in the Company's Prospectus dated 9 March 2021 and which was lodged with ASX on 10 March 2021.

The report is available to view on the AKN website www.aukingmining.com. The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

In the CSA Global Independent Technical Report, a full combined Mineral resource estimate for the Koongie Park project deposits is as follows:

Koongie Park	Zone	Cut-off grade	Classification	Tonnes (Mt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
Onedin + Sandiego	Supergene	Cu >0.8%	Indicated	0.9	2.5	1.7	0.3	39
			Inferred	0.0	1.0	0.1	0.1	3
	Transitional and Primary	Cu >0.8%	Indicated	1.9	2.3	1.3	0.4	21
			Inferred	0.4	1.8	2.0	0.3	5
	Zn Dominant Primary	Zn >3%	Indicated	3.2	0.4	6.6	0.2	30
			Inferred	0.4	0.1	6.2	0.1	9
	All zones	Various	Indicated	6.0	1.3	4.2	0.3	28
			Inferred	0.8	1.0	3.8	0.2	7
	TOTAL	Various	Total	6.8	1.3	4.1	0.3	26

[Note: CSA Global cautions that the two deposits and three oxidation zones have different metallurgical properties and/or cut-off grades, and this needs to be considered when assessing the combined totals]