

Prospectus

AuKing Mining Limited ACN 070 859 522 (**Company**)

A non-renounceable rights issue to Eligible Shareholders of One (1) New Share for every Three (3) Shares held at an issue price of \$0.14 per New Share (together with free-attaching options exercisable at \$0.25 on or before 30 June 2023 to be issued on the basis of One (1) option for every Three (3) New Shares issued) to raise approximately \$3,527,517.

The Entitlement Offer is fully underwritten by Vert Capital Pty Ltd ACN 635 566 424

This document is important and it should be read in its entirety

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5.00pm (Brisbane time) on the Closing Date. Please refer to the timetable set out in this Prospectus for the Important Dates.

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The securities offered by this Prospectus are considered to be speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for distribution in the United States of America or to U.S. persons.

Important information

Issue Price of New Shares	\$0.14
Entitlement Offer Ratio	1:3
Maximum number of New Shares to be issued under the Entitlement Offer^{1, 2}	25,196,551
Maximum number of Shares to be on issue following issue of the New Shares under the Entitlement Offer^{1, 2, 3}	100,786,202
Maximum number of New Options to be issued under the Entitlement Offer^{1, 2}	8,398,851
Maximum number of Options to be on issue following issue of the New Options under the Entitlement Offer^{1, 2, 3, 4}	29,898,851

¹ Excludes any New Shares and New Options which may be issued in the event that any Existing Options are exercised prior to the Record Date. Some allowance has been made for rounding, with Fractional Entitlements being rounded up.

² Assumes that the maximum number of New Shares and New Options are issued pursuant to the Entitlement Offer. The Entitlement Offer is fully underwritten. Some allowance has been made for rounding, with Fractional Entitlements being rounded up.

³ Excludes any Shares and Options to be issued by the Company pursuant to the Initial Placement and the Further Placement. Shares issued pursuant to the Initial Placement will not participate in the Entitlement Offer. Shares issued pursuant to the Further Placement are subject to shareholder approval and will be issued after the close of the Entitlement Offer. The issue of Options under both the Initial Placement and the Further Placement are subject to shareholder approval.

⁴ Excludes the Underwriter Options to be issued to the Underwriter as part of the underwriting fee, details of which are set out in section 7.12. The issue of the Underwriter Options is subject to shareholder approval.

Key dates

Company in Trading Halt	Thursday 14 April 2022
Trading Halt lifted	Wednesday 20 April 2022
Announcement of Entitlement Offer	Wednesday 20 April 2022
Record Date for the Entitlement Offer	Tuesday 26 April 2022 (7.00pm AEST)
Entitlement Offer Opens	Wednesday 27 April 2022
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	Friday 29 April 2022
Closing Date of Entitlement Offer	Monday 16 May 2022 (5.00pm AEST)
Issue of New Shares and New Options pursuant to Entitlement Offer	Monday 23 May 2022
New Shares and New Options pursuant to Entitlement Offer commence trading on ASX	Tuesday 24 May 2022
Expected date for despatch of holding statements	Thursday 26 May 2022

Further details regarding the timetable for the Entitlement Offer are set out in section 2.2. All dates are subject to change and accordingly are indicative only. In particular, the Company reserves the right to vary this timetable at any time, subject to the Corporations Act and the Listing Rules, without prior notice. Eligible Shareholders are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens.

Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to:

- (a) withdraw the Entitlement Offer without prior notice; or
- (b) vary any of the key dates set out in this Prospectus, including by extending the Entitlement Offer.

Important notice

This Prospectus is dated 20 April 2022 and was lodged with the ASIC on the same date. Neither the ASIC nor the ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an Entitlement Offer to Eligible Shareholders the offer of New Shares under the Entitlement Shortfall Facility of continuously quoted securities (as defined in the *Corporations Act*) and has been prepared in accordance with section 713 of the *Corporations Act*. No exposure period applies to this Prospectus by virtue of ASIC Corporations (Exposure Period) Instrument 2016/74.

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX. Accordingly, the level of disclosure contained in this Prospectus is significantly less than that required under a prospectus for an initial public offer and Eligible Shareholders should consider: all relevant facts and circumstances, including their knowledge of the Company and any disclosures that it has made to the ASX; and should consult their professional advisers, before deciding whether to accept the Entitlement Offer.

No person is authorised to give any information or to make any representation in connection with the Issue described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Issue.

Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Entitlement Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 2.11 for further information on offer restrictions with respect to shareholders who do not have registered addresses in Australia.

New Zealand

The New Shares and New Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct Act 2013 (New Zealand) (FMC Act)*, the *Financial Markets Conduct Regulations of New Zealand*, and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act.

This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your application for New Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your application monies.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of Acceptance Money by BPAY® or electronic funds transfer (EFT) in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form. Eligible Shareholders can also apply for Additional Entitlement Offer Shares in excess of their Entitlement. Please refer to section 3 of this Prospectus.

This Prospectus is available in electronic form on the internet at <https://www.aukingmining.com>. If you wish to obtain a free copy of this Prospectus, please contact the Company on +61 7 3535 1208 or by email at admin@aukingmining.com.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Entitlement Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the New Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement, please call the Share Registry on +61 1300 554 474.

Deciding to accept the Entitlement Offer

No person named in this Prospectus, nor any other person, guarantees the performance of AuKing, the repayment of capital or the payment of a return on the New Shares.

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.5 of this Prospectus and set out in more detail in section 6 of this Prospectus.

This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Entitlement Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: <https://www.aukingmining.com>.

Shareholders can download their personalised Entitlement and Acceptance Form at <https://www.aukingmining.com>.

Terms used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 8.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. Any information or representation in connection with the Entitlement Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Entitlement Offer. The Entitlement Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Target Market Determination

A Target Market Determination in respect of the New Options offered under this Prospectus has been prepared by the Company as required under section 994B of the Corporations Act and is available on the Company's website at www.aukingmining.com. Please refer to section 7.21 for further information in respect of the Target Market Determination.

Competent Person Statement

The information in this Prospectus that relates to exploration results at the Koongie Park Project is based on information compiled by Mr Ian Hodgkinson who is a member of the Australian Institute of Geoscientists and the Society for Geology Applied to Mineral Deposits. Mr Hodgkinson is a non-executive director of the Company 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hodgkinson consents to the inclusion in this Prospectus to the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Mineral Resource Estimates 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 full time employee 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 this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus relating to the Mineral Resource Estimates at the Koongie Park copper/zinc project is extracted from the Independent Mineral Resource Estimate of CSA Global (**the Report**) dated 4 April 2022, which 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 Report.

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Chairman's letter

20 April 2022

Dear Shareholders,

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Shares in AuKing Mining Limited (**Entitlement Offer**).

As announced on 20 April 2022 the Directors wish to provide the opportunity for Eligible Shareholders to invest in New Shares under the Entitlement Offer. The Entitlement Offer is a non-renounceable rights issue of One (1) New Share for every Three (3) Shares held at an issue price of \$0.14 per New Share, to raise approximately \$3,527,517 (before costs of the Entitlement Offer). Free-attaching options exercisable at \$0.25 on or before 30 June 2023 are also to be issued on the basis of One (1) option for every Three (3) New Shares issued). The issue price represents a 12.5% discount to the Company's last traded share price on 13 April 2022 (\$0.16) and a 23.4% discount to the 15 day volume-weighted average Share price (being \$0.183) as at 13 April 2022.

It is proposed that the funds raised from the Entitlement Offer will be applied for the purposes of funding the Company's proposed exploration activities for 2022, payment of part the purchase price for the acquisition of the balance of the Koongie Park Project and associated costs of the acquisition (together with funds raised from the Placement), the costs of the Entitlement Offer and to provide working capital.

Those Directors who currently hold shares intend to take up their entitlement to New Shares as disclosed in section 1.10.

A personalised Entitlement and Acceptance Form is attached to this Prospectus and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY® or electronic funds transfer (EFT) in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Entitlement Offer.

Eligible Shareholders may, in addition to their Entitlement, apply for Additional Entitlement Offer Shares under the Entitlement Shortfall Facility (refer to section 1.9 of this Prospectus for more information). The issue of any Additional Entitlement Offer Shares will be filled at the Company's discretion in consultation with the Underwriter from any Shortfall. Further details of the allocation policy to be applied are set out in section 2.3.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

The Entitlement Offer is fully underwritten by Vert Capital Pty Ltd. The Company will work with the Underwriter to place any shortfall to new investors of New Shares not subscribed to by Eligible Shareholders.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Mark Elliott
Chairman
AuKing Mining Limited

1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Entitlement Offer

This Prospectus is for the non-renounceable rights issue of approximately 25,196,551 New Shares at an issue price of \$0.14 per New Share, on the basis of One (1) New Share for every Three (3) Shares held by Eligible Shareholders as at the Record Date. Free-attaching options exercisable at \$0.25 on or before 30 June 2023 will also be issued on the basis of One (1) option for every Three (3) New Shares issued.

The Entitlement Offer is an offer to Eligible Shareholders only.

The Entitlement Offer is underwritten by Vert Capital Pty Ltd.

The issue price represents a 12.5% discount to the Company's last traded share price on 13 April 2022 (\$0.16) and a 23.4% discount to the 15 day volume-weighted average Share price (being \$0.183) as at 13 April 2022.

The Company has Existing Options on issue, which could increase the number of New Shares to be issued if the holders of Existing Options exercise their Existing Options prior to the Record Date.

Within 7 days of the date of this Prospectus, the Company will apply to the ASX for the New Shares and New Options to be granted Official Quotation on the ASX. Official Quotation of the New Shares and New Options is expected to occur on or about 24 May 2022.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares made under this Prospectus, in which case the Company will return all applications moneys (without interest) within 28 days of giving notice of such withdrawal.

Eligible Shareholders are Shareholders:

- who are on the Register on the Record Date;
- who are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- who are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of. An Entitlement and Acceptance Form setting out your Entitlement as an Eligible Shareholder accompanies this Prospectus.

Eligible Shareholders may subscribe for all or part of their Entitlement. Eligible Shareholders who accept their Entitlement in full may also apply for Additional Entitlement Offer Shares from the Entitlement Shortfall Facility. Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in the Company diluted by the Entitlement Offer.

There is no guarantee that Eligible Shareholders will receive the number of Additional Entitlement Offer Shares applied for, or indeed, any Additional Entitlement Offer Shares at all. The ability for the Company to issue Additional Entitlement Offer Shares is dependent upon the extent of any Shortfall. The number of New Shares issued under the Entitlement Shortfall Facility will not exceed the Shortfall. The Company, in consultation with the Underwriter, may reject any application for Additional Entitlement Offer Shares or allocate fewer Additional Entitlement Offer Shares than applied for by Eligible Shareholders for Additional Entitlement

Offer Shares. The Directors, in conjunction with the Underwriter, shall allot and issue Additional Entitlement Offer Shares in accordance with the allocation policy for the Entitlement Shortfall set out in section 2.3.

The Entitlement Offer as a whole is fully underwritten by the Underwriter. Further details of the underwriting appear in Sections 1.11, 5.3 and 7.12.

Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are summarised in section 1.6 and set out in section 6 of this Prospectus.

1.2 Minimum subscription

There is no minimum subscription to the Issue.

1.3 Purpose of the Entitlement Offer

The Directors intend to apply the proceeds from the Entitlement Offer for the purposes of:

- (a) funding the Company's proposed exploration costs for 2022;
- (b) funding, together with the proceeds of the Placement, the cash components of the consideration to acquire the balance 25% interest in the Koongie Park Project, together with the costs associated with that transaction;
- (c) the costs of the Entitlement Offer; and
- (d) working capital.

The proceeds from the Entitlement Offer (assuming it is fully subscribed) is proposed to be allocated in the following manner:

Proposed use of funds	
Koongie Park Acquisition consideration and associated transaction costs ¹	\$2,120,000
Proposed Koongie Park exploration costs for 2022 ²	\$849,000
Estimated costs of the Entitlement Offer (including legal fees, underwriter's fees, Share Registry fees, ASX fees and other miscellaneous costs associated with the Entitlement Offer) ³	\$331,000
Working capital	\$227,517
Total (maximum raising)	\$3,527,517

¹ The total cash consideration payable by the Company is \$4.5 million. The proceeds raised by the Company from the Placement will be combined with this amount to meet the Company's commitments. Further details of the terms of the acquisition are set out in section 7.10.

² The proceeds raised by the Company from the Placement will be combined with this amount to meet the Company's proposed 2022 exploration costs at Koongie Park

³ Assumes that the Entitlement Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 3.1.

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders. To the extent that the maximum subscription is not raised under the Entitlement Offer (for example if the Underwriting Agreement is terminated), the Company may not raise sufficient funds to satisfy the conditions precedent for the Koongie Park Acquisition (see section 7.10). If that is the case, the Company will not complete the Koongie Park Acquisition and will apply the funds raised to further advance exploration work at Koongie Park.

1.4 Investment highlights

During the second half of 2021, the Company completed a 6,400m drilling program at Koongie Park in north-eastern Western Australia. The primary focus of activities was at the Sandiego and Onedin deposits at Koongie Park. Several key investment highlights emerged from this program as follows:

- (a) Almost every one of the 29 holes drilled intersected significant copper, zinc and other mineralisation including the following:

124m @ 1.03% Cu, 1.08% Zn, 1.54% Pb & 50g/t Ag from 8m (Hole AOWB003) – see ASX release 4 October 2021¹; and

105.3m @ 1.94% Cu, 0.76% Zn, 0.70% Pb, 55g/t Ag and 106ppm Mo from 46m (Hole AORD004) – see ASX release 21 February 2022²;

- (b) Completion by the Company of both stages of the earn-in rights under its agreement with AAR – thereby securing a 75% participating interest in the Koongie Park joint venture;
- (c) Results obtained from the drilling has provided significant confidence to prepare an updated JORC (2012) resource estimate for the Onedin and Sandiego deposits;
- (d) Drilling identified potential significant levels of cobalt mineralisation across the Sandiego deposit; and
- (e) Several high priority target areas have been identified at Koongie Park that are ready for drilling, which could lead to significant discoveries.

Each of these highlights have established a strong platform for further exploration across the Koongie Park tenures throughout 2022.

On 5 April 2022 the Company announced the proposed acquisition from AAR of interests in the Koongie Park project that the Company did not already own – namely, 25% of the Koongie Park Joint Venture and 100% of the gold and PGE rights associated with the Koongie Park tenure package. A purchase price of \$6,000,000 is payable to AAR by the Company in the following manner:

- (a) \$3,000,000 in cash upon satisfaction of conditions precedent which is expected to be in mid to late May 2022;
- (b) \$1,500,000 in the form of the issue of Shares, to be issued on or before 30 June 2022 (subject to obtaining Company shareholder approval); and
- (c) A final instalment of \$1,500,000 payable on or before 31 October 2022.

A key condition precedent to be satisfied before completion of this acquisition can occur is successful completion by the Company of capital raising activities totalling \$7,000,000 by 16 May 2022. To that end, the Company has recently announced the Placement, details of which are set out in section 1.5.

Further details of the Koongie Park Acquisition are set out in section 7.10.

If sufficient funds are not raised by the Company under the Entitlement Offer and the Placement to satisfy the conditions precedent for the Koongie Park Acquisition (see section

¹ As set out in the Company's announcement dated 4 October 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Company's announcement of 4 October 2021.

² As set out in the Company's announcement dated 21 February 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Company's announcement of 21 February 2022.

7.10), the Company will not complete the Koongie Park Acquisition and will apply the funds raised to further advance exploration work at Koongie Park.

1.5 Placement

As announced on 20 April 2022, the Company has secured commitments to raise up to a maximum of \$3,615,138 pursuant to the Placement. The Placement comprises:

- (a) the Initial Placement, being for up to 18,822,412 Shares to be issued at \$0.14 each to raise up to approximately \$2,635,138, together with one free-attaching Option exercisable at \$0.25 each expiring on 30 June 2023 for every three (3) Shares issued under the Initial Placement. The Shares issued under the Initial Placement will not participate in the Entitlement Offer. The Options to be issued under the Initial Placement are subject to the Company obtaining shareholder approval for the issue of those Options; and
- (b) the Further Placement, being for up to 7,000,000 Shares to be issued at \$0.14 each to raise up to approximately \$980,000 together with one free-attaching Option exercisable at \$0.25 each expiring on 30 June 2023 for every three (3) Shares issued under the Further Placement. The issue of the Shares and Options under the Further Placement are subject to shareholder approval and accordingly, the Shares to be issued under the Further Placement will not participate in the Entitlement Offer.

The Underwriter has agreed to act as Lead Manager for the Placement. Details of the Lead Manager Mandate are set out in section 7.11. The Underwriter will be paid a fee equal to 6% of funds raised under the Placement for acting as Lead Manager.

1.6 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

In addition to the general market and economic risks noted in section 6.2, the following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
<u>Transaction Risk</u>	The Koongie Park Acquisition is subject to conditions precedent which if not satisfied or waived, the Koongie Park Acquisition may not proceed. Upon completion of the Koongie Park Acquisition, the Koongie Park Joint Venture will be terminated and the Company will release AAR (and its subsidiaries) from any money that they may have otherwise been obliged to pay under the Koongie Park Joint Venture. The Koongie Park Acquisition involves the acquisition of all of the issued shares in Koongie Park Pty Ltd (KPPL), a wholly owned subsidiary of AAR. KPPL may have liabilities and obligations that AKN is not aware of, as well as the transfer of tenements to KPPL and the assignment of Native Title, Heritage Protection and Mineral Exploration Agreement to the Company or KPPL. The Company (either directly or through KPPL) will assume the obligations and liabilities under these agreements and relating to the tenements and this may impact adversely on the Company's financial position.

Risk	Details
<u>Reliance on Key Management</u>	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. In the event that any of the key personnel leaves the Company and the Company is unable to recruit suitable replacements, such loss could have a materially adverse effect on the Company.
<u>No history of production</u>	The Koongie Park Project is in the exploration stage. The Company has never had any direct material interest in mining producing properties. There is no assurance that commercial quantities of resources will be discovered at any of the tenements in which the Company will have an interest or any future tenements in which the Company may acquire an interest, nor is there any assurance that the exploration or development programs of the Company thereon will yield any positive results. Even if commercial quantities of resources are discovered, there can be no assurance that any property in which the Company has an interest will ever be brought to a stage where resources can profitably be produced.
<u>Material arrangements</u>	<p>The Company is party to various contracts. While the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties or that the Company will be successful in securing compliance with contractual terms.</p> <p>Given there is currently no mining production at the Koongie Park Project, the Company does not currently have supply agreements in place with respect to product that may be extracted from the Koongie Park Project and may not be able to negotiate supply agreements on terms that permit the Company to finance and commence development on the Koongie Park Project.</p>
<u>Exploration and evaluation risk</u>	<p>The future value of the Company will depend on its ability to find and develop resources that are economically recoverable within the tenements in which the Company has acquired an interest.</p> <p>Mineral exploration and development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that economic mineralisation will be found, and if found, that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. This may result in projects not being developed, or operations becoming unprofitable.</p> <p>Furthermore, the exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p> <p>Should the Koongie Park Project prove unviable and the Company is unable to secure new exploration areas and resources, there could be a material adverse effect on the Company's prospects for minerals exploration and its success in the future.</p>

Risk	Details
<u>Mining Tenements</u>	<p>The Company's future exploration and development activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations, which often depends on the Company being successful in obtaining the required statutory approvals and renewals.</p> <p>For several years, while generally kept in good standing, the statutory exploration commitments across the existing portfolio of tenements comprising the Koongie Park Project have, in many cases, not been met by the current holder. Even though the Company has committed significant exploration expenditure at Koongie Park there is still risk associated with the Company's ongoing ability to retain the portfolio in its current form. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a tenement or tenements.</p> <p>There is no guarantee that current or future tenements applications or existing renewals will be granted, that they will be granted without undue delay, that new conditions will not be imposed in connection with any renewal or that the Company can economically comply with any conditions imposed on any granted exploration tenements. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>
<u>Failure to satisfy expenditure commitments and licence conditions</u>	<p>Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in Western Australia and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.</p> <p>If the Company does not meet the minimum expenditure requirements for each tenement, each tenement is at risk of forfeiture from the Minister for Mines and Petroleum or a third party. If a tenement is forfeited there is no guarantee the Company will be able to regain title to the tenement and, if the Company loses a tenement, it will have a significant impact on the Company's ability to discover and develop mineral resources on that tenement.</p>
<u>Title Risk</u>	<p>The exploration and prospecting licences in which the Company has an interest in now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any licences, applications or conversions in which the Company has a current or potential interest will be granted or ministerial approvals for the transfer of the relevant tenements will be obtained. All of the projects in which the Company has an interest will be subject to application for licence renewal from time to time, which is subject to applicable legislation. If the licence is not renewed for any reason, the Company may suffer significant damage.</p> <p>Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to</p>

Risk	Details
	unregistered prior agreements or transfers and may be affected by undetected defects or other stakeholder rights.
<u>AmmLeach® Processing</u>	The Company has certain rights to access the AmmLeach processing technology in conducting its metallurgical testwork activities. There are a number of risks associated with these rights, including that further contracts will need to be negotiated for the technology to be used in any development at Koongie Park, reliance by the Company on a third party's interest in the patented technology and the fact that the technology has not yet been the subject of commercialisation.
<u>Resource Estimation</u>	<p>Mineral resource estimates and exploration targets are expressions of judgement based on knowledge, experience and industry practice. There are inherent risks associated with such estimates, including that ore eventually recovered may be of a different grade, tonnage or strip ratio from those adopted in the model used. These estimates also depend to some extent on interpretations and geological assumptions which may ultimately prove to be unreliable. As further information becomes available through additional drilling and analysis, the estimates are likely to change. Any adjustments to mineral resource estimates could affect the Company's exploration and development which may, in turn, affect the Company's performance.</p> <p>Fluctuations in commodity prices, costs and other market factors may subsequently alter a resource estimation. Accordingly, adverse changes to the assumptions underpinning mineral resource estimates or exploration targets would likely negatively impact the value of the tenements and thereby the Company's prospects.</p>
<u>Climate Change</u>	<p>The operations and activities of the Company are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.</p> <p>Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
<u>Community and Environmental risks</u>	<p>The Company welcomes the opportunity to consult with local communities. Any community opposition to the Company's activities may have an adverse effect on the Company's activities and may result in the Company incurring additional cost and experiencing delay in the timely progression of its projects.</p> <p>The operations and proposed activities of the Company will be subject to environmental laws and regulations. These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards as well as establishing</p>

Risk	Details
	<p>obligations to rehabilitate current and former facilities and locations where operations are or were conducted.</p> <p>As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environment damage caused by previous owners or property acquired by the Company, or non-compliance with environmental laws or regulations. The Company will attempt to minimise these risks by conducting its activities to the highest standard of environmental obligation and where possible, by carrying appropriate insurance coverage.</p> <p>Amendments to current laws, regulations, policies and permits governing operations and activities of mining and mineral resources companies, or more stringent implementation, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or, in the event the Company develops its current or future projects to the production stage, cause increases in production costs or a reduction in level of producing properties or require abandonment or delays in development of new properties.</p>
<u>Native Title Risk</u>	<p>In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p>
<u>Commodity Price Risk</u>	<p>The Company's possible future revenues may be derived mainly from commodities and/or royalties gained from potential joint ventures or other arrangements. Consequently, the Company's potential future earnings will likely be closely related to the prices of various commodities. The prices of commodities fluctuate and are affected by numerous industry factors including demand for the commodity, forward selling by producers, production cost levels in major producing regions and macroeconomic factors such as inflation, interest rates currency exchange rates and global and regional demand for, and supply of, commodities.</p>
<u>Exchange rate risk</u>	<p>The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. Fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.</p>
<u>Industrial risk</u>	<p>Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect a tenement's development and profitability. The operations of the Company are subject to strict health and safety laws and regulations. The Company may become liable for past and current conduct which violates such laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by the Company or may be uninsurable. In addition, any changes in health and</p>

Risk	Details
	<p>safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.</p>
<p><u>Land Access Risk</u></p>	<p>Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. There are various restrictions operating to exclude, limit or impose conditions upon the Company's ability to conduct activities on parts of the tenements that the Company holds an interest in. These restrictions include:</p> <ul style="list-style-type: none"> • exclusions from pursuing exploration activities on certain areas of Commonwealth land; • requirements arising from Native Title legislation and claims; • requirements arising from state legislation relating to Aboriginal heritage, culture and objects; and • access procedures and compensation requirements in relation to privately held land. <p>The Company will formulate its development plans and activities to accommodate and work within the access restrictions outlined, however the requirements can be complex and sometimes require approvals, consents or negotiations involving government or third parties. As such, there is a risk one or more of these access issues may prevent or delay the Company from implementing its intended activities which may thereby adversely affect the Company's financial position and prospects.</p>
<p><u>Insurance arrangements</u></p>	<p>The Company intends to ensure that insurance is maintained with ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims. Moreover, insurance against risks such as environmental protection or other hazards as a result of exploration, development and production activities is not generally available to the Company or to other companies in the mineral resources industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.</p>
<p><u>Financing Risk</u></p>	<p>The Company has finite financial resources and no cash flow from producing assets and therefore will likely require additional financing in order to carry out its exploration and development activities. The Company's ability to effectively implement its business strategy over time will depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause the Company to have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its exploration interests in certain properties, and reduce or terminate its operations entirely. If the Company raises</p>

Risk	Details
	additional funds through the issue of equity securities, this may result in dilution to the existing shareholders and/or a change of control at the Company.
<u>Competition Risk</u>	The Company will compete with other companies, including major mineral resources companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for business opportunities. There can be no assurance that the Company can compete effectively with these companies.
<u>Operational Risk</u>	If the Company decides to progress into production in the future, the operations of the Company including exploration and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, processing technical difficulties encountered in commissioning and plant and equipment, mechanical failure, problems which affect extraction, rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.
<u>Mine Development Risks</u>	<p>Possible future development of a mining operation at any of the Company's current or future projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company discovers an economically viable mineral deposit that it intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions, pandemics or accidents.</p>

Further details regarding risks which may affect the Company in the future are set out in section 6.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.7 **New Share and New Option terms**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 7.3.

Upon issue, each New Option will rank equally with existing Options on issue. A summary of the rights attaching to the New Options is set out in section 7.4.

1.8 **Acceptance of Entitlement to New Shares**

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY® or electronic funds transfer (EFT) in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Acceptance Money should be rounded up to the nearest cent.

Application Monies for New Shares (and any Additional Entitlement Offer Shares applied for (discussed further in section 1.9 below)) must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Entitlement Offer (set out in section 2.2). For further details of how to take up your Entitlement and apply under the Entitlement Offer, please refer to section 3.

1.9 **Application for Additional Entitlement Offer Shares and Shortfall Offer**

Any Entitlement not taken up pursuant to the Entitlement Offer will form part of the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Prospectus. The issue price of any Additional Entitlement Offer Shares offered pursuant to the Shortfall Offer will be \$0.14, which is the Offer Price at which the Entitlement Offer has been made to Eligible Shareholders.

Shareholders who apply for their full Entitlement may also apply for additional New Shares (**Additional Entitlement Offer Shares**) in excess of their Entitlement at the Issue Price, to be issued from any Shortfall (at the Company's discretion in consultation with the Underwriter and in accordance with the terms of the Underwriting Agreement). Directors of the Company (and any other related parties of the Company including for the purposes of Listing Rule 10.11) are not permitted to apply for Additional Entitlement Offer Shares but may take up their Entitlement, if any.

Additional Entitlement Offer Shares will be issued under the Shortfall Offer. The allocation of any New Shares in excess of an Entitlement will be at the absolute discretion of the Company and its Directors (in consultation with the Underwriter and in accordance with the terms of the Underwriting Agreement) and as such there is no guarantee that any Additional Entitlement Offer Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Additional Entitlement Offer Shares they applied for under the Shortfall Offer. The Company reserves the right to scale back any applications for Additional Entitlement Offer Shares under the Shortfall Offer. If this occurs, Application Monies will be returned (without interest) to the extent of the scale back.

In the event that there is a further Shortfall in subscriptions under the Entitlement Offer following the issuance of the Additional Entitlement Offer Shares under the Shortfall Offer, the Company and the Directors reserve the right, as contemplated within the ASX Listing Rules, to allocate any further Shortfall of New Shares in their absolute discretion (in consultation with the Underwriter and in accordance with the terms of the Underwriting Agreement) and to conduct an offer of the remaining Shortfall to ensure a maximum amount of funds are raised. They will

do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall, hold a relevant interest of more than 20% of all of the Shares in the Company after this Issue (except as contemplated by the Underwriting Agreement or permitted under the Corporations Act or FATA) (see sections 7.15 and 7.14).

Eligible Shareholders should be aware that to the extent that they do not accept their Entitlements in full a Shortfall will arise, and all or part of that Shortfall may be placed by the Company (in consultation with the Underwriter) to third parties, in which case the interest of relevant Eligible Shareholders in the Company may be significantly diluted (see section 5.3 for further details). Any Shortfall to third parties will be issued within three months after the Closing Date at an issue price being not less than the Issue Price.

Eligible Shareholders may Apply for Additional Entitlement Offer Shares by completing the Additional Entitlement Offer Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the form, and including the appropriate Application Monies for these Additional Entitlement Offer Shares with the payment for your Entitlement.

1.10 Directors intentions in respect of Entitlements

As at the date of this Prospectus, some of the Directors of AKN have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

Director	Shares ²	Entitlement	Intentions
Mark Elliott	35,750	11,917	To take up Entitlement in full
Peter Tighe	1,883,500	627,834	To take up Entitlement in full
Ian Hodkinson	-	-	Not applicable
ShiZhou Yin ¹	9,425,092	3,141,698	See Note 1 below

Note:

1 Mr Yin does not hold any Shares, however is an associate of Bienitial International Industrial Co Ltd. Bienitial International Industrial Co Ltd holds 9,425,092 Shares and therefore has an Entitlement of 3,141,698 New Shares. The Company has been advised that Bienitial International Industrial Co Ltd intends to take up its Entitlement in full, subject to it obtaining required foreign regulatory approvals that apply to it for it to be able to apply for New Shares. Such approvals may not be obtained prior to the Closing Date, or at all. Accordingly, there is a risk that while Bienitial International Industrial Co Ltd intends to participate in the Entitlement Offer, it may not be able to accept any of its Entitlement.

2 Details of Options held by the Directors are set out in section 7.6.

1.11 Underwriter

Vert Capital Pty Ltd has been appointed as the underwriter to the Entitlement Offer. Further details of the terms of appointment of the underwriter are set out in section 7.12. Vert Capital Pty Ltd has also acted as Lead Manager to the Placement and details of this appointment are set out in section 7.11.

The Entitlement Offer is fully underwritten by the Underwriter. The Underwriter and its Associates currently has an interest in 2,787,021 Shares on issue (representing an interest of 3.69% of the total Shares on issue).

Details of the Underwriting Agreement with the Underwriter are contained in section 7.11 of this Prospectus. For further information regarding the potential effect of the underwriting of the Entitlement Offer on control of the Company, please refer to section 5.3.

1.12 Dilution of Shareholder's interests

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in

consultation with the Underwriter, to other parties in which case their interest in the Company may be significantly diluted (see section 5.3 for further details). Further the Entitlement Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Entitlement Offer. Given the terms of the Entitlement Offer, the interests of a Shareholder in the Company may be diluted by the Entitlement Offer by up to 25% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Entitlement Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Further, the conduct of the Placements in conjunction with the Entitlement Offer means that all Eligible Shareholders will have their percentage interest in the Company diluted if they only accept their Entitlement and do not apply for (and receive) a sufficient number of Additional Entitlement Offer Shares from the Entitlement Shortfall Facility.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 19.9%, subject to a number of exemptions.

2. Details of the Entitlement Offer

2.1 Offer to Eligible Shareholders

The Directors of AKN have approved a non-renounceable rights issue of approximately 25,196,551 New Shares at \$0.14 per New Share to raise approximately \$3,527,517. Eligible Shareholders of AKN are entitled to subscribe for One (1) New Share for every three (3) Shares held. Only those Shareholders shown on the Share Register at 7.00pm (Brisbane time) on the Record Date with a registered address in Australia and New Zealand will be entitled to participate in the Entitlement Offer.

There are currently 21,500,000 Existing Options on issue in the Company. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be offered under this Prospectus. If all Existing Options on issue at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 21,500,000 Shares, resulting in a further 7,166,667 New Shares being offered pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Entitlement Offer to 107,952,869 Shares, excluding the Shares to be issued pursuant to the Placements (or 133,775,281 Shares if the maximum number of Shares are issued pursuant to the Placements).

The Company will apply to the ASX within 7 days of the date of this Prospectus for the New Shares and New Options to be granted Official Quotation on the ASX. Official Quotation of the New Shares and New Options under the Entitlement Offer is expected to occur on or about 24 May 2022.

The issue price represents a 12.5% discount to the Company's last traded share price on 13 April 2022 (\$0.16) and a 23.4% discount to the 15 day volume-weighted average Share price (being \$0.183) as at 13 April 2022.

The Directors may at any time decide to withdraw this Prospectus and the Entitlement Offer of New Shares made under this Prospectus, in which case the Company will return all Application Money (without interest) for any unissued securities within 28 days of giving notice of such withdrawal.

Eligible Shareholders who apply for 100% of their Entitlement are able to apply for Additional Entitlement Offer Shares to be issued from any Shortfall at the Issue Price, subject to compliance with Chapter 6 of the Corporations Act and Listing Rules. Any Additional Entitlement Offer Shares may be allocated to Eligible Shareholders who apply for Additional Entitlement Offer Shares in addition to their Entitlements at the absolute discretion of the Directors in consultation with the Underwriter. The issue of any Additional Entitlement Offer Shares under the Shortfall will be at the absolute discretion of the Company and its Directors (in consultation with the Underwriter and in accordance with the terms of the Underwriting Agreement), and as such there is no guarantee that any Additional Entitlement Offer Shares applied for will be issued to Eligible Shareholders. The allocation process is described in more detail in section 2.3.

2.2 Important dates

Company in Trading Halt	Thursday 14 April 2022
Trading Halt lifted	Wednesday 20 April 2022
Announcement of Entitlement Offer	Wednesday 20 April 2022
Record Date for the Entitlement Offer	Tuesday 26 April 2022 (7.00pm AEST)
Entitlement Offer Opens	Wednesday 27 April 2022
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	Friday 29 April 2022

Closing Date of Entitlement Offer	Monday 16 May 2022 (5.00pm AEST)
Issue of New Shares and New Options pursuant to Entitlement Offer	Monday 23 May 2022
New Shares and New Options pursuant to Entitlement Offer commence trading on ASX	Tuesday 24 May 2022
Expected date for despatch of holding statements	Thursday 26 May 2022

The dates set out in this table are subject to change and are indicative only. The Company, in consultation with the Underwriter, reserves the right to alter this timetable at any time.

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Entitlement Offer without prior notice; or
- (b) vary any of the important dates set out in this Entitlement Offer, including extending the Entitlement Offer.

2.3 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares.

In the case that there is less than full subscription by Shareholders of their Entitlements under this Prospectus, the Directors may allocate to Eligible Shareholders who apply for Additional Entitlement Offer Shares and the Underwriter in accordance with this allocation policy.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

Where a Shortfall exists, the allocation and allotment of Additional Entitlement Offer Shares applied for will be made in accordance with the following policy:

- (a) The Directors may allocate any Shortfall to Eligible Shareholders that have applied to take up their full Entitlement and, in addition, have indicated that they wish to take up Additional Entitlement Offer Shares as provided for in section 3.
- (b) The Directors reserve the right, as contemplated within the Listing Rules and subject to the terms of the Underwriting Agreement to allocate any Shortfall of New Shares in their discretion in consultation with the Underwriter so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being placed with any Shortfall, hold a Relevant Interest in more than 19.99% of all of the Shares in the Company after the allocation of any (and all) Shortfall (except as contemplated by the Underwriting Agreement or permitted under the Corporations Act or FATA) (see sections 7.15 and 7.14).
- (c) Directors of the Company (and any other related parties of the Company) are not permitted to apply for Additional Entitlement Offer Shares but may take up their Entitlement, if any. Additional Entitlement Offer Shares will be issued at the same time as all other New Shares are issued under the Entitlement Offer.

- (d) Eligible Shareholders wishing to apply for Additional Entitlement Offer Shares must consider whether or not the issue of the Additional Entitlement Offer Shares applied for would breach the Corporations Act, the Listing Rules or FATA, having regard to their own circumstances.
- (e) Any Shortfall not subscribed for by Eligible Shareholders or the Underwriter may be placed by the Company at the Company's sole discretion subject to the provisions of the Corporations Act and the Listing Rules. Any remaining Shortfall after the allocation of any Additional Entitlement Offer Shares will be issued within three months after the Entitlement Offer Closing Date at an issue price being not less than the Issue Price.

There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Additional Entitlement Offer Shares that they apply for. The Company may reject any application for Additional Entitlement Offer Shares or allocate fewer Additional Entitlement Offer Shares than applied for by Eligible Shareholders for Additional Entitlement Offer Shares in accordance with the policy set out above.

2.4 **Additional Entitlement Offer Shares under Shortfall**

Applications for Additional Entitlement Offer Shares by Eligible Shareholders must be made in the Additional Entitlement Offer Shares section on the Entitlement and Acceptance Form accompanying this Prospectus and including the consideration for these Additional Entitlement Offer Shares with the payment for your Entitlement. Any Additional Entitlement Offer Shares allocated in accordance with the allocation policy set out in section 2.3 will be issued to an Eligible Shareholder under the terms of the Entitlement Offer, provided that the Eligible Shareholder who has applied for Additional Entitlement Offer Shares has applied for their full Entitlement.

Additional Entitlement Offer Shares will be issued at the absolute discretion of the Company and its Directors (in consultation with the Underwriter) and as such there is no guarantee that any Additional Entitlement Offer Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Eligible Shareholders who receives less than the number of Additional Entitlement Offer Shares they applied for.

Further, the Company will not issue any Additional Entitlement Offer Shares to any person, if that would result in a breach by the Takeover Provisions or the FATA.

2.5 **ASX listing**

The Company will apply to the ASX within 7 days of the date of this Prospectus for the New Shares and New Options to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX. If granted, Quotation of the New Shares and New Options will commence as soon as practicable after allotment of the New Shares and New Options to Applicants and is expected to occur on or about 24 May 2022. It is the responsibility of the Applicants to determine their allocation of New Shares and New Options prior to trading. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares or New Options either as principal or agent until Official Quotation is granted.

Should the New Shares or New Options not be granted Official Quotation on the ASX within three months after the date of this Prospectus, none of the New Shares or New Options offered under this Prospectus will be issued and all Acceptance Money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

2.6 **CHESS**

The Company will apply to ASX Settlement for the New Shares to participate in the Securities Clearing House Electronic Subregister System known as CHESS.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

2.7 **No rights trading**

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly will not be traded on the ASX.

2.8 **Minimum subscription**

There is no minimum subscription to the Entitlement Offer.

2.9 **Underwriting**

The Entitlement Offer is fully underwritten by Vert Capital Pty Ltd.

The Underwriting Agreement contains standard commercial terms and conditions for an underwriter's firm underwriting agreement for a capital raising of this size and type. The Underwriting Agreement also contains customary covenants, indemnities and representations and warranties by the Company and terminating events which if they occur, will relieve the Underwriter of its underwriting obligations. The termination events are outlined in further detail in section 7.12.

Under the terms of the Underwriting Agreement, the Company will pay the Underwriter the following fees (in addition to fees payable to the Underwriter for its role as Lead Manager to the Placements), details of which are set out in section 7.12:

- (a) Underwriting Fee: 6.00% of the value of the amount to be raised under the Entitlement Offer (\$3,527,517), representing a fee of approximately \$211,651.00 (plus any applicable GST);
- (b) Option Fee: subject to obtaining Shareholder approval, the Company must issue to the Underwriter or its nominees the Underwriter Options, being 20,000,000 Options to subscribe for shares exercisable at \$0.25 each on or before 30 June 2023. In the event that the Underwriting Agreement is terminated by the Underwriter in accordance with its terms, the number of Underwriter Options to be issued to the Underwriter will be reduced to 10,000,000.

In addition, the Underwriter is entitled to be reimbursed for its reasonable expenses incurred in connection with Entitlement Offer.

The Underwriter may appoint sub-underwriters and is responsible for any fees that it may have to pay out to them.

Details of the Underwriting Agreement with the Underwriter are contained in section 7.12 of this Prospectus.

For further information regarding the potential effect of the Entitlement Offer on control of the Company, please refer to section 5.3.

2.10 **Option Holders**

Option Holders will not be entitled to participate in the Entitlement Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Entitlement Offer as a result of being an Eligible Shareholder at 7.00pm (Brisbane time) on the Record Date.

If all holders of Existing Options elect to exercise their Options prior to the Record Date, and are eligible to participate in the Entitlement Offer, a further 7,166,667 (approximately) New Shares may be issued under this Prospectus. Details of the Existing Options are set out in section 5.2. However, having regard to the exercise price of the Existing Options and the Entitlement Offer Price, the Directors believe that it is unlikely that any Existing Options will be exercised prior to the Record Date.

2.11 **Eligibility of Shareholders**

The Entitlement Offer is being offered to Eligible Shareholders only.

2.12 **Overseas shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Entitlement Offer or that Form.

The distribution of this Prospectus in places outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements. Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

2.13 **Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Entitlement Offer. Any person in the United States with a holding through a nominee may not participate in the Entitlement Offer.

2.14 **Rights attaching to New Shares and New Options**

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

See section 7.3 for further details on the rights and liabilities attaching to the New Shares.

Each New Option will rank equally with all existing Options then on issue. Full details of the terms attaching to the New Options are set out in section 7.4.

2.15 **Acceptance of Entitlement to New Shares**

The number of New Shares to which each Eligible Shareholders is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional Entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted by Eligible Shareholders in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Prospectus in accordance with the instructions set out in section 3 below and on the Entitlement and Acceptance Form.

2.16 **Electronic prospectus**

An electronic version of this Prospectus is available on the Internet at <https://www.aukingmining.com>.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Entitlement Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or the Share Registry.

3. How to apply

3.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

Eligible Shareholders may participate in the Entitlement Offer as follows:

Take up your Entitlement in full

If you are an Eligible Shareholder and wish to take up all of your Entitlement, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out on the form; and
- (b) forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form, in the reply paid envelope to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (Brisbane time) on the Closing Date or such later date as the Directors determine.

If you intend to pay for the New Shares by BPAY® or electronic funds transfer (EFT), there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (Brisbane time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY® or electronic funds transfer (EFT) may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY® or electronic funds transfer (EFT).

Cheques and bank drafts, in **Australian currency** should be made payable to AuKing Mining Limited and crossed "not negotiable".

You should ensure that sufficient funds are held in the relevant accounts to cover the Acceptance Money. If the amount of your cheque for Acceptance Money is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Money will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

Take up your Entitlement in full and apply for Additional Entitlement Offer Shares

If you wish to accept all of your Entitlement and also apply for Additional Entitlement Offer Shares under the Entitlement Shortfall Facility, complete the accompanying Entitlement and Acceptance Form for New Shares and also Additional Entitlement Offer Shares in accordance with the instructions set out in the Entitlement and Acceptance Form.

In order to apply for Additional Entitlement Offer Shares under the Entitlement Shortfall Facility you must be an Eligible Shareholder and must have first taken up your Entitlement in full.

Amounts received by the Company in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) will be treated as an Application to apply for as many Additional Entitlement Offer Shares as your Excess Amount will pay for in full.

If you apply for Additional Entitlement Offer Shares under the Entitlement Shortfall Facility and your Application is successful (in whole or in part), your Additional Entitlement Offer Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. The basis on which the Directors will allocate and issue Additional Entitlement Offer Shares under the Entitlement Shortfall Facility is set out in section 2.3.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the Register as at the Closing Date of the Entitlement Offer.

Take up some of your Entitlement

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Entitlement Offer under this Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form); and
- (b) forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (Brisbane time) on the Closing Date or such later date as the Directors determine.

If you intend to pay for the New Shares by BPAY® or electronic funds transfer (EFT), there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (Brisbane time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY® or electronic funds transfer (EFT) may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY® or electronic funds transfer (EFT).

Cheques and bank drafts, in **Australian currency**, should be made payable to AuKing Mining Limited and crossed "not negotiable".

Do nothing

You may do nothing, in which case you will have no right to subscribe for New Shares and no New Shares will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then New Shares representing your Entitlement may be issued to the Underwriter or other third parties in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

General

If you have any queries concerning your Entitlement, please contact the Share Registry on +61 1300 554 474 or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.14 New Share is payable in full on acceptance of part or all of your Entitlement.

If an Eligible Shareholder elects to make payment using BPAY® or electronic funds transfer (EFT), they must contact their bank, credit union or building society to make payment of the Acceptance Money from their cheque or savings account. Refer to the Entitlement and Acceptance Form for the biller code and customer reference number. Eligible Shareholders who have multiple holdings will have multiple customer reference numbers.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY® or electronic funds transfer (EFT) payments must be drawn on an Australian bank.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares offered by this Prospectus. Completed Entitlement and Acceptance Forms and accompanying cheques should be forwarded to the following address:

Link Market Services Limited
AuKing Mining Limited Entitlement Offer
c/- Link Market Services Limited GPO Box 3560 SYDNEY NSW 2001

The amount payable on acceptance will not vary during the period of the Entitlement Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

3.2 **Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY® or electronic funds transfer (EFT), constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY® or electronic funds transfer (EFT), you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have read and understand this Prospectus and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer;
- (c) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (d) after the Share Registry receives the Entitlement and Acceptance Form or any payment of Application Monies by BPAY® or electronic funds transfer (EFT), you may not withdraw it;
- (e) you agree to apply for the number of New Shares specified in the Entitlement and Acceptance Form and for which you have submitted payment of any Application Monies via cheque, bank draft or BPAY® or electronic funds transfer (EFT), at \$0.14 per New Share applied for;
- (f) you agree to be issued the number of New Shares for which you have applied, subject to your Entitlement;
- (g) you agree to be issued any Additional Entitlement Offer Shares you have applied for from any Shortfall;
- (h) you authorise the Company, the Underwriter, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry on using your contact details set out in the Entitlement and Acceptance Form;

- (i) you declare that you were the registered holder of the relevant Shares on the Record Date;
- (j) you acknowledge that the information contained in this Prospectus and the Entitlement and Acceptance Form is not investment advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (l) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand and
- (m) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

4. Company Information

4.1 Introduction

On 8 February 2021, the Company entered into an agreement with Anglo Australian Resources NL (“AAR”) to earn up a 75% interest in the Koongie Park copper/zinc project (“Koongie Park”) situated in the eastern Kimberley Region of northern Western Australia (“Koongie Park Earn-In”). The earn-in retains for AAR’s benefit the rights to explore for and develop gold/PGE metals deposits at Koongie Park.

Reinstatement to the Official Quotation on the ASX

The Company was reinstated to official quotation on the Australian Securities Exchange (**ASX**) on 15 June 2021 following the completion of an offer pursuant to a prospectus dated 9 March 2021 (“**Public Offer**”). The public offer raised the maximum \$7 million (before costs) through the issue of 35 million new fully paid ordinary shares at an issue price of \$0.20 per new share. As part of the public offer, the Company has also issued 17.5 million free-attaching options that are also quoted on ASX. These options are exercisable at \$0.25 each on or before 30 June 2023. As part of completion of the public offer, the Company’s existing share capital was consolidated on the basis of 200:1 – reducing the Company’s pre-public offer shares from 932,584,461 to 4,662,923 shares.

Koongie Park Location, Tenure and Potential

The Koongie Park copper/zinc project is situated in the highly mineralised Halls Creek Mobile Belt which also hosts the Savannah nickel project, the Argyle diamond mine and the Nicholsons gold mining operation of Pantoro Limited. Koongie Park is located about 25kms south west of the regional centre of Halls Creek on the Great Northern Highway.

The tenure holding comprises an area of more than 500km² covering over 40kms of the base metals prospective Koongie Park Formation. Koongie Park has already been the subject of significant exploration drilling and analysis since the 1970’s, often in line with movements in commodity prices. Since its discovery the Koongie Park Project has been the subject of over 245 RC and diamond drill holes consisting of more than 50,000m of drilling in total. The predominant focus of drilling has been at the Sandiego and Onedin deposits.

The Koongie Park Project has been held by AAR since 1989 and last drilled in 2010. AAR has previously reported Mineral Resource estimates for both the Sandiego and Onedin deposits at Koongie Park. Drilling and mining studies for base metal deposits ceased in 2011 when their attention turned to gold exploration.

4.2 Company Update

Initial Drilling Program

AKN commenced its drilling program at the Koongie Park copper/zinc project in late July 2021 and made excellent progress for the rest of the year. The initial drilling program at Koongie Park had the following objectives:

- Infill drilling at the highly prospective Onedin and Sandiego deposits to improve geological interpretation and resource confidence;
- Test potential mineralised extensions, especially at depth;
- Obtain fresh samples for further metallurgical testwork to investigate the use of ammonia-based AmmLeach® proprietary technology, available to AKN, to improve recoveries of base metals – especially from the near-surface carbonate hosted oxide and transition mineralisation at Onedin;
- Enhance confidence and geological understanding of the extensive amount of previous drilling and exploration data;
- Obtain other technical data including geotechnical information and density data; and

- Equip most drill holes for follow-up downhole geophysics to assist in identifying possible off-hole conductors for future drill hole targeting.

Results from First Drilling Program

AKN completed the program late in December 2021. Approximately 6,400m of a combined reverse circulation (RC) and diamond core drilling was completed across 29 drill holes. Seven diamond holes were completed in mid-December as part of the Onedin metallurgical testwork program, with assay results pending from that drilling.

Assay results derived from the drilling program to date have been very encouraging and support the AKN Board's view of the excellent prospectivity of the Koongie Park Project to provide a platform for significant exploration activities throughout 2022.

The results from AKN's first drilling program at Koongie Park include the following highlights:

- Substantial continuously-mineralised intersections of more than 100m across several holes at Onedin;
- All holes indicating near-surface mineralisation, with one hole assaying minerals from surface;
- Significant copper, zinc, lead and silver identified across all holes at Onedin;
- A high-grade zone of molybdenum identified in holes AORC004/AOWB003 around 120m;
- The eastern edge of the Onedin deposit (based on earlier drilling) is still in mineralisation and by no means closed off;
- Identified a largely untested 700m target zone to the north of known Sandiego mineralisation (see figure 3 below);
- Significant zones of copper and zinc mineralisation across the deeper sulphide zone at Sandiego; and
- Significant grades of cobalt identified, confirming the presence of Co in the Sandiego deposit (refer ASX announcement on 19 October 2021 for historic Co results summary).

Koongie Park Earn-In Agreement

On 9 December 2021, AKN announced that it had acquired a further 25% interest in the Koongie Park project (taking its total project interest to 50%) by completing the First Earn-in Milestone funding expenditure. Subsequently, on 4 February 2022, AKN announced that it had completed the acquisition of the final 25% interest in Koongie Park (taking its total project interest to 75%) by completing the Second Earn-in Milestone funding expenditure of \$1.5M. This milestone was achieved by AKN by 17 January 2022 – more than two years in advance of the due date.

Koongie Park Acquisition Agreement

On 5 April 2022 the Company announced the proposed acquisition from AAR of interests in the Koongie Park project that the Company did not already own – namely, 25% of the Koongie Park joint venture and 100% of the gold and PGE rights associated with the Koongie Park tenure package. A purchase price of \$6,000,000 is payable to AAR by the Company in the following manner:

- \$3,000,000 in cash upon satisfaction of conditions precedent, which is expected to be in mid to late May 2022;
- \$1,500,000 in the form of the issue of Shares, to be issued on or before 30 June 2022 (subject to obtaining shareholder approval); and
- a final instalment of \$1,500,000 payable on or before 31 October 2022.

Certain other features of the proposed acquisition involve the following:

- (a) completion of the purchase is subject to AKN securing sufficient funding to enable it to complete the first \$3 million payment to AAR, such condition to be satisfied on or before 16 May 2022;
- (b) the shares to be issued to AAR will be issued at a price that is calculated by reference to the 20-day VWAP for AKN's shares on the ASX prior to the date of issue (proposed to be immediately after AKN's AGM to be held in May 2022);
- (c) 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; and
- (d) AKN may elect to defer payment of the final cash component to AAR until 31 March 2023, but on the basis that the final payment is then increased to \$2 million.

Koongie Park Resource Update

On 7 April 2022 the Company announced a 30% increase in its existing JORC (2012) Resource Estimate for Koongie Park. The Resource Estimate was prepared independently by CSA Global and now totals **8.9mt @ 1.01% Cu, 3.67% Zn, 0.16g/t Au, 32g/t Ag and 0.77% Pb.**¹

The new estimates for Onedin and Sandiego are set out in the figures below.¹

Zone	Classification	Tonnes (Mt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Lead (%)
Cu Dominant	Indicated	1.5	1.1	0.6	0.2	47	1.2
	Inferred	-	-	-	-	-	-
Zn Dominant	Indicated	3.3	0.5	4.3	0.1	34	1.0
	Inferred	-	-	-	-	-	-
Resource Grades	Total and	4.8	0.7	3.2	0.1	38	1.1
Zone	Classification	Tonnes (Mt)	Copper (tonnes)	Zinc (tonnes)	Gold (oz)	Silver (Moz)	Lead (tonnes)
Cu Dominant	Indicated	1.5	16,500	9,000	9,600	2.27	18,000
	Inferred	-	-	-	-	-	-
Zn Dominant	Indicated	3.3	16,500	141,900	10,600	3.61	33,000
	Inferred	-	-	-	-	-	-
Total Metal Tonnes			33,000	150,900	20,200	5.88	51,000

Onedin Mineral Resource Estimate and Metal Tonnes

Note: (1) Reported tonnes and grade are rounded

(2) Reporting cut-off grades of 0.4% Cu and 1% Zn have been applied to the Onedin deposit

¹ As set out in the Company's announcement dated 7 April 2022. The information relating to the Mineral Resource Estimates at the Koongie Park copper/zinc project is extracted from the Independent Mineral Resource Estimate of CSA Global (**the Report**) dated 4 April 2022, which 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 Company's announcement of 7 April 2022 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 Report.

	Classification	Tonnes (Mt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Lead (%)
Cu Dominant	Indicated	1.7	2.3	0.8	0.3	18	0.2
	Inferred	0.3	1.6	3.0	0.2	5	0.0
	Sub Total	2.0	2.2	1.1	0.3	16	0.1
Zn Dominant	Indicated	2.0	0.6	7.3	0.1	35	0.7
	Inferred	0.1	0.2	6.1	0.1	10	0.1
	Sub Total	2.1	0.6	7.3	0.1	34	0.7
Resource Grades	Total and	4.1	1.4	4.3	0.2	25	0.4
	Classification	Tonnes (Mt)	Copper (tonnes)	Zinc (tonnes)	Gold (oz)	Silver (Moz)	Lead (tonnes)
Cu Dominant	Indicated	1.7	39,100	13,600	16,400	0.98	3,400
	Inferred	0.3	4,800	9,000	1,900	0.05	0
	Sub Total	2.0	43,900	22,600	18,300	1.03	3,400
Zn Dominant	Indicated	2.0	12,000	146,000	6,400	2.25	14,000
	Inferred	0.1	200	6,100	300	0.03	100
	Sub Total	2.1	12,200	152,100	6,700	2.28	14,100
Total Metal Tonnes			56,100	174,700	25,000	3.31	17,500

Sandiego Mineral Resource Estimate and Metal Tonnes

Note: (1) Reported tonnes and grade are rounded

(2) Reporting cut-off grades of 0.8% Cu and 3% Zn have been applied to the Sandiego deposit

A full copy of the CSA Global Resource Estimate can be viewed on the AKN website at <https://www.aukingmining.com/site/PDF/dc8d0e7b-edb3-46df-87ce-15b92fd58723/CSAGlobalreport>.¹

Financial Result

The Company lodged its audited financial report for the financial year ended 31 December 2021 with ASX on 8 February 2022. In that report, the Company reported a financial loss of \$1,762,610 for the 12 month period ending 31 December 2021.

4.3 The Directors

The Directors of AKN bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director has confirmed with AKN that he anticipates being available to perform his duties as a Non-Executive Director of the Company without undue constraints from other commitments.

¹ As set out in the Company's announcement dated 7 April 2022. The information relating to the Mineral Resource Estimates at the Koongie Park copper/zinc project is extracted from the Independent Mineral Resource Estimate of CSA Global (**the Report**) dated 4 April 2022, which 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 Company's announcement of 7 April 2022 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 Report.

The following persons are directors of the Company as at the date of this Prospectus:

Dr Mark Elliott – Chairman

Dr Elliott is a Chartered Professional geologist with over 45 years' experience in economic geology, exploration, mining, project development and in corporate management roles as Chairman and Managing Director for several ASX-listed resource companies.

Dr Elliott has extensive experience in managing companies and exploration/mining operations in a wide range of commodities including base metals, gold and geothermal energy. His management experience includes founding IPOs from commencement of project acquisition, exploration to production, capital raising and negotiating joint ventures. Dr Elliott is a Non-Executive Director of ASX listed Nexus Minerals Limited, Aruma Resources Limited and Astron Corporation Limited.

Peter Tighe - Non-Executive Director

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 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.

Ian Hodkinson - Non-Executive Director

Mr Hodkinson is a Registered Professional Geoscientist (RPGeo) in the fields of Mining and Mineral Exploration with over 40 years of experience in exploration, metalliferous mining and project development, in both Africa and Australia.

Ian has a bachelor's degree in Geology and Geography from the University of London and a Master of Science in Mineral Exploration and Mining Geology from the University of Leicester in the UK. He is a long-standing member of the Australian Institute of Geoscientists (AIG) and the Society for Geology Applied to Mineral Deposits (SGA).

Mr Hodkinson's experience and ability to report as a Competent Person (CP) covers a broad spectrum of mineral commodities including base metals (copper, lead and zinc), precious metals (gold and silver), nickel/cobalt and tin/tungsten across both underground and open-pit

operations. He has extensive experience in the project development phase with a particular focus on resources/reserves and geometallurgical and geotechnical investigations. He has been the senior site geologist on numerous operational mine sites including Eloise, Mt Leyshon, Hadleigh Castle and Mungana as well as having Australia-wide metalliferous exploration experience.

ShiZhou Yin - Non-Executive Director

Mr. Yin is a Chinese national without any foreign permanent residence, holds a Master of Professional Accounting degree and is a Chinese Certified Public Accountant and a Senior Accountant. From September 1994 to September 2010, Mr. Yin served successively as Accountant of Beijing No. 2 Water Pipe Factory, Audit Manager and Audit Partner of Yuehua Certified Public Accountants Firm, and Senior Partner of Zhongrui Yuehua Certified Public Accountants Co., Ltd.

From October 2010 to May 2011, Mr Yin served as Chief Financial Officer of JCHX Mining Management Co., Ltd.

From May 2011 to April 2017, Mr Yin served as Chief Financial Officer and Secretary of the Board of Directors of JCHX Mining Management Co., LTD (Shanghai Stock Exchange Code: 603979).

From April 2017 to the date of this Prospectus, Mr Yin has been Vice President, Chief Financial Officer and Secretary of the Board of JCHX Group Co., Ltd.

Mr. Yin has been the chairman of the Board of Supervisors of JCHX Mining Management Co., Ltd (Shanghai Stock Exchange Code: 603979) since May 2017.

Mr Yin has been an Independent Director of:

- Beijing Century Real Technology Co.,Ltd. (Shenzhen Stock Exchange Code: 300150) since September 2018;
- Beijing Yiqiao Shenzhou Technology Co., LTD. (Shenzhen Stock Exchange Code: 301047) since March 2020; and
- previously, from October 2009 to March 2015, Dalian East New Energy Development Co., Ltd. (Shenzhen Stock Exchange Code: 300125) from October 2009 to May 2015.

Mr Yin is the representative of substantial shareholder Bienitial International Industrial Co. Ltd(**BII**).

The Board considers that all Directors (other than Mr Yin) are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgment and are able to fulfil the role of an Independent Director for the purposes of the Corporate Governance Principles and Recommendations.

Mr Yin is not currently considered by the Board to fulfil the role of an Independent Director due to his relationship with BII.

Details of the current interests of the Directors in the Company and their intentions in respect of the Entitlement Offer are set out in section 1.9.

4.4 Senior Management

The following persons form the senior management of the Company as at the date of this Prospectus:

Mr Paul Williams – Chief Executive Officer

Mr Williams holds both Bachelor of Arts and Law Degrees from the University of Queensland and practised as a corporate and commercial lawyer with Brisbane legal firm HopgoodGanim Lawyers for 17 years. He ultimately became an equity partner of HopgoodGanim Lawyers before joining Eastern Corporation as their Chief Executive Officer in August 2004. In mid-2006 Mr Williams joined Mitsui Coal Holdings in the role of General Counsel, participating in the supervision of the coal mining interests and business development activities within the multinational Mitsui & Co group.

Mr Williams is well known in the Brisbane investment community as well as in Sydney and Melbourne and brings to the AKN Board a broad range of commercial and legal expertise – especially in the context of mining and exploration activities. He also has a strong focus on corporate governance and the importance of clear and open communication of corporate activity to the investment markets.

Mr Paul Marshall – Chief Financial Officer and Company Secretary

Paul Marshall is a Chartered Accountant. He holds a Bachelor of Law degree, and a post Graduate Diploma in Accounting and Finance. He has 30 years professional experience having worked for Ernst and Young for ten years, and subsequently twenty years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector.

Mr Marshall has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities.

Mr Chris Bittar – Exploration Manager

Mr Bittar was previously Senior project Geologist at Pantoro Limited's Norseman Project in Western Australia, where he supervised the planning and execution of near-mine exploration and resource development programs as part of the Definitive Feasibility Study program at Norseman.

Previously, Mr Bittar held Senior Geologist roles with Millennium Minerals (Nullagine Gold project) and Pilbara Minerals (Pilgangoora Lithium project), and Exploration Geologist roles with Sumitomo Metal Mining Oceania and Northern Minerals (Browns Range rare earths project in WA). In these roles Mr Bittar gained extensive experience in taking projects from greenfield exploration to resource development and up to mine-ready feasibility study stage. This experience included supervision of multiple drilling campaigns, geological interpretation, data management and project reporting. Mr Bittar has also maintained a strong commitment to company safety policies and procedures.

5. Effect of the Entitlement Offer on the Company

5.1 Financial position

Introduction

This Section sets out the historical and pro-forma financial information. The basis for preparation and presentation of this information is also set out below.

The historical and pro-forma financial information has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards and the accounting policies as described below.

The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

Historical Financial Information

The historical financial information set out below comprises the audited consolidated Balance Sheet as at 31 December 2021.

Pro-Forma Financial Information

The pro-forma financial information set out below comprises the Pro-Forma consolidated Balance Sheet as at 31 December 2021 showing the impact of the proposed Entitlement Offer and the Koongie Park Acquisition.

Pro-forma Balance Sheet

The Pro-Forma Balance Sheet have been derived from the audited consolidated Balance Sheet as at 31 December 2021 adjusted for the following transactions as if they had occurred at 31 December 2021 (pro-forma transactions):

- (a) Equity transactions occurring since 31 December 2021 which comprise:
 - As part of the share placement on 17 November 2021, the Company agreed with Vert Capital Pty Ltd that in lieu of payment in cash of one-third of the lead manager fee (\$49,500), shares would be issued by the Company at the same price as the share placement in November 2021 – 16.5c per share. A total of 300,000 shares was issued to Vert Capital in March 2022 as a result.
- (b) the issue of 25,822,412 Ordinary Shares at an issue price of \$0.14 per share through the Placements, of which 7,000,000 Ordinary Shares will be subject to shareholder approval.
- (c) the issue of 25,196,551 Ordinary Shares at an issue price of \$0.14 per share through the Entitlement Offer.
- (d) estimated costs of the Placement and Entitlement Offer of \$1,083,577 being:
 - \$498,577 costs settled in cash
 - Issue of 20,000,000 options to Vert Capital Pty Ltd at deemed value of \$0.028 per option (\$560,000)
- (e) Payment of \$6,000,000 to AAR for the remaining interest in the Koongie Park Joint Venture, recognised as follows:
 - \$3,000,000 upfront cash payment
 - \$1,500,000 deferred payment settled in shares (subject to shareholder approval) at 30 June 2022
 - \$1,500,000 deferred payment settled in cash by 31 October 2022

Historical and Pro-Forma Financial Information

		Historical Balance Sheet 31 December 2021	Equity Transactions Subsequent to 31 December 2021	Placement Capital Raise	Entitlement Offer Capital Raise	Koongie Park JV Acquisition	Consolidated Pro- Forma Balance Sheet
	Notes	A	B	C	D	E	F
		\$	\$	\$	\$	\$	\$
CURRENT ASSETS							
Cash and cash equivalents	4	2,500,076	-	3,380,893	3,238,184	(3,120,000)	5,999,154
Trade and other receivables		225,727	-	-	-	-	225,727
TOTAL CURRENT ASSETS		2,725,803	-	3,380,893	3,238,184	(3,120,000)	6,224,881
NON-CURRENT ASSETS							
Other receivables		2,470	-	-	-	-	2,470
Exploration expenditure	2	4,865,744	-	-	-	6,120,000	10,985,744
Plant and equipment		131,286	-	-	-	-	131,286
TOTAL NON-CURRENT ASSETS		4,999,500	-	-	-	6,120,000	11,119,500
TOTAL ASSETS		7,725,303	-	3,380,893	3,238,184	3,000,000	17,344,381
CURRENT LIABILITIES							
Trade and other payables	3	554,813	(49,500)	-	-	1,500,000	2,005,313
Employee benefit provisions		27,527	-	-	-	-	27,527
TOTAL CURRENT LIABILITIES		582,340	(49,500)	-	-	1,500,000	2,032,840
NON-CURRENT LIABILITIES							
Employee benefit provisions		44,137	-	-	-	-	44,137
TOTAL CURRENT LIABILITIES		44,137	-	-	-	-	44,137
TOTAL LIABILITIES		626,477	(49,500)	-	-	1,500,000	2,076,977
NET ASSETS		7,098,826	49,500	3,380,893	3,238,184	1,500,000	15,267,404
EQUITY							
Share capital	1	8,721,436	49,500	3,100,893	2,928,184	1,500,000	16,330,014
Reserves		140,000	-	280,000	280,000	-	700,000
Accumulated losses		(1,762,610)	-	-	-	-	(1,762,610)
TOTAL EQUITY		7,098,826	49,500	3,380,893	3,238,184	1,500,000	15,267,404

Notes to the Pro-forma Consolidated Balance Sheet

Note 1

Assumes the issue of 25,822,412 Ordinary Shares at an issue price of \$0.14 per share through the Placements, of which 7,000,000 Ordinary Shares will be subject to shareholder approval.

Assumes the issue of 25,196,551 Ordinary Shares at an issue price of \$0.14 per share through the Entitlement Offer.

Assumes the deferred issue of 10,714,286 Ordinary Shares in June 2022 at an issue price of \$0.14 per share to Anglo Australian Resources in part consideration for the remaining interest in the Koongie Park Joint Venture.

Assumes total costs incurred in connection with the Placements and Entitlement Offer of \$1,082,737, including \$560,000 attributed to the value of 20,000,000 options to be issued to Vert Capital Pty Ltd (subject to shareholder approval). The value of the options is deemed to be \$0.028 per option based on the last traded price on 14 April 2022 of AKN listed options (AKNO) which have the identical exercise price and expiry date.

Reconciliation of movements in Pro-forma Share Capital

	Number of shares	Share Capital
	#	\$
Audited Balance Sheet 31 December 2021 (A)	75,289,651	8,721,436
Amounts settled in shares to advisors in March 2022 (B)	300,000	49,500
Issue of shares via the Initial Placement (C)	18,822,412	2,635,138
Issue of shares via the Further Placement, subject to shareholder approval (C)	7,000,000	980,000
Issue of shares via the Entitlement Offer (D)	25,196,550	3,527,517
Issued of deferred shares in part consideration of Koongie Park JV interest	10,714,286	1,500,000
Total costs expected to be incurred in connection with the Placements and Entitlement Offer offset against share capital	-	(1,083,577)
Pro-forma Balance Sheet 31 December 2021	137,322,900	16,330,014

Note 2

The Company has entered into an agreement with AAR to acquire the remaining Koongie Park Joint Venture interest for total consideration of \$6,000,000 and related stamp duty costs of \$120,000, recognised as follows:

- \$3,000,000 upfront cash payment
- Stamp duty costs of \$120,000
- \$1,500,000 deferred payment settled in shares (subject to shareholder approval) at 30 June 2022
- \$1,500,000 deferred payment settled in cash by 31 October 2022

Note 3

Reconciliation of movements in Pro-forma Trade and Other Payables

	Trade and other payables
	\$
Audited Balance Sheet 31 December 2021 (A)	554,813
Settlement of advisor fees in shares (B)	(49,500)
Deferred cash payment to AAR in part consideration of Koongie Park JV interest due by 31 October 2022 (E)	1,500,000
Pro-forma Balance Sheet 31 December 2021 (F)	2,005,313

Note 4

Reconciliation of movements in Pro-forma Cash and Cash equivalents

	Cash and cash equivalents \$
Audited Balance Sheet 31 December 2021 (A)	2,500,000
Issue of shares via the Placements (C)	3,615,138
Issue of shares via the Entitlement Offer (D)	3,527,517
Total cash settled costs expected to be incurred in connection with the Placements and Entitlement Offer (C & D)	(498,577)
Upfront cash payment to AAR in part consideration of Koongie Park JV (E)	(3,000,000)
Stamp duty payable on transfer of Koongie Park JV interest (E)	(120,000)
Pro-forma Balance Sheet 31 December 2021 (F)	5,999,154

5.2 Capital structure

The share capital structure of AKN immediately following the Entitlement Offer, on the basis that the Entitlement Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

	Shares
Ordinary Shares on issue at the date of this Prospectus	75,589,651
Maximum number of New Shares under Prospectus ¹	25,196,551
Total Shares on issue upon completion of the Entitlement Offer^{2, 3}	100,786,202

Notes:

- If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Entitlement Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 21,500,000 resulting in a further 7,166,667 New Shares being issued pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Entitlement Offer (excluding any Shares issued pursuant to the Placements) to 107,952,869 Shares.*
- Excludes any Shares and Options to be issued by the Company pursuant to the Placements. The Company proposes to issue 18,822,412 Shares pursuant to the Initial Placement and 7,000,000 Shares pursuant to the Further Placement, which is subject to shareholder approval. Shares issued pursuant to the Placements will not participate in the Entitlement Offer. Under the Placements up to a further 25,882,412 Shares and 8,607,471 Options will be issued by the Company.*
- Excludes any shares to be issued to AAR pursuant to the terms of the Koongie Park Acquisition, the issue of which is subject to completion of the Koongie Park Acquisition and shareholder approval.*

The option capital structure of AKN immediately following the Entitlement Offer, on the basis that the Entitlement Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

	Options
Options on issue at the date of this Prospectus	21,500,000
Maximum number of New Options under this Prospectus ¹	8,398,851
Total Options on issue upon completion of the Entitlement Offer^{2, 3}	29,898,851

Notes:

1. *If any of the Existing Options are exercised prior to the Record Date, additional New Options will be issued under the Entitlement Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the number of New Options issued pursuant to this Prospectus would increase to 10,787,739. The total Options on issue upon completion of the Entitlement Offer (excluding any Options issued pursuant to the Placement) would be 10,787,739 Options.*
2. *Excludes any Options to be issued by the Company pursuant to the Placements. The Company proposes to issue 6,274,138 Options pursuant to the Initial Placement and 2,333,333 Options pursuant to the Further Placement. The issue of Options pursuant to both the Initial Placement and Further Placement are subject to shareholder approval.*
3. *Excludes 20,000,000 Underwriter Options proposed to be issued to the Underwriter, the issue of which is subject to shareholder approval. In the event that the Underwriting Agreement is terminated by the Underwriter in accordance with its terms, the number of Underwriter Options to be issued to the Underwriter will be reduced to 10,000,000.*

If the Company issues the maximum number of Shares that are proposed to be issued under the Placement and the Entitlement Offer is fully subscribed, the issued capital of the Company will be as set out below:

	Shares
Ordinary Shares on issue at the date of this Prospectus	75,589,651
Maximum number of New Shares under Prospectus ¹	25,196,551
Maximum number of Shares issued under the Initial Placement	18,822,412
Maximum number of Shares issued under the Further Placement	7,000,000
Total Shares on issue upon completion of the Entitlement Offer and the Placements²	126,608,614

Notes:

1. *If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Entitlement Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 21,500,000 resulting in a further 7,166,667 New Shares being issued pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Entitlement Offer (excluding any Shares issued pursuant to the Placements) to 107,952,869 Shares.*
2. *Excludes any shares to be issued to AAR pursuant to the terms of the Koongie Park Acquisition, the issue of which is subject to completion of the Koongie Park Acquisition and shareholder approval.*

	Options
Options on issue at the date of this Prospectus	21,500,000
Maximum number of New Options under this Prospectus ¹	8,398,851
Maximum number of Options issued under the Initial Placement	6,274,138
Maximum number of Options issued under the Further Placement	2,333,333
Total Options on issue upon completion of the Entitlement Offer and the Placements²	38,506,322

Notes:

1. *If any of the Existing Options are exercised prior to the Record Date, additional New Options will be issued under the Entitlement Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the number of New Options issued pursuant to this Prospectus would increase to 10,787,739. The total Options on issue upon completion of the Entitlement Offer and the Placements would be 19,395,210 Options.*
2. *Excludes 20,000,000 Underwriter Options proposed to be issued to the Underwriter, the issue of which is subject to shareholder approval. In the event that the Underwriting Agreement is*

terminated by the Underwriter in accordance with its terms, the number of Underwriter Options to be issued to the Underwriter will be reduced to 10,000,000.

The Entitlement Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Entitlement Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Entitlement Offer on the control of the Company. If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Entitlement Offer. Given the terms of the Entitlement Offer, the maximum possible dilution arising from the Entitlement Offer to an Eligible Shareholder's interest in the Company would be 25%. Additionally, the Entitlement Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by a maximum of 25% in the event that the Entitlement Offer is fully subscribed.

5.3 Effect of the Entitlement Offer on control of the Company

General effect and consequences

The potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including Shareholder take up of the Entitlement Offer and the consequences of the Underwriting of the Entitlement Offer.

Whilst the Entitlement Offer is a fully underwritten pro-rata offer, the conduct of the Placements in conjunction with the Entitlement Offer means that all Eligible Shareholders will have their percentage interest in the Company diluted if they only accept their Entitlement and do not apply for (and receive) a sufficient number of Additional Entitlement Offer Shares from the Entitlement Shortfall Facility. If Eligible Shareholders take up their Entitlements in full without receiving Additional Entitlement Offer Shares, the voting power of Eligible Shareholders will be reduced by a maximum of 20% as a result of the Placements (assuming the maximum number of Shares are issued pursuant to the Placements and the Further Placement is approved by Shareholders).

Shareholders who do not take up all of their Entitlements will have their interest in the Company further diluted. Given the terms of the Entitlement Offer and the Placements, the maximum possible dilution to an Eligible Shareholder's interest in the Company would be 40%. In addition, the proportional shareholdings of Shareholders who are not resident in Australia and New Zealand, may be diluted as those Shareholders are not entitled to participate in the Entitlement Offer. The holdings of those Ineligible Shareholders will be diluted by a maximum of 40% under the Entitlement Offer.

Accordingly, Eligible Shareholders can reduce the extent of the dilution of their voting power in the Company by accepting their Entitlement in full and applying for Additional Entitlement Offer Shares under the Entitlement Shortfall Facility.

Details of the potential voting power of the Underwriter in various scenarios are set out below.

Where Entitlements not taken up

In the event that there are still New Shares not applied for following the issuance of the Additional Entitlement Offer Shares under the Shortfall, the Company and the Directors reserve the right, as contemplated within the Listing Rules, to allocate any remaining Shortfall in their absolute discretion and subject to the terms of the Underwriting Agreement to conduct a placement of the remaining Shortfall to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall, hold a Relevant Interest in more than 19.9% of all of the Shares in the Company after these offers where such holding would be contrary to the Corporations Act or FATA (see sections 7.15 and 7.14).

Effect of Underwriting on Control

The Underwriter and its associates currently hold 2,787,021 Shares as at the date of this Prospectus.

The Underwritten Amount is a maximum of \$3,527,517 representing the Issue Price multiplied by 25,196,551 New Shares.

If, at completion of the Entitlement Offer, the Underwriter is required to subscribe for the entire Underwritten Amount it is possible that the Underwriter may be issued with up to a maximum of 25,196,551 New Shares pursuant to the underwriting, which would increase the Underwriter and its associates voting power to approximately 22.10% of the voting power in the Company upon all New Shares being issued under the Entitlement Offer, assuming that the Placements are fully subscribed and shareholder approval for the Further Placement is obtained. If no Placement Shares were issued under the Placements, the interest of the Underwriter if the Underwriter was required to subscribe for the full underwritten amount would represent approximately 27.77% of the voting power in the Company. This assumes that no Existing Options are exercised.

The Company notes that the Underwriting Agreement requires that no investor shall be issued shares that result in their Relevant Interest in the Company reaching or exceeding 19.9% and in circumstances where the issue of the Shortfall to the Underwriter would exceed 19.9%, the Underwriter would be required to procure other investors to apply for part of the Shortfall.

The Company notes that:

- (a) the Underwriter is expected to enter into sub-underwriting agreements with a number of parties to disperse any Shortfall;
- (b) those Directors of the Company who directly hold shares in the Company have indicated their intention to take up their Entitlements under the Entitlement Offer; and
- (c) Eligible Shareholders are entitled to subscribe for Additional Entitlement Offer Shares in addition to their Entitlement under the Entitlement Shortfall Facility.

Together, these are expected to reduce the number of New Shares required to be taken up by the Underwriter under the Entitlement Offer.

Potential control scenarios for Underwriter

The following tables set out the voting power in the Company's Shares for the Underwriter under various scenarios of take-up (assuming that no Existing Options are exercised prior to the Record Date).

- (a) *Scenario 1 – approximately 100% take up of Entitlements and the Placements are fully subscribed and approved by shareholders (where necessary)*

Under Scenario 1, all Eligible Shareholders take up their Entitlements under the Entitlement Offer, making the Entitlement Offer fully subscribed. As a result of the Placements (assuming they are also fully subscribed and the Further Placement is approved by Shareholders) the Underwriter's existing voting power would be 4.10%.

	Total Shares	Other Shareholders Shares	Underwriter and its associates	
			Shares	Voting Power% of Post Offer Shares
Shares on issue pre-Entitlement Offer	75,589,651	72,802,630	2,787,021	2.20%
New Shares issued pursuant to the Entitlement Offer	25,196,551	22,794,219	262,341 ¹	0.21%
Maximum Shares to be issued pursuant to the Placement	25,822,412	25,822,412	0	0.00%
Entitlements of Ineligible Shareholders	2,139,991	0	2,139,991	1.69%
Total post-Entitlement Offer	126,608,614	121,419,261	5,189,353	4.10%

1) Entitlements taken up by the Underwriter and its Associates who are Eligible Shareholders.

- (b) *Scenario 2 – no take up of Entitlements other than the Underwriter and its Associates, and the Placements are fully subscribed and approved by shareholders (where necessary)*

Under Scenario 2, subscriptions from Eligible Shareholders (other than the Underwriter and its Associates) is nil under the Entitlement Offer (assuming the Placements are fully subscribed and the Further Placement is approved by Shareholders), and as a result, the Underwriter is required to subscribe for a total of 25,196,551 New Shares (including its and its Associates' Entitlement) in accordance with the Underwriting Agreement.

	Total Shares	Other Shareholders Shares	Underwriter and its associates	
			Shares	Voting Power% of Post Offer Shares
Shares on issue pre-Entitlement Offer	75,589,651	72,802,630	2,787,021	2.20%
New Shares issued pursuant to the Entitlement Offer	25,196,551	0	262,341 ¹	0.21%
Shortfall issued pursuant to the Underwriting Agreement	24,267,544	0	24,934,210	19.69%
Maximum Shares to be issued pursuant to the Placement	25,822,412	25,822,412	0	0.00%
Total post-Entitlement Offer	126,608,614	98,625,042	27,983,572	22.10%

1) Entitlements taken up by the Underwriter and its Associates who are Eligible Shareholders.

(c) *Scenario 3 – no take up of Entitlements and no Placement Shares issued*

Under Scenario 3, no Placement Shares are issued, subscriptions from Eligible Shareholders (other than the Underwriter and its Associates) is nil under the Entitlement Offer, and as a result, the Underwriter is required to subscribe for a total of 25,196,551 New Shares (including its and its Associates' Entitlement) in accordance with the Underwriting Agreement.

	Total Shares	Other Shareholders Shares	Underwriter and its associates	
			Shares	Voting Power% of Post Offer Shares
Shares on issue pre-Entitlement Offer	75,589,651	72,802,630	2,787,021	2.77%
New Shares issued pursuant to the Entitlement Offer	25,196,551	-	262,341 ¹	0.26%
Shortfall issued pursuant to the Underwriting Agreement	24,267,544	0	24,934,210	24.74%
Maximum Shares to be issued pursuant to the Placement ¹	0	0	0	0.00%
Total post-Entitlement Offer	100,786,202	72,802,630	27,983,572	27.77%

1) Entitlements taken up by the Underwriter and its Associates who are Eligible Shareholders.

Dispersion strategies

In order to manage and disperse any potential control effect of the Entitlement Offer:

- (a) Dr Elliott and Mr Tighe, directors who directly hold shares in the Company have indicated their intention of taking up their Entitlement (which together will reduce any potential Entitlement Shortfall); and
- (b) the Underwriter and the Company have elected to include the Entitlement Shortfall Facility in this Prospectus.

Effect on Relevant Interest of Substantial Shareholders

As at the date of this Prospectus the Company has received substantial shareholding notices from the following parties:

Shareholder	Number of Shares	%
Bienitial International Industrial Co., Ltd	9,245,092	12.47%

If the Entitlement Offer is fully subscribed (noting that the Entitlement Offer is fully underwritten) and the interests associated with Bienitial International Industrial Co., Ltd

subscribe for all of their Entitlements pursuant to the Entitlement Offer, there will be no change to their Relevant Interests in AKN Shares.

If Bienitial International Industrial Co., Ltd does not fully participate in the Entitlement Offer, its Relevant Interest will reduce. Bienitial International Industrial Co Ltd holds 9,425,092 Shares and therefore has an Entitlement of 3,141,698 New Shares. The Company has been advised that Bienitial International Industrial Co Ltd intends to take up its Entitlement in full, subject to it obtaining required foreign regulatory approvals that apply to it for it to be able to apply for New Shares. Such approvals may not be obtained prior to the Closing Date, or at all. Accordingly, there is a risk that while Bienitial International Industrial Co Ltd intends to participate in the Entitlement Offer, it may not be able to accept any of its Entitlement. If that is the case, its Relevant Interest will decrease.

The Directors do not expect that the potential effects on control outlined above will result in any material change to the Company's current objectives and proposed actions.

5.4 **Takeovers provisions**

Having regard to the dispersion strategies adopted by the Company, the Company does not expect that any shareholder will have a relevant interest in more than 20% of the issued capital upon completion of the Offers. If for any reason the Underwriter were to acquire a relevant interest in more than 20% of the issued capital, the Company understands that the Underwriter intends to rely on the "underwriting of fundraising" exception to Section 606 of the Corporations set out in item 13 of section 611, and the general exception for the issue of securities to an underwriter of a rights issue as set out in item 10 of section 611. See section 7.15 for more details.

5.5 **FATA**

The Company notes that if any foreign shareholder acquires an interest of 20% or more in the Company, it may require approval pursuant to the FATA. Accordingly, the Company will not allow any foreign shareholder to acquire more than 19.99% of the Company's issued share capital without evidence of any required approval under the FATA or where a relevant exemption applies such that approval under the FATA is not required. See section 7.14 for more details.

6. Risk factors

6.1 Introduction

There are risks which may impact on the operating and financial performance of the Group and, therefore, on the value of the New Shares offered under this Prospectus. Some of these risks can be mitigated by the Group's systems and internal controls, but many are outside of the control of the Group and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as AKN, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares; and
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.

In the event of insolvency, the holders of fully paid ordinary shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the *Corporations Act*. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Group and the value of the New Shares offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Group and the value of the Shares offered under this Prospectus.

6.2 General Risks

The New Shares that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company has interests in the resources exploration and mining industry which is highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

(a) Dilution

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be applied by the Company in the Shortfall Facility or placed by the Company, in consultation with the Underwriter, to other parties in which case their interest in the Company may be significantly diluted (see section 5.3 for further details). Further the Entitlement Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Entitlement Offer. Given the terms of the Entitlement Offer, the interests of a Shareholder in the Company may be

diluted by up to 25% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Entitlement Offer is fully subscribed or alternatively, any Shortfall is fully placed. Further dilution will arise from the completion of the Placements, details of which are set out in section 5.3.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 19.9%, subject to a number of exemptions.

The Company intends to actively work with the Underwriter during, and after, the Entitlement Offer in order to secure commitments to place, and subsequently to place, any Shortfall of New Shares not subscribed for by Eligible Shareholders.

(b) Share Market Risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(c) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(d) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.

(e) Legislative change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

(f) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

6.3 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 6.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

(a) Transaction Risk

The Koongie Park Acquisition is subject to conditions precedent as summarised in Section 7.10 of this Prospectus. If these conditions are not satisfied or waived by the relevant due date, the Koongie Park Acquisition may not proceed, in which case the Company will continue to hold a 75% interest in the Koongie Park Joint Venture. In addition, upon completion of the Koongie Park Acquisition, the Koongie Park Joint Venture will be terminated and the Company will release AAR (and its subsidiaries) from any money that they may have otherwise been obliged to pay under the Koongie Park Joint Venture. The Koongie Park Acquisition involves the acquisition of all of the issued shares in Koongie Park Pty Ltd (KPPL), a wholly owned subsidiary of AAR. KPPL may have liabilities and obligations that AKN is not aware of.

The Koongie Park Acquisition involves the transfer of tenements to KPPL and the assignment of Native Title, Heritage Protection and Mineral Exploration Agreement to the Company or KPPL. The Company (either directly or through KPPL) will assume the obligations and liabilities under these agreements and relating to the tenements and this may impact adversely on the Company's financial position.

(b) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. The Company will rely heavily on the experience and knowledge of Paul Williams, Paul Marshall and Chris Bittar. In the event that any of these persons or any other key personnel that the Company subsequently recruits leaves the Company and the Company is unable to recruit suitable replacements, such loss could have a materially adverse effect on the Company. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these key management personnel cease their engagement with the Company and suitable replacements are not identified and engaged in a timely manner.

Although the key personnel of the Company have a considerable amount of experience and have been successful in their pursuits of acquiring, exploring and evaluation resources projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.

(c) No history of production

The Koongie Park Project is in the exploration stage. The Company has never had any direct material interest in mining producing properties. There is no assurance that commercial quantities of resources will be discovered at any of the tenements in which the Company will have an interest or any future tenements in which the Company may acquire an interest, nor is there any assurance that the exploration or development programs of the Company thereon will yield any positive results. Even if commercial quantities of resources are discovered, there can be no assurance that any property in which the Company has an interest will ever be brought to a stage where resources can profitably be produced. Factors which may limit the ability of the Company to produce resources from its tenements include, but are not limited to, commodity prices, availability of additional capital and financing and the nature of any deposits.

(d) Material arrangements

The Company is party to various contracts. While the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurances can be given that if a contracting party does not comply with any contractual provisions, that the Company will be successful in securing compliance.

Given there is currently no mining production at the Koongie Park Project, the Company does not currently have supply agreements in place with respect to product that may be extracted from the Koongie Park Project and may not be able to negotiate supply agreements on terms that permit the Company to finance and commence development on the Koongie Park Project.

(e) Exploration and evaluation risk

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable within the tenements in which the Company has acquired an interest.

Mineral exploration and development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that economic mineralisation will be found, and if found, that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposits, such as size, grade, metallurgy and proximity to infrastructure as well as external factors such as supply and demand. This, along with other factors such as maintaining title to tenements and consents, successfully designing construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.

Furthermore, the exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

While the Company has confidence in the Koongie Park Project, should that project prove unviable and the Company is unable to secure new exploration areas and resources, there could be a material adverse effect on the Company's prospects for minerals exploration and its success in the future.

(f) Mining Tenements

The Company's future exploration and development activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required.

For several years, while generally kept in good standing, the statutory exploration commitments across the existing portfolio of tenements comprising the Koongie Park Project have, in many cases, not been met by the current holder. Even though the Company has committed significant exploration expenditure at Koongie Park there is still risk associated with the Company's ongoing ability to retain the portfolio in its current form. Failure to observe

these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a tenement or tenements.

There is no guarantee that current or future tenements applications or existing renewals will be granted, that they will be granted without undue delay, that new conditions will not be imposed in connection with any renewal or that the Company can economically comply with any conditions imposed on any granted exploration tenements. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

(g) Failure to satisfy expenditure commitments and licence conditions

Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in Western Australia and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

If the Company does not meet the minimum expenditure requirements for each tenement, each tenement is at risk of forfeiture from the Minister for Mines and Petroleum or a third party. If a tenement is forfeited there is no guarantee the Company will be able to regain title to the tenement and, if the Company loses a tenement, it will have a significant impact on the Company's ability to discover and develop mineral resources on that tenement.

(h) Title Risk

The exploration and prospecting licences in which the Company has an interest in now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any licences, applications or conversions in which the Company has a current or potential interest will be granted or ministerial approvals for the transfer of the relevant tenements will be obtained.

All of the projects in which the Company has an interest will be subject to application for licence renewal from time to time. Renewal of the term of each licence is subject to applicable legislation. If the licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or other stakeholder rights.

(i) AmmLeach® Processing

The Company has certain rights to access the AmmLeach processing technology in conducting its metallurgical testwork activities. There are a number of risks associated with these rights, including that further contracts will need to be negotiated for the technology to be used in any development at Koongie Park, reliance by the Company on a third party's interest in the patented technology and the fact that the technology has not yet been the subject of commercialisation.

(j) Resource Estimation

Mineral resource estimates and exploration targets are expressions of judgement based on knowledge, experience and industry practice. There are inherent risks associated with such estimates, including that ore eventually recovered may be of a different grade, tonnage or strip ratio from those adopted in the model used. These estimates also depend to some extent on

interpretations and geological assumptions which may ultimately prove to be unreliable. As further information becomes available through additional drilling and analysis, the estimates are likely to change. Any adjustments to mineral resource estimates could affect the Company's exploration and development which may, in turn, affect the Company's performance.

Fluctuations in commodity prices, costs and other market factors may subsequently alter a resource estimation. Accordingly, adverse changes to the assumptions underpinning mineral resource estimates or exploration targets would likely negatively impact the value of the tenements and thereby the Company's prospects.

(k) Climate Change

The operations and activities of the Company are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(l) Community and Environmental risks

The Company welcomes the opportunity to consult with local communities, share information about the Company's activities with those communities and give them a reasonable opportunity to express their views about those activities. However, any community opposition to the Company's activities may have an adverse effect on those activities and may result in the Company incurring additional cost and experiencing delay in the timely progression of its projects.

The operations and proposed activities of the Company will be subject to environmental laws and regulations. These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. These laws and regulations also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environment damage caused by previous owners or property acquired by the Company, or non-compliance with environmental laws or regulations. The Company will attempt to minimise these risks by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and where possible, by carrying appropriate insurance coverage.

There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations, policies and permits governing operations and activities of mining and mineral resources companies, or more stringent implementation therefore, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or, in the event the Company develops its current or future projects to the production stage, cause increases in production costs or a reduction in level of producing properties or require abandonment or delays in development of new properties.

(m) Native Title Risk

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

(n) Commodity Price Risk

The Company's possible future revenues may be derived mainly from commodities and/or royalties gained from potential joint ventures or other arrangements.

Consequently, the Company's potential future earnings will likely be closely related to the prices of various commodities.

The prices of commodities fluctuate and are affected by numerous industry factors including demand for the commodity, forward selling by producers, production cost levels in major producing regions and macroeconomic factors such as inflation, interest rates currency exchange rates and global and regional demand for, and supply of, commodities. If the Company is producing commodities and the market price for those resources were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and may have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

The Company gives no assurances that the fluctuations in commodity prices will not affect timing and viability of its projects.

(o) Exchange rate risk

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The Company's revenue may be denominated in Australian Dollars or a foreign currency, such as United States Dollars. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.

(p) Industrial risk

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect a tenement's development and profitability.

The operations of the Company are subject to strict health and safety laws and regulations. The Company may become liable for past and current conduct which violates such laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties.

Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by the Company or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.

(q) Land Access Risk

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which propriety knowledge or information

is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

There are various restrictions operating to exclude, limit or impose conditions upon the Company's ability to conduct activities on parts of the tenements that the Company holds an interest in. These restrictions include:

- (1) exclusions from pursuing exploration activities on certain areas of Commonwealth land;
- (2) requirements arising from Native Title legislation and claims;
- (3) requirements arising from state legislation relating to Aboriginal heritage, culture and objects; and
- (4) access procedures and compensation requirements in relation to privately held land.

The Company will formulate its development plans and activities to accommodate and work within the access restrictions outlined, however the requirements can be complex and sometimes require approvals, consents or negotiations involving government or third parties. As such, there is a risk one or more of these access issues may prevent or delay the Company from implementing its intended activities which may thereby adversely affect the Company's financial position and prospects.

(r) Insurance arrangements

The Company intends to ensure that insurance is maintained with ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Moreover, insurance against risks such as environmental protection or other hazards as a result of exploration, development and production activities is not generally available to the Company or to other companies in the mineral resources industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(s) Financing Risk

The Company has finite financial resources and no cash flow from producing assets and therefore will likely require additional financing in order to carry out its exploration and development activities.

The Company's ability to effectively implement its business strategy over time will depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause the Company to have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its exploration interests in certain properties, and reduce or terminate its operations entirely. If the Company raises additional funds through the issue of equity securities, this may result in dilution to the existing shareholders and/or a change of control at the Company.

(t) Competition Risk

The Company will compete with other companies, including major mineral resources companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(u) Operational Risk

If the Company decides to progress into production in the future, the operations of the Company including exploration and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, processing technical difficulties encountered in commissioning and plant and equipment, mechanical failure, problems which affect extraction, rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(v) Mine Development Risks

Possible future development of a mining operation at any of the Company's current or future projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company discovers an economically viable mineral deposit that it intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions, pandemics or accidents.

The risks outlined above mean that there can be no assurances as to the future development of a mining operation in relation to the Koongie Park Project (or other future projects) or that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

7. Additional information

7.1 Transaction specific prospectus

AKN is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the *Corporations Act*. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Entitlement Offer, the effect of the Entitlement Offer on the Company and the rights and liabilities attaching to the New Shares.

Copies of the documents lodged by the Company with ASIC may be obtained from or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 31 December 2021; and
- (b) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 31 December 2021 and ending on the date of lodgement of this Prospectus with ASIC.

7.2 ASX Information and Share information

The ASX Announcements that the Company has made since 8 February 2022 are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website: <https://www.aukingmining.com>.

The highest and lowest prices of shares in the Company on the ASX in the six month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (cents)	Low (cents)	Volume weighted average (cents)
One month	22	15.5	18
Three months	31	13	22.1
Six months	31	12	21.7

The last market sale price of Shares as at 13 April 2022 was \$0.16.

The issue price of \$0.14 represents a discount of 12.5% to the last market price of Shares on 13 April 2022, being the last trading day before lodgement of this Prospectus.

7.3 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company

during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) *Uncertificated system*

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the ASX Settlement Operating Rules approved under the *Corporations Act* or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the *Corporations Act* or the ASX Listing Rules.

(2) *Certificated system*

Subject to the Constitution and the *Corporations Act*, a Shareholder's share may be transferred by instrument in writing in any form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Refusal to register

The Directors, may, in their absolute discretion, refuse to register any transfer of Share or other securities where permitted to do so by the *Corporations Act*, the ASX Listing Rules or the ASX Settlement Operating Rules. The Directors must refuse to register any transfer of Shares or other securities when required to do so by the *Corporations Act* or the ASX Listing Rules. If the Directors decline to register a transfer, the Company must within five business days after the date of lodgement of such transfer give to the lodging party written notice of the refusal and the reasons for it.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the *Corporations Act*.

(e) Future increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the *Corporations Act*, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary shares.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the *Corporations Act* and the Listing Rules.

For more particular details of the rights attaching to ordinary shares in the Company, investors should refer to the Constitution of the Company.

7.4 Rights attaching to New Options

The New Options are issued on and subject to the following terms:

- (a) The New Options shall be issued for no cash consideration and on the basis of one (1) Option for every three (3) Shares issued under the Entitlement Offer.
- (b) The exercise price of each New Option is \$0.25 (**Exercise Price**).
- (c) The New Options will expire on 30 June 2023 (**Expiry Date**) unless earlier exercised.
- (d) The New Options are transferrable.
- (e) The New 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 New Option to the Company at any time on or after the date of issue of the New 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.
- (f) The number of New 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.
- (g) 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 New Options) and payment of the Exercise Price, the Company will:
 - (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 New 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 New Options.
- (h) 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 New Options, in accordance with the requirements of the Listing Rules.
- (i) Option Holders do not participate in any dividends unless the New Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
- (1) the number of New Options, the Exercise Price of the New 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 Options Holders are not conferred on Shareholders; and
- (2) 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 New Options will remain unchanged.
- (k) If there is a pro rata issue (except a bonus issue), the Exercise Price of New Option may be reduced according to the following formula:
- $$O_n = \frac{O - E [P - (S + D)]}{N + 1}$$
- Where:
- O_n = the new exercise price of the New Option;
- O = the old exercise price of the New Option;
- E = the number of underlying securities into which one New 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.
- (l) If there is a bonus issue to the Shareholders of the Company, the number of Shares over which the New Option is exercisable may be increased by the number of Shares which the New Option Holder would have received if the New Option had been exercised before the record date for the bonus issue.

- (m) The terms of the New 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 New Options shall not be changed to reduce the Exercise Price, increase the number of New Options or change any period for exercise of the New Options.

7.5 Corporate Governance

The Company has adopted a Corporate Governance Charter which can be obtained, at no cost, from the Company's registered office and is also available on the Company's website: <https://www.aukingmining.com>. The Company has not established any Board committees to assist the Board in exercising its authority.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

7.6 Directors' interests

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion;
 - (2) the Entitlement Offer; or
- (c) the Entitlement Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Entitlement Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the directors may acquire under the Entitlement Offer.

Director	No of Shares	No of Options
Mark Elliott	35,750	Nil
Peter Tighe	1,833,333	Nil
Ian Hodkinson	Nil	Nil
Shizhou Yin ¹	9,245,091	Nil

Note:

1. Associate of Bienitial International Industrial Co., Ltd, deemed to have an interest in the shares held by that entity.

7.7 Directors Fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two years.

Directors' remuneration for the period from 1 January 2022 to 31 March 2022:

Director	Director Fees	Consulting Fees
Mark Elliott	\$15,000	Nil
Peter Tighe	\$8,750	Nil
Ian Hodkinson	\$8,750	\$7,425
Shizhou Yin	\$8,750	Nil

Directors' remuneration for the financial year ended 31 December 2021:

Director	Director Fees	Consulting Fees
Mark Elliott	\$33,667	Nil
Peter Tighe	\$19,639	Nil
Ian Hodkinson	\$19,639	\$29,979
Shizhou Yin	\$19,639	Nil

Directors' remuneration for the financial year ended 31 December 2020:

Nil (Noting that each of the Directors were appointed upon the Company's re-admission in June 2021)

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Entitlement Offer is set out in section 1.10.

7.8 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus:

Substantial Holder	Number of Shares	%
Bienitial International Industrial Co., Ltd	9,245,092	12.47%

Details of the intention of Bienitial International Industrial Co., Ltd to participate in the Entitlement Offer is set out in section 1.10.

7.9 **Related party transactions**

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arms length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (a) proposed capital issues to Directors or interests associated with Directors.
- (b) payment of Directors' fees to Non-Executive Directors; and
- (c) consultancy arrangement with Cornubian Resources Pty Ltd ACN 160 061 718, an entity associated with Ian Hodkinson and remuneration payable pursuant to those agreements.

The Board considers that the remuneration and benefits are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

Payment of Non-Executive Director fees

The Non-Executive Chairman of the Company (Mark Elliott) is entitled to be paid directors' fees in the amount of \$60,000 per annum. Each of the other Non-Executive Directors of the Company (being Peter Tighe, Ian Hodkinson and Shizhou Yin) are entitled to be paid directors' fees in the amount of \$35,000 per annum.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

7.10 **Agreement to acquire balance of interest in Koongie Park Project**

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 Koongie Park 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 Koongie Park 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 AKN Annual General 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:

- (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 AGM in May 2022;

- (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.

7.11 **Mandate with Vert Capital Pty Ltd**

The Company has 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 Mandate:

- (c) is on the basis that the Board agrees to take up all of their Entitlements and the substantial shareholder (being BII) intends to take up their Entitlement on a best endeavour basis;
- (d) the funds raised under the Placement and Entitlement Offer will enable the Company to complete the Koongie Park Acquisition;
- (e) 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;
- (f) Vert is entitled to be reimbursed for expenses incurred, subject to limitations and approvals;
- (g) 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; and
- (h) the Company provides standard warranties and indemnities to Vert for losses incurred arising from a breach by the Company of the Mandate terms.

7.12 **Underwriting Agreement**

The Company has engaged Vert Capital Pty Ltd as the Underwriter for the Entitlement 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:

- (a) 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;
- (b) the Company will also issue the Underwriter 20,000,000 Underwriter 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 Underwriter Options to be issued to the Underwriter will be reduced to 10,000,000;
- (c) the Underwriter must liaise with the Company and both must use best endeavours to agree an allocation of the Shortfall;
- (d) 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 Entitlement Offer;
- (e) the Company provides standard warranties and indemnities in favour of the Underwriter. The indemnities relate to liabilities arising from the Prospectus, the Entitlement Offer or a breach by the Company of the Underwriting Agreement;
- (f) the Company must issue a shortfall notice and accompanying certificate to Vert four (4) Business Days after the Closing Date and the Underwriter must lodge or cause to be lodged applications for the Shortfall within a further five (5) Business Days;
- (g) 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;
- (h) 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 (**Shortfall Notice Deadline Date**) 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 this 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 Entitlement 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;
 - (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 this 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;
- (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 this 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.

(i) the Company gives various warranties, indemnities and covenants in favour of the Underwriter that are considered standard for an agreement of this nature.

7.13 **Interests of experts and advisers**

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Entitlement Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Entitlement Offer; or
- (c) the Entitlement Offer of New Shares under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (d) formation or promotion of the Company; or
- (e) offer of New Shares under this Prospectus.

Vert Capital Pty Ltd are acting as Underwriter to the Entitlement Offer, in respect of which they are entitled to receive a fee under the Underwriting Agreement as set out in section 7.12 above.

HopgoodGanim Lawyers are acting as solicitors to the Entitlement Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$70,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

7.14 **Limitation on foreign ownership**

The Foreign Acquisitions and Takeovers Act (**FATA**) sets limitations on the ability of foreign persons to hold shares or other securities convertible into shares (such as options) in an Australian company. Foreign persons who are controlled by a foreign government may also be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

A foreign shareholder will not be required to seek approval by the Australian Treasurer where they are acquiring their entitlement under a pro-rata entitlement offer.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 20% of the voting power in the corporation or holds interests in not less than 20% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued Shares in that corporation. The Constitution of the Company contains no limitations on a non resident's right to hold or vote the Company's Shares.

7.15 **Takeover Provisions**

Section 606 of the Corporations Act prohibits the acquisition of a Relevant Interest in voting shares if, because of that acquisition, a person's voting power in the company:

- (a) increases from under 20% to over 20%; or
- (b) increases from a starting point that is above 20%, and below 90%.

A person's "voting power" in a body is determined in accordance with section 610 of the Corporations Act. A person's voting power includes the total number of votes attached to all of the voting shares in the company in which that person or an associate has a Relevant Interest. For these purposes "associate" is defined in section 12 of the Corporations Act.

There are a number of exceptions to the prohibition in s606 which are set out in section 611. The most relevant of these for the purpose of the Entitlement Offer are:

- (c) an acquisition that results from a rights issue, including an acquisition by an underwriter or sub underwriter of that rights issue (see item 10 of section 611). However this exception will not, in the context of the Entitlement Offer, extend to the allocation and allotment of New Shares from the Shortfall other than to the Underwriter. The allocation policy to be applied by the Directors to the allocation of Additional Entitlement Offer Shares from any Shortfall reflects this; and

- (d) an acquisition that results from the issue of securities to an underwriter of an offer of securities made pursuant to a disclosure document (such as this Prospectus) (see item 13 of section 611).

7.16 **Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

7.17 **Litigation**

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

7.18 **Privacy**

By submitting an Entitlement and Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services Limited an external service provider. The Company requires Link Market Services Limited to comply with the National Privacy Principles with performing these services. The Company's register is required under the *Corporations Act* to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the AKN group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Link Market Services Limited, except in limited circumstances. If you wish to access, update or correct your personal information held by Link Markets Services Limited or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

7.19 Expenses of the Entitlement Offer

All expenses connected with the Entitlement Offer are being borne by the Company. Total expenses of the Entitlement Offer are estimated to be in the order of \$331,000 and are expected to be applied towards the items set out in the table below:

Item	\$
Underwriter's Fees (in aggregate)	211,000
Legal costs of the Entitlement Offer	70,000
ASX and ASIC costs	30,000
Printing, postage and Share Registry	20,000
Total capital raising fees	\$331,000

7.20 Consents and disclaimers

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as lawyers to the Entitlement Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

BDO Audit Pty Ltd has given and has not withdrawn its consent to be named in this Prospectus as auditors of the Company in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Link Market Services Limited has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Vert Capital Pty Ltd has given and has not withdrawn its consent to be named in this Prospectus as Underwriter to the Entitlement Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

CSA Global Pty Ltd has given its consent to being named in the Prospectus as independent technical expert and has not withdrawn such consent prior to the issue of the Prospectus. CSA Global Pty Ltd makes no express or implied representation or warranty in relation to the Company, the Prospectus or the Entitlement Offer and has not made or purported to have made any statement in the Prospectus or statement on which a statement in the Prospectus is based except as independent technical expert. To the maximum extent permitted by law, CSA Global Pty Ltd expressly disclaims and takes no responsibility for the Prospectus other than a reference to its name and any statement or report included in the Prospectus as independent

technical expert. CSA Global Pty Ltd has not authorised or caused the issue of the Prospectus or the making of the Entitlement Offer.

7.21 **Target Market Determination**

A Target Market Determination has been prepared for the New Options offered under this Prospectus as required under section 994B of the Corporations Act. A copy of the Target Market Determination is available at the Company's website at www.aukingmining.com. It contains the information prescribed under section 994B of the Corporations Act, including a description of the class of consumers that comprises the target market for the New Options, the distribution conditions and restrictions of the new Options and certain review triggers. The Target Market Determination forms part of the Company's product governance arrangements in respect of its Options. The Target Market Determination does not apply to the secondary sales of any securities issued under this Prospectus.

7.22 **Directors' statement**

This Prospectus is issued by AuKing Mining Limited. Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of AuKing Mining Limited by



.....
Mark Elliott
Director

8. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

AAR	Anglo Australian Resources NL ACN 009 159 077
Acceptance	An acceptance of Entitlements
Acceptance Money or Application Money	The Offer Price multiplied by the number of New Shares applied for
Additional Entitlement Offer Shares	New Shares that may be issued to Shareholders who apply for New Shares under the Entitlement Shortfall Facility
AEST	Australian Eastern Standard Time
Applicant	A person who submits an Entitlement and Acceptance Form
Application	The application for New Shares under this Prospectus
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited and the Australian Securities Exchange
ASX Listing Rules	The official listing rules of the ASX
ASX Settlement	ASX Settlement Pty Ltd
ASX Settlement Operating Rules	The operating rules of ASX Settlement
Business Day	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney
CHESS	The Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form
Closing Date	The date by which valid acceptances must be received by the Share Registry being 16 May 2022 or such other date determined by the Board and the Underwriter
Company or AKN	AuKing Mining Limited ACN 070 859 522
Constitution	The Constitution of the Company
Corporate Governance Principles and Recommendation	Corporate Governance Principles and Recommendation 3rd Edition initially released by the ASX Corporate Governance Council in March 2014
Corporations Act	<i>Corporations Act</i> 2001 (Cth)
Directors or Board	The Board of directors of AKN from time to time
Eligible Shareholder	A shareholder of the Company that holds Shares in the Company on the Record Date
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form accompanying this Prospectus
Entitlement Offer	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 New Share

Entitlement Shortfall Facility	The facility described in section 1.9 of this Prospectus under which Eligible Shareholders may apply for Additional Entitlement Offer Shares in excess of their Entitlement, which Additional Entitlement Offer Shares will be allocated from the Shortfall if any
Entitlements	The entitlement to accept New Shares under this Prospectus
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Prospectus, being options exercisable at \$0.25 each on or before 30 June 2023
FATA	Has the meaning given to it in section 7.14
Fractional Entitlement	The extent to which the application of the Entitlement Offer Ratio to the Shareholding of an Eligible Shareholder results in that Eligible Shareholder being entitled to a fraction of a New Share
Further placement	A 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. The Further Placement is subject to shareholder approval.
Group	The Company and each of its wholly owned subsidiaries
Ineligible Shareholders	Shareholders as at the Record Date who are not Eligible Shareholders
Initial Placement	A 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
Koongie Park Acquisition	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 KPPL from AAR
Koongie Park JVA	The agreement dated 8 February 2021 between AKN and AAR
Koongie Park Joint Venture	The joint venture established by the Koongie Park JVA
Koongie Park Project	The Koongie Park copper/zinc project, situated in northern Western Australia, which, as at the date of this Prospectus, is the subject of the Koongie Park JVA.
KPPL	Koongie Park Pty Ltd ACN 644 953 551
Law	The <i>Corporations Act</i> or any relevant and applicable law in Australia
Mandate	The mandate pursuant to which the Company has appointed Vert Capital Pty Ltd as Lead Manager to the Placement summarised in section 7.11
New Shares	The Shares offered under this Prospectus
New Options	The free-attaching Options offered under this Prospectus
Offer Price or Issue Price	\$0.14 for each New Share applied for

Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
Opening Date	Wednesday 27 April 2022
Option Holders	The holders of the Existing Options
Options	Options on issue in the Company from time to time
PGE	Platinum Group Elements
Placement	The Initial Placement and the Further Placement
Placement Options	The Options to be issued by the Company pursuant to the Initial Placement and the Further Placement
Prospectus	This Prospectus dated 20 April 2022 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
Record Date	Tuesday 26 April 2022
Register	Company Register of AKN
Relevant Interest	Has the meaning given to that term in the Corporations Act
Securities	Has the same meaning as in section 92 of the <i>Corporations Act</i>
Share Registry	Link Market Services Limited
Shares	The ordinary shares on issue in AKN from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
Shortfall Offer	The offer of the Shortfall under this Prospectus
Takeover Provisions	Has the meaning given to it in section 7.15
Underwriter	Vert Capital Pty Ltd ACN 635 566 424
Underwriter Options	20,000,000 Options to subscribe for shares exercisable at \$0.25 each on or before 30 June 2023
Underwriting agreement	The agreement between the Company and the Underwriter summarised in section 7.12
US Securities Act	The US Securities Act of 1933, as amended.

Appendix A

(ASX Announcements)

Date	Title of Announcement
14/04/2022	Trading halt
07/04/22	AKN Delivers 30% increase in Koongie Park Resources
05/04/22	Acquisition of 25% JV Interest and PGE rights
05/04/22	Proposed Issue of Securities
23/03/22	Presentation to Brisbane Mining Conference
14/03/22	Application for Quotation of Securities
14/03/22	Application for Quotation of Securities
14/03/22	Share and Option Issue Section 708a Notice
14/03/22	Application for Quotation of Securities
11/03/22	Results of Meeting
04/03/22	Application for Quotation of Securities
02/03/22	High-grade copper, zinc and silver from final Onedin assays
24/02/22	Further high-grade copper and silver intersections at Onedin
21/02/22	105m of 1.94%Cu, including 16.6m at 10.2%Cu and 316g/t Ag
18/02/22	Release of Restricted Securities from Escrow
11/02/22	Letter to Shareholder re EGM
11/02/22	Notice of Extraordinary General Meeting/Proxy Form
08/02/22	ProActive Investors Webinar Presentation
08/02/22	Appendix 4G
08/02/22	Corporate Governance Statement

Corporate Directory

Directors/Senior Management	Solicitors to the Offer	Auditors
<p>Mark Elliott (Non-Executive Chairman)</p> <p>Paul Williams (Chief Executive Officer)</p> <p>Peter Tighe (Non-Executive Director)</p> <p>Ian Hodgkinson (Non-Executive Director)</p> <p>Shizhou Yin (Non-Executive Director)</p> <p>Paul Marshall (Company Secretary/CFO)</p> <p>Chris Bittar (Exploration Manager)</p>	<p>HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: + 61 7 3024 0000 www.hopgoodganim.com.au</p>	<p>BDO Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000 Tel: +61 7 3237 5999 www.bdo.com.au</p>
Administration and Registered Office	Share Registry	Underwriter
<p>C/- HopgoodGanim Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: +61 7 3535 1208 https://www.aukingmining.com</p>	<p>Link Market Services Limited Level 21, 10 Eagle Street Brisbane QLD 4000 Tel: 1300 554 474 (within Australia) Tel: +61 1300 554 474 www.linkmarketservices.com.au</p>	<p>Vert Capital Pty Ltd Unit 11, 300 Rokeby Riad Subiaco WA 6008 Tel: +61 8 6118 1484 www.vertcapital.com.au</p>