



AuKing Mining Limited ACN 070 859 522

Prospectus

For the public offer of 30,000,000 ordinary shares at an issue price of \$0.20 each to raise \$6,000,000, with provision to accept oversubscriptions for a further 5,000,000 shares to raise a further \$1,000,000 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 two (2) ordinary shares issued.

LEAD MANAGER: Novus Capital Limited ABN 32 006 711 995.

The Public Offer is not underwritten.

This Prospectus is a re-compliance prospectus that has been prepared for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

The issue of Offer Securities pursuant to this Prospectus is subject to receiving conditional ASX approval for re-quotation of the Company's Shares on the ASX, Shareholders passing all Approval Resolutions and all other conditions referred to in the Approval Resolutions being satisfied. If all such conditions are not satisfied no Offer Securities will be issued pursuant to this Prospectus and the Company will repay all money received from Applicants without interest.



Lead Manager

THIS DOCUMENT IS IMPORTANT AND IT SHOULD BE READ IN ITS ENTIRETY

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, professional adviser, banker or accountant without delay.

The securities offered by this Prospectus are considered to be speculative.

AuKing Mining Limited ACN 070 859 522 (Company)

Supplementary Prospectus

Supplementary Prospectus to a Prospectus dated 9 March 2021

Important Information

This is a supplementary prospectus dated 19 March 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Supplementary Prospectus**). This Supplementary Prospectus supplements the prospectus dated 9 March 2021 (**Prospectus**) issued by AuKing Mining Limited ACN 070 859 522 (**Company**).

ASIC, ASX Limited (**ASX**), and their officers take no responsibility as to the contents of this Supplementary Prospectus. This Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail.

The Company has issued an electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at www.aukingmining.com.

1. Background

The Prospectus includes references to one of the Company's early areas of focus which will be the establishment of a commercially viable metallurgical processing solution for the treatment of the oxide and transitional ores at the Onedin deposit at Koongie Park. Application of the AmmLeach® proprietary technology of Accudo is one such possible processing solution that will be the subject of further testwork to be undertaken by the Company. Additional information about the AmmLeach® process is set out below for the benefit of investors, dealing with matters such as:

- (a) further background in relation to the AmmLeach® process;
- (b) details as to where the AmmLeach® process has been applied at other projects;
- (c) the reasons why the Company believes the AmmLeach® process may, subject to further testing, have an application with the oxide and transition ores at the Onedin deposit; and
- (d) the risks associated with commercial application of the AmmLeach® process.

2. Additional information - the AmmLeach® Process

Set out below is additional information in respect of the AmmLeach® process.

2.1 Introduction¹

The AmmLeach® process was originally developed by UK-based and AIM-listed Alexander Mining plc (now called eEnergy Group plc) (**Alexander**) as part of that company's proposed development of the Leon copper/silver project in the Salta Province of north-western Argentina. The process utilises ammonia-based chemistry to selectively extract metals from ores.

The AmmLeach® process consists of the same three major stages as acid-based processes – that is, leaching, solvent extraction and electrowinning. The leaching occurs in two steps – an ore-specific pre-treatment which converts the metals into a soluble form and the main leaching step, which uses recycled raffinate from the solvent extraction stage. Solvent extraction is then used to separate and concentrate the metals while also changing from ammoniacal media to acid sulphate media from which metals can be directly electrowon using industry standard unit operations.

The difference between the AmmLeach® process and acid leaching is that the leaching is conducted in moderately alkaline solution with ammonia present as a complexant. The use of alkaline conditions allows the use of the AmmLeach® process in high-carbonate ores where acid consumption is prohibitive.

2.2 Application at other projects

AmmLeach® was the metallurgical process adopted by Alexander as part of a feasibility study that was completed for the proposed development of Leon, Argentina in 2007. Included in the feasibility study project economics were life of mine metal recoveries of 75% for copper and 70% for silver and a project payback of 1.5 years.² Alexander signed a mandate with Standard Bank plc, London, to assist with establishing a project loan facility.³ Following a change of national government in Argentina in October 2007, a 10% export tax on mining operations was imposed – contrary to the 30 year tax stability law of 1989.⁴ Alexander continued to seek financial support for the project⁴ but it was eventually put into care and maintenance.⁵

In 2016, after securing certain licence rights to utilise AmmLeach® in Australia, Accudo proceeded with a testwork program at a copper project in north-western Queensland in the Mount Isa region. Specific details of the project and the activities of Accudo are commercial-in-confidence. However, Accudo has advised the Company that the tests demonstrated successful extraction of copper under a range of AmmLeach® conditions and comparable recoveries to acid leaching with excess sulphuric acid. Accudo representatives have further advised that a commercial transaction involving the use of the AmmLeach® process could not be concluded with the project owners at the time due to an inability to secure project equity funding.

¹ "New leaching technology", Alexander Mining plc announcement dated 27 July 2007, (<https://investigate.co.uk/Index.aspx?searchtype=3&words=AXM&pno=5>), included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72 and consent has not been obtained for this statement.

² "Corporate update", Alexander Mining plc announcement dated 18 September 2007, (<https://investigate.co.uk/Index.aspx?searchtype=3&words=AXM&pno=5>), included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72 and consent has not been obtained for this statement.

³ "New leaching technology", Alexander Mining plc announcement dated 27 July 2007, (<https://investigate.co.uk/Index.aspx?searchtype=3&words=AXM&pno=5>), included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72 and consent has not been obtained for this statement.

⁴ "Leon Project Update", Alexander Mining plc announcement dated 26 February 2008, (<https://investigate.co.uk/Index.aspx?searchtype=3&words=AXM&pno=5>), included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72 and consent has not been obtained for this statement.

⁵ "Operations Update", Alexander Mining plc announcement dated 10 March 2009, (<https://investigate.co.uk/Index.aspx?searchtype=3&words=AXM&pno=5>), included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72 and consent has not been obtained for this statement.

2.3 Potential application at Onedin (Koongie Park)

The potential application of the AmmLeach® process to the Onedin deposit and, in particular, the oxide and transition ore zones at Onedin is highlighted by the similar carbonate-hosted mineralogical composition exhibited at Leon and the north-west Qld project, summarised as follows:

Leon – malachite, azurite, digenite, covellite and chalcocite

NW Qld project – malachite, digenite, chalcocite, native copper, azurite and cuprite

Onedin – malachite, covellite, chalcocite, cuprite, digenite, native copper, chrysocolla.

In the case of the zinc mineralisation at Onedin, the Independent Technical Report contained in section 6 of the Prospectus establishes that most of the mineral value within the Onedin transition zone is comprised of zinc oxide minerals, mostly in the form of smithsonite (zinc carbonate). On 4 April 2014 the Alexander CEO stated that “We have already built up an extensive database of all of the world’s major zinc oxide deposits and conducted favourable AmmLeach® amenability testwork on samples from a significant number.”⁶

2.4 Risks with commercial application

A deep weathering profile is exhibited at Onedin, resulting in three weathering domains: an oxidised zone at surface, a primary zone at depth, and the transition zone in between. Each zone has very different mineral assemblages and consequently very different metallurgical properties. As noted above, the copper minerals present in each of the Leon, NW Qld and Onedin deposits are similar. However, while the relative percentages of each mineral in the oxide and transition zones is known for Leon and the NW Qld deposits, it is not well known for Onedin. This composition will only be defined and better understood following further drilling, sampling and mineralogy studies. Following these studies, the Company will have an indication as to whether the AmmLeach® process will produce economic recoveries for the Onedin oxide and transition materials.

In the case of the zinc mineralisation in the oxide and transition zones at Onedin, the process of extracting zinc by way of ammonium carbonate has been used for the commercial recovery of zinc for many years and dates back to the Schnabel process in the 1880’s.

2.5 Additional information

On page 70 of the Prospectus the Independent Technical Report contains Mineral Resource estimates for the Sandiego and Onedin deposits. The proposed testing of the AmmLeach® process (and its success, or otherwise) has had no bearing on the Competent Person’s assessment in reporting the Mineral Resource estimates for the oxide and transition zones at Onedin and it was not considered by the Competent Person.

3. Timetable

The Prospectus contains an indicative timetable in Key Offer Statistics and Important Dates (page 4), section 1 Investment Overview (page 20) and Section 2.2 (page 31). This indicative timetable had been prepared on an estimated date that the Company would make the Notice of Meeting for the General Meeting available to Shareholders. The Notice of Meeting has been lodged with ASX and ASIC in accordance with the Listing Rules and the Corporations Act respectively and each of ASX and ASIC are currently reviewing the Notice of Meeting. Accordingly, the Company has not yet been able

⁶ “World’s First Zinc Cathode Produced Using AmmLeach® Technology”, Alexander Mining plc announcement dated 4 April 2014, (<https://investigate.co.uk/Index.aspx?searchtype=3&words=AXM&pno=5>), included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72 and consent has not been obtained for this statement.

to issue the Notice of Meeting to convene the General Meeting. The Company will provide an updated indicative timetable once it is in a position to make the Notice of Meeting available.

4. Consents to be named

4.1 David Williams, Competent Person

As noted in the Prospectus, David Williams, by virtue of his education, experience and professional association, is considered Competent Persons, as defined in the JORC Code (2012), for sections 2.6 and 2.7 of the Independent Technical Report. Details of Mr Williams education and experience are set out on page 3 of the Prospectus. Mr Williams consents to the inclusion in this Supplementary Prospectus of the matters based on his information in the form and context in which it appears.

4.2 Accudo Metals Pty Ltd

Statements in this Supplementary Prospectus have been based on information provided to the Company by Accudo Metals Pty Ltd ACN 612 323 832. Accudo Metals Pty Ltd has given its consent to the reference to such statements in this Supplementary Prospectus and to being named in this Supplementary Prospectus. Accudo Metals Pty Ltd has not withdrawn its consent as at the date of this Supplementary Prospectus. Accudo Metals Pty Ltd has not authorised or caused the issue of the Prospectus or this Supplementary Prospectus and takes no responsibility for any part of the Prospectus and Supplementary Prospectus other than references to its name and any statement included in the Prospectus or this Supplementary Prospectus with their consent.

5. Other Material Information

The Directors of the Company are not aware of any acts, matters or things (not already described in the Prospectus) which may be material to the making of an informed assessment of:

- a) the effect of the Public Offer on the Company; or
- b) the rights attaching to the Offer Securities.

6. Director Consent

Directors' authorisation and consent

This Supplementary Prospectus has been signed by a Director of the Company with the authority of each of the Directors and is dated 19 March 2021. Each Director has consented to lodgement of this Supplementary Prospectus with ASIC.



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Paul Williams
Director
Auking Mining Limited

AuKing Mining Limited ACN 070 859 522 (Company)

Second Supplementary Prospectus

Second Supplementary Prospectus to a Prospectus dated 23 April 2021

Important Information

This is a second supplementary prospectus dated 23 April 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Second Supplementary Prospectus**). This Supplementary Prospectus supplements the prospectus dated 9 March 2021 (**Prospectus**) and the Supplementary Prospectus dated 19 March 2021 (**First Supplementary Prospectus**) which were issued by AuKing Mining Limited ACN 070 859 522 (**Company**).

ASIC, ASX Limited (**ASX**), and their officers take no responsibility as to the contents of this Second Supplementary Prospectus. This Second Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus and the First Supplementary Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus and the First Supplementary Prospectus. To the extent of any inconsistency between this Second Supplementary Prospectus, the First Supplementary Prospectus and the Prospectus, the provisions of this Second Supplementary Prospectus will prevail.

The Company has issued an electronic version of this Second Supplementary Prospectus, the First Supplementary Prospectus and the Prospectus. Electronic versions of each may be accessed at www.aukingmining.com.

1. Changes to Closing Date

1.1 Background

The Indicative Timetable included in the Prospectus was dependent on the timing for review and despatch of the Notice of Meeting. Due to delays the Company has experienced in finalising the material to convene the General Meeting, a revised timetable for the Public Offer is set out below. The Notice of Meeting is dated 22 April 2021 and was despatched on 22 April 2021.

1.2 Date Changes

The references to the "Closing Date" or "Public Offer Closing Date" being 23 April 2021 appearing throughout the Prospectus (as amended by the First Supplementary Prospectus), including the definition of "Closing Date", are replaced with 31 May 2021. All references in the Prospectus (as amended by the First Supplementary Prospectus) to when Applications must be received by are amended to 5pm (Sydney time) on 31 May 2021.

1.3 Consequential amendments to the Prospectus

- (a) The Indicative Timetable (excluding the 'Note' and subsequent paragraph) contained in the Key Offer Statistics and Important Dates section of the Prospectus and sections 1(G) and 2.2 of the Prospectus (**Timetable**) is deleted and replaced with the following (**Amended Indicative Timetable**):

Event	Date
Prospectus lodged with ASIC and ASX	9 March 2021
Public Offer Opening Date	10 March 2021
Notice of Meeting given to Shareholders	22 April 2021
General Meeting to consider the Approval Resolutions	21 May 2021
Public Offer Closing Date	31 May 2021
Issue of Offer Securities under Prospectus	1 June 2021
Completion of the KP Transaction	2 June 2021
Dispatch of Holding Statements	2 June 2021
Expected date for re-quotation of the Company's Shares (and quotation of the Offer Options) on the ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules)	7 June 2021

This timetable is indicative only. The Company reserves the right to vary the dates, which includes closing the Public Offer early or extending the close of the Public Offer, without notifying any recipients of the Prospectus or any Applicants subject to the Corporations Act, the Listing Rules and other applicable laws. Investors are encouraged to submit their Application Forms as soon as possible. Furthermore, dates are dependent upon Completion, and as such, satisfaction of all KP Transaction Conditions, which includes ASX providing the Conditional Approval. Accordingly, the proposed dates are merely indicative and subject to a number of factors outside the control of the Company.

- (b) The following statement at Section 1(G) of the Prospectus in response to the Topic: "When will I receive confirmation that my Application has been successful":

Holding statements that confirm Applicants' allocations under the Public Offer are expected to be dispatched to Shareholders on or around 29 April 2021.

is deleted and replaced with the following statement:

Holding statements that confirm Applicants' allocations under the Public Offer are expected to be dispatched to Shareholders on or around 2 June 2021.

- (c) Any other references to the dates contained in the Indicative Timetable appearing throughout the Prospectus (as amended by the First Supplementary Prospectus) are replaced with the corresponding date from the Amended Indicative Timetable.

1.4 Non-materially adverse

The Directors do not consider the amendments to the indicative timetable are materially adverse from an investor's point of view.

2. Amendments to terms of the Offer Options

2.1 Rights attaching to Offer Options

Section 13.5(g) is deleted and replaced with the following:

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 Offer Options):

1. allot and issue the number of fully paid ordinary Shares ranking pari passu with the then issued Shares as required under these terms and conditions in respect of the number of Offer 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 Offer Options.

2.2 Non-materially adverse

The amendments to the terms of the Offer Options ensure that the terms of the Offer Options reflect the Listing Rule timetables. The Directors do not consider the amendment to the terms of the Offer Options is materially adverse from an investor's point of view.

3. Other Material Information

The Directors of the Company are not aware of any acts, matters or things (not already described in the First Supplementary Prospectus or the Prospectus) which may be material to the making of an informed assessment of:

- a) the effect of the Public Offer on the Company; or
- b) the rights attaching to the Offer Securities.

4. Director Consent

Directors' authorisation and consent

This Second Supplementary Prospectus has been signed by a Director of the Company with the authority of each of the Directors and is dated 23 April 2021. Each Director has consented to lodgement of this Second Supplementary Prospectus with ASIC.



Paul Williams
Director
Auking Mining Limited

AuKing Mining Limited ACN 070 859 522 (Company)

Third Supplementary Prospectus

Third Supplementary Prospectus to a Prospectus dated 4 May 2021

Important Information

This is a third supplementary prospectus dated 4 May 2021 and lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Third Supplementary Prospectus**). This Third Supplementary Prospectus supplements the prospectus dated 9 March 2021 (**Prospectus**), the Supplementary Prospectus dated 19 March 2021 (**First Supplementary Prospectus**) and the Second Supplementary Prospectus dated 23 April 2021 (**Second Supplementary Prospectus**) which were issued by AuKing Mining Limited ACN 070 859 522 (**Company**).

ASIC, ASX Limited (**ASX**), and their officers take no responsibility as to the contents of this Third Supplementary Prospectus. This Third Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus, First Supplementary Prospectus and Second Supplementary Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all material details in relation to the Prospectus (as supplemented by the First Supplementary Prospectus and Second Supplementary Prospectus) remain unchanged. Terms used in this Third Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus, the First Supplementary Prospectus and the Second Supplementary Prospectus. To the extent of any inconsistency between this Third Supplementary Prospectus, the Second Supplementary Prospectus, the First Supplementary Prospectus and the Prospectus, the provisions of this Third Supplementary Prospectus will prevail.

The Company has issued an electronic version of this Third Supplementary Prospectus, the Second Supplementary Prospectus, the First Supplementary Prospectus and the Prospectus. Electronic versions of each may be accessed at www.aukingmining.com.

1. Extension of dates in various material agreements

1.1 Background

Section 12 of the Prospectus contains summaries of various material agreements to which the Company is a party, including the:

- (a) Koongie Park Earn-In, which is subject to various conditions precedent that were required to be satisfied before 29 April 2021 (**KP Satisfaction Date**);
- (b) JCHX Loan, of which the loan the subject of the agreement was required to be repaid by the Company if:
 - (1) the Company had not obtained shareholder approval to issue ordinary shares to JCHX; and
 - (2) Completion of the KP Transaction and re-instatement to the Official List had not occurred,

by 30 April 2021 (**JCHX Repayment Date**).

- (c) Williams Convertible Loan, of which the convertible loan the subject of the agreement (which for all purposes has been treated by the Company as convertible notes) was scheduled to mature on the earlier of Completion of the KP Transaction or 30 April 2021 (**Williams Maturity Date**);
- (d) Yang Convertible Notes, of which the convertible notes the subject of the agreement were scheduled to mature on the earlier of Completion of the KP Transaction or 30 April 2021 (**Yang Maturity Date**);
- (e) Tighe Convertible Notes, of which the convertible notes the subject of the agreement were scheduled to mature on the earlier of Completion of the KP Transaction or 30 April 2021 (**Tighe Maturity Date**);
- (f) Tighe Loan Agreement, of which the short-term loan the subject of the agreement was scheduled to be repaid on 30 April 2021 (**Tighe Repayment Date**);
- (g) Saralau Convertible Notes, of which the convertible notes the subject of the agreement were scheduled to mature on the earlier of Completion of the KP Transaction or 30 April 2021 (**Saralau Maturity Date**); and
- (h) GN Convertible Notes, of which the convertible notes the subject of the agreement were scheduled to mature on the earlier of Completion of the KP Transaction or 30 April 2021 (**GN Maturity Date**).

1.2 Extension Agreements

The Company has entered into various agreements with the respective counterparties to the above material agreements to extend the:

- (a) KP Satisfaction Date to 9 June 2021;
- (b) JCHX Repayment Date to 15 June 2021;
- (c) Williams Maturity Date to 15 June 2021;
- (d) Yang Maturity Date to 15 June 2021;
- (e) Tighe Maturity Date to 15 June 2021;
- (f) Tighe Repayment Date to 15 June 2021;
- (g) Saralau Maturity Date to 15 June 2021; and
- (h) GN Maturity Date to 15 June 2021.

1.3 Non-Materially Adverse

The Directors do not consider the extensions to the respective dates outlined in section 1.2 above is materially adverse from an investor's point of view.

2. Other Material Information

The Directors of the Company are not aware of any acts, matters or things (not already described in the First Supplementary Prospectus, the Second Supplementary Prospectus or the Prospectus) which may be material to the making of an informed assessment of:

- a) the effect of the Public Offer on the Company; or
- b) the rights attaching to the Offer Securities.

3. Director Consent

Directors' authorisation and consent

This Third Supplementary Prospectus has been signed by a Director of the Company with the authority of each of the Directors and is dated 4 May 2021. Each Director has consented to lodgement of this Third Supplementary Prospectus with ASIC.



Paul Williams
Director
Auking Mining Limited

AuKing Mining Limited ACN 070 859 522 (Company)

Fourth Supplementary Prospectus

Fourth Supplementary Prospectus to a Prospectus dated 31 May 2021

Important Information

This is a fourth supplementary prospectus dated 31 May 2021 and lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Fourth Supplementary Prospectus**). This Fourth Supplementary Prospectus supplements the prospectus dated 9 March 2021 (**Prospectus**), the First Supplementary Prospectus dated 19 March 2021 (**First Supplementary Prospectus**), the Second Supplementary Prospectus dated 23 April 2021 (**Second Supplementary Prospectus**) and the Third Supplementary Prospectus dated 4 May 2021 (**Third Supplementary Prospectus**) which were issued by AuKing Mining Limited ACN 070 859 522 (**Company**).

ASIC, ASX Limited (**ASX**), and their officers take no responsibility as to the contents of this Fourth Supplementary Prospectus. This Fourth Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus, the First Supplementary Prospectus, the Second Supplementary Prospectus and the Third Supplementary Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all details in relation to the Prospectus (as supplemented by the First Supplementary Prospectus, the Second Supplementary Prospectus and the Third Supplementary Prospectus) remain unchanged. Terms used in this Fourth Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus, the First Supplementary Prospectus, the Second Supplementary Prospectus and the Third Supplementary Prospectus. To the extent of any inconsistency between this Fourth Supplementary Prospectus, the Third Supplementary Prospectus, the Second Supplementary Prospectus, the First Supplementary Prospectus and the Prospectus, the provisions of this Fourth Supplementary Prospectus will prevail.

The Company has issued an electronic version of this Fourth Supplementary Prospectus, the Third Supplementary Prospectus, the Second Supplementary Prospectus, the First Supplementary Prospectus and the Prospectus. Electronic versions of each may be accessed at www.aukingmining.com.

1. Changes to Closing Date

1.1 Background

The Indicative Timetable included in the Prospectus (as varied by the Second Supplementary Prospectus) noted that the Company intended to close the Public Offer on 31 May 2021 and issue the Offer Securities under the Prospectus on 1 June 2021.

On 27 May 2021, the Company received a 'Decision for Reinstatement' from ASX which sets out the conditions the Company must satisfy in order for the Company's securities to be reinstated to official quotation (**Conditional Admission Letter**). One of the conditions in the Conditional Admission Letter is the provision to ASX of an independent report, in a form satisfactory to ASX, opining on the prospectivity of the potential application of the AmmLeach

process to the ore deposits at Koongie Park. The Company has determined that it will extend the closing date of the Public Offer while it obtains the requested report.

1.2 Date Changes

The references to the “Closing Date” or “Public Offer Closing Date” being 31 May 2021 appearing throughout the Prospectus (as amended by the First Supplementary Prospectus, the Second Supplementary Prospectus and the Third Supplementary Prospectus), including the definition of “Closing Date”, are replaced with 3 June 2021. All references in the Prospectus (as amended by the First Supplementary Prospectus, the Second Supplementary Prospectus and the Third Supplementary Prospectus) to when Applications must be received by are amended to 5pm (Sydney time) on 3 June 2021.

1.3 Consequential amendments to the Prospectus

- (a) The Indicative Timetable (excluding the ‘Note’ and subsequent paragraph) contained in the Key Offer Statistics and Important Dates section of the Prospectus (as varied by Second Supplementary Prospectus) and sections 1(G) and 2.2 of the Prospectus (**Timetable**) is deleted and replaced with the following (**Second Amended Indicative Timetable**):

Event	Date
Prospectus lodged with ASIC and ASX	9 March 2021
Public Offer Opening Date	10 March 2021
Notice of Meeting given to Shareholders	22 April 2021
General Meeting to consider the Approval Resolutions	21 May 2021
Public Offer Closing Date	3 June 2021
Issue of Offer Securities under Prospectus	4 June 2021
Completion of the KP Transaction	7 June 2021
Dispatch of Holding Statements	7 June 2021
Expected date for satisfaction of the conditions set out in the Conditional Admission Letter	8 June 2021
Expected date for re-quotation of the Company's Shares (and quotation of the Offer Options) on the ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules)	11 June 2021

This timetable is indicative only. The Company reserves the right to vary the dates, which includes closing the Public Offer early or extending the close of the Public Offer, without notifying any recipients of the Prospectus or any Applicants subject to the Corporations Act, the Listing Rules and other applicable laws. Investors are encouraged to submit their Application Forms as soon as possible. Furthermore, dates are dependent upon Completion, and as such, satisfaction of all KP Transaction Conditions. Accordingly, the proposed dates are merely indicative and subject to a number of factors outside the control of the Company.

- (b) The following statement at Section 1(G) of the Prospectus in response to the Topic: “When will I receive confirmation that my Application has been successful”:

Holding statements that confirm Applicants’ allocations under the Public Offer are expected to be dispatched to Shareholders on or around 2 June 2021.

is deleted and replaced with the following statement:

Holding statements that confirm Applicants' allocations under the Public Offer are expected to be dispatched to Shareholders on or around 7 June 2021.

- (c) Any other references to the dates contained in the Indicative Timetable appearing throughout the Prospectus (as amended by the First Supplementary Prospectus, the Second Supplementary Prospectus and the Third Supplementary Prospectus) are replaced with the corresponding date from the Second Amended Indicative Timetable.

1.4 Non-materially adverse

The Directors do not consider the amendments to the indicative timetable are materially adverse from an investor's point of view.

2. Other Material Information

The Directors of the Company are not aware of any acts, matters or things (not already described in the First Supplementary Prospectus, Second Supplementary Prospectus, Third Supplementary Prospectus or the Prospectus) which may be material to the making of an informed assessment of:

- a) the effect of the Public Offer on the Company; or
- b) the rights attaching to the Offer Securities.

3. Director Consent

Directors' authorisation and consent

This Fourth Supplementary Prospectus has been signed by a Director of the Company with the authority of each of the Directors and is dated 31 May 2021. Each Director has consented to lodgement of this Fourth Supplementary Prospectus with ASIC.



Paul Williams
Director
Auking Mining Limited

AuKing Mining Limited ACN 070 859 522 (Company)

Fifth Supplementary Prospectus

Fifth Supplementary Prospectus to a Prospectus dated 3 June 2021

Important Information

This is a fifth supplementary prospectus dated 3 June 2021 and lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Fifth Supplementary Prospectus**). This Fifth Supplementary Prospectus supplements the prospectus dated 9 March 2021 (**Prospectus**), the First Supplementary Prospectus dated 19 March 2021 (**First Supplementary Prospectus**), the Second Supplementary Prospectus dated 23 April 2021 (**Second Supplementary Prospectus**), the Third Supplementary Prospectus dated 4 May 2021 (**Third Supplementary Prospectus**) and the Fourth Supplementary Prospectus dated 31 May 2021 (**Fourth Supplementary Prospectus**), which were issued by AuKing Mining Limited ACN 070 859 522 (**Company**).

ASIC, ASX Limited (**ASX**), and their officers take no responsibility as to the contents of this Fifth Supplementary Prospectus. This Fifth Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus, the First Supplementary Prospectus, the Second Supplementary Prospectus, the Third Supplementary Prospectus and the Fourth Supplementary Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all material details in relation to the Prospectus (as supplemented by the First Supplementary Prospectus, the Second Supplementary Prospectus, the Third Supplementary Prospectus and the Fourth Supplementary Prospectus) remain unchanged. Terms used in this Fifth Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus, the First Supplementary Prospectus, the Second Supplementary Prospectus, the Third Supplementary Prospectus and the Fourth Supplementary Prospectus. To the extent of any inconsistency between this Fifth Supplementary Prospectus, the Fourth Supplementary Prospectus, the Third Supplementary Prospectus, the Second Supplementary Prospectus, the First Supplementary Prospectus and the Prospectus, the provisions of this Fifth Supplementary Prospectus will prevail.

The Company has issued an electronic version of this Fifth Supplementary Prospectus, the Fourth Supplementary Prospectus, the Third Supplementary Prospectus, the Second Supplementary Prospectus, the First Supplementary Prospectus and the Prospectus. Electronic versions of each may be accessed at www.aukingmining.com.

1. Changes to Closing Date

1.1 Background

The Indicative Timetable included in the Prospectus (as varied by the Second Supplementary Prospectus and, subsequently, the Fourth Supplementary Prospectus) noted that the Company intended to close the Public Offer on 3 June 2021 and issue the Offer Securities under the Prospectus on 4 June 2021.

On 27 May 2021, the Company received a ‘Decision for Reinstatement’ from ASX which sets out the conditions the Company must satisfy in order for the Company’s securities to be reinstated to official quotation (**Conditional Admission Letter**). One of the conditions in the Conditional Admission Letter is the provision to ASX of an independent report, in a form satisfactory to ASX, opining on the prospectivity of the potential application of the AmmLeach process to the ore deposits at Koongie Park. The Company has determined that it is required to extend the closing date of the Public Offer to a date that is later than what was anticipated in the Second Amended Indicative Timetable (which is contained in the Fourth Supplementary Prospectus) while it obtains the requested report.

1.2 Date Changes

The references to the “Closing Date” or “Public Offer Closing Date” being 3 June 2021 appearing throughout the Prospectus (as amended by the First Supplementary Prospectus, the Second Supplementary Prospectus, the Third Supplementary Prospectus and the Fourth Supplementary Prospectus), including the definition of “Closing Date”, are replaced with 7 June 2021. All references in the Prospectus (as amended by the First Supplementary Prospectus, the Second Supplementary Prospectus, the Third Supplementary Prospectus and the Fourth Supplementary Prospectus) to when Applications must be received by are amended to 5pm (Sydney time) on 7 June 2021.

1.3 Consequential amendments to the Prospectus

- (a) The Indicative Timetable (excluding the ‘Note’ and subsequent paragraph) contained in the Key Offer Statistics and Important Dates section of the Prospectus (as varied by Second Supplementary Prospectus and the Fourth Supplementary Prospectus) and sections 1(G) and 2.2 of the Prospectus (**Timetable**) is deleted and replaced with the following (**Third Amended Indicative Timetable**):

Event	Date
Prospectus lodged with ASIC and ASX	9 March 2021
Public Offer Opening Date	10 March 2021
Notice of Meeting given to Shareholders	22 April 2021
General Meeting to consider the Approval Resolutions	21 May 2021
Public Offer Closing Date	7 June 2021
Issue of Offer Securities under Prospectus	8 June 2021
Completion of the KP Transaction	8 June 2021
Dispatch of Holding Statements	9 June 2021
Expected date for satisfaction of the conditions set out in the Conditional Admission Letter	9 June 2021
Expected date for re-quotation of the Company’s Shares (and quotation of the Offer Options) on the ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules)	15 June 2021

This timetable is indicative only. The Company reserves the right to vary the dates, which includes closing the Public Offer early or extending the close of the Public Offer, without notifying any recipients of the Prospectus or any Applicants subject to the Corporations Act, the Listing Rules and other applicable laws. Investors are encouraged to submit their Application Forms as soon as possible. Furthermore, dates are dependent upon Completion, and as such, satisfaction of all KP Transaction Conditions. Accordingly, the proposed dates are merely indicative and subject to a number of factors outside the control of the Company.

- (b) The following statement at Section 1(G) of the Prospectus in response to the Topic: “When will I receive confirmation that my Application has been successful”:

Holding statements that confirm Applicants’ allocations under the Public Offer are expected to be dispatched to Shareholders on or around 7 June 2021.

is deleted and replaced with the following statement:

Holding statements that confirm Applicants’ allocations under the Public Offer are expected to be dispatched to Shareholders on or around 9 June 2021.

- (c) Any other references to the dates contained in the Indicative Timetable appearing throughout the Prospectus (as amended by the First Supplementary Prospectus, the Second Supplementary Prospectus, the Third Supplementary Prospectus and the Fourth Supplementary Prospectus) are replaced with the corresponding date from the Third Amended Indicative Timetable.

1.4 Non-materially adverse

The Directors do not consider the amendments to the indicative timetable are materially adverse from an investor’s point of view.

2. Other Material Information

The Directors of the Company are not aware of any acts, matters or things (not already described in the First Supplementary Prospectus, Second Supplementary Prospectus, Third Supplementary Prospectus, Fourth Supplementary Prospectus or the Prospectus) which may be material to the making of an informed assessment of:

- a) the effect of the Public Offer on the Company; or
- b) the rights attaching to the Offer Securities.

3. Director Consent

Directors’ authorisation and consent

This Fifth Supplementary Prospectus has been signed by a Director of the Company with the authority of each of the Directors and is dated 3 June 2021. Each Director has consented to lodgement of this Fifth Supplementary Prospectus with ASIC.



Paul Williams
Director
Auking Mining Limited

Important Information

This Prospectus contains an invitation to all Australian residents and selected residents in other jurisdictions as determined by the Directors, to make an application to subscribe for Offer Shares pursuant to this Prospectus. The Public Offer seeks to raise a minimum of \$6,000,000 by offering for subscription 30,000,000 Shares at an issue price of \$0.20 each, payable in full on application, with provision to accept a further \$1,000,000 by way of Oversubscriptions, 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 two (2) ordinary shares issued.

Lodgement

This Prospectus is dated 9 March 2021 and was lodged with ASIC on 9 March 2021. Neither ASIC, ASX nor any of their officers take any responsibility for the contents of this Prospectus or the merit of the investment to which this Prospectus relates. The fact that the ASX may re-admit the Company to its official list is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

Application for listing

The Company will apply to ASX for its existing securities to be re-admitted to Official Quotation following a change in the nature and scale of the Company's activities and quotation of the Offer Securities the subject of the Public Offer on ASX within seven days after the date of the Prospectus.

Expiry Date

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Incorporation by reference

The Company's Corporate Governance Charter is not contained in this document, but has been lodged with ASIC and is taken by law to be included in this Prospectus (refer to Section 11.1). If you are unsure whether you require the information contained in the Corporate Governance Charter to decide whether or

not to invest in the Company, it is recommended that you obtain a copy of the Corporate Governance Charter. A copy of the Corporate Governance Charter can be obtained during the application period free of charge by contacting the Company on +61 7 3535 1208 or by email at admin@aukingmining.com or by downloading the Corporate Governance Charter from the Company's website at www.aukingmining.com.

Conditional Offer

The issue of the Offer Securities under this Prospectus is subject to a number of conditions, including:

- Shareholders approving all Approval Resolutions at the General Meeting;
- the Company raising the minimum subscription under the Public Offer (being \$6,000,000);
- Completion occurring; and
- ASX providing the Conditional Approval.

If all of the Approval Resolutions are not passed at the General Meeting or the KP Transaction Conditions are not satisfied or waived (including re-complying with Chapters 1 and 2 of the ASX Listing Rules), the Company will not issue any Offer Securities under the Public Offer and the Company will repay all Application Monies received, without interest and in accordance with the *Corporations Act*. Further details of the outstanding KP Transaction Conditions are set out in Section 4.8.

The Company must comply with ASX's requirements for its securities to be re-admitted to Official Quotation following a change in nature and scale of the Company's activities, which includes re-complying with chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to satisfy these requirements.

Investors should be aware that the Shares have been suspended from Official Quotation since 30 September 2019. The Company's Shares will remain suspended from Official Quotation

until ASX approves the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the Listing Rules. If the Company's Shares have not been reinstated to trading before 30 September 2021 (or any extended date approved by ASX), the Company will be removed from the Official List on 1 October 2021 because the Shares will have been suspended from Official Quotation for a continuous period of more than 2 years.

There is a risk that the Company may not be able to meet the requirements of ASX for its securities to be re-admitted to Official Quotation. In the event that the Company does not receive the Conditional Approval then the Company will not proceed with the Public Offer and will repay all Application Monies received without interest in accordance with the *Corporations Act*.

ASX has absolute discretion in deciding whether or not to re-admit the Shares to Official Quotation and to admit the Offer Securities to Official Quotation.

Representations

No person has been authorised to provide information or to make any representation in connection with the Public Offer. Any such information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company.

How to use this Prospectus

This Prospectus provides information for investors who wish to invest in AuKing Mining Limited. It is not financial product advice and does not take into account the investment objectives, financial situation and particular needs of investors. It should be read in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Shares. There are significant risks associated with investing in the Company. Potential investors should take these factors into account and consider whether this is an appropriate investment in view

of their personal circumstances. If in doubt investors should seek advice from their professional advisor(s) before deciding whether to invest. There is no guarantee that the Offer Shares will make a return on capital investment, that dividends will be paid on the Shares, or that there will be any increase in the value of the Offer Shares in the future. Some risk factors that investors should consider are outlined in Section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

The Offer Shares are considered to be speculative.

JORC Code

It is a requirement of the Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

Web Site – Electronic Prospectus

This Prospectus, with an accompanying Application Form, may be viewed online. The Public Offer constituted by this Prospectus in electronic form are only available to Australian residents accessing an electronic version of this Prospectus in Australia. It is not available to persons in other jurisdictions. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. Until the Closing Date, a paper copy of this Prospectus (including an Application Form) will be provided

free of charge upon request by contacting the Share Registry on 1800 810 827 (if calling from within Australia) and +61 1800 810 827 (if calling from outside Australia) or by emailing the Company at admin@aukingmining.com.

Applications

Applications for Offer Shares may only be made on the Application Form attached to or accompanying this Prospectus in its paper copy form, or in its electronic form as downloaded in its entirety from the Company's website: www.aukingmining.com. Photocopies of an Application Form will not be accepted. By making an application pursuant to an Application Form, you declare that you were given access to the Prospectus together with an Application Form. The *Corporations Act* prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Exposure Period

The *Corporations Act* prohibits the Company from accepting Applications in the 7 day period after the date of lodgement of the prospectus. This period may be extended by ASIC by up to a further 7 days. This period is an Exposure Period to enable the Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be accepted or processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Forward-looking statements

Certain statements in this Prospectus may constitute forward looking statements concerning the Company's business, operations, financial performance and condition, as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be

deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and Management's beliefs and assumptions. These forward looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate.

Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. These risks, variables and factors include, but are not limited to, the matters described in Section 5. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in the Prospectus, except where required by law.

Important Information

This Prospectus contains industry data and forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. In addition, where a source has been identified in this Prospectus as the source for providing specific information included in the Prospectus, the author of that information has not given their consent to this information being included in the Prospectus and has not authorised or caused the issue of the Prospectus.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

Publicly available information

This Prospectus contains statements made in, or based upon, statements that have been published in publicly available information. Consent for these statements has not been obtained. The Company relies on ASIC Corporations (Consent to Statements) Instrument 2016/72 in respect of such statements.

Privacy

The privacy obligations and policy relating to this Prospectus are contained in the privacy disclosure statement in section 13.16.

Photographs and Diagrams

Photographs used in this Prospectus are for illustration purposes only and should not be interpreted to mean that any person shown in the photograph endorses the Prospectus or its contents unless stated otherwise. Similarly, any assets depicted in the photographs such as equipment, buildings or other property are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless

otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

Financial Information

Section 7 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in section 7. Financial amounts expressed in this Prospectus are in Australian dollars unless otherwise indicated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Company's website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the website is incorporated in this Prospectus by reference unless specified in this Prospectus.

Foreign jurisdictions - restrictions on distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer Securities or the Public Offer, or to otherwise permit a public offering of securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Shares have not been, and will not be, registered under the US Securities Act 1933 (US Securities Act) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "US Persons" (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. The Shares may only be resold or transferred in the United States of America, or to, or for the account or benefit

of, US Persons if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no current intention to register any of the Shares in the United States of America.

Competent Persons Statement

The information contained in the Independent Technical Report in Section 6 is based on, and fairly reflects information compiled by the following persons:

- Principal author - Mr Neal Leggo (Principal Consultant Geologist - CSA Global, Perth, WA) was responsible for all sections of the report.
- Author - Mr David Williams (Principal Consultant Geologist - CSA Global, Brisbane, QLD) was responsible for Sections 2.6 and 2.7 of the report.

Each of these individuals, by virtue of their education, experience and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for Independent Technical Report. The Competent Persons' individual areas of responsibility are presented below:

Neal Leggo is a geologist with over 35 years' experience including management, mineral exploration, consulting, resource geology, underground operations and open pit mining. He has worked in a variety of Australian geological terranes and specialises in copper, gold, silver-lead-zinc and iron ore for which he has the experience required for code-compliant reporting. Mr Leggo also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands and industrial minerals. He provides a range of consulting services including code-compliant (JORC, NI 43-101, VALMIN) reporting and valuation, technical studies, reviews and management of exploration projects. Mr Leggo has completed numerous independent technical reports (ITAR, CPR,

QPR). Mr Leggo has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Leggo consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

David Williams is a resource geologist with over 25 years' experience in mine geology and Mineral Resource estimation. He is a competent person for the JORC reporting of Mineral Resource estimates and is similarly a qualified person for Canadian NI43-101 Mineral Resource estimate reports. David's commodity expertise is extensive and has been developed from working on mining and resource estimation projects in Australia, Africa, Asia and Europe. David is also a specialist on due diligence studies, and he has provided professional opinion for Independent Geologist Reports. Mr Williams has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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.

Glossary

Certain words and terms used in this Prospectus have defined meanings which appear in Section 15.

Enquiries

If you have any questions in relation to the Public Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares and how to complete the Application Form, please call the Share Registry on 1800 810 827 (if calling from within Australia) and +61 1800 810 827 (if calling from outside Australia).

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Key Offer Statistics and Important Dates

Indicative Timetable

Event	Date
Prospectus lodged with ASIC and ASX	9 March 2021
Public Offer Opening Date	10 March 2021
Notice of Meeting given to Shareholders*	18 March 2021
General Meeting to consider the Approval Resolutions*	16 April 2021
Public Offer Closing Date	23 April 2021
Issue of Offer Securities under Prospectus	27 April 2021
Completion of the KP Transaction	28 April 2021
Dispatch of Holding Statements	28 April 2021
Expected date for re-quotation of the Company's Shares (and quotation of the Offer Options) on the ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules)	29 April 2021

* **Note** – these dates are dependent upon review of the Notice of Meeting by ASIC pursuant to section 218 of the *Corporations Act*. Shareholders should note this is an indicative date for the General Meeting only and the General Meeting has not yet been convened.

This timetable is indicative only. The Company reserves the right to vary the dates, which includes closing the Public Offer early or extending the close of the Public Offer, without notifying any recipients of the Prospectus or any Applicants subject to the *Corporations Act*, the Listing Rules and other applicable laws. Investors are encouraged to submit their Application Forms as soon as possible after the Public Offer opens. Furthermore, dates are dependent upon Completion, and as such, satisfaction of all KP Transaction Conditions, which includes ASX providing the Conditional Approval. Accordingly, the proposed dates are merely indicative and subject to a number of factors outside the control of the Company.

Key Offer statistics

Public Offer	
Public Offer Price	\$0.20
Shares available under the Public Offer ¹	30,000,000
Total proceeds from the Public Offer ¹	\$6,000,000 before expenses
Shares on issue prior to the Public Offer ²	4,662,923
Long Term Convertible Notes Shares to be issued ^{3, 4}	3,553,333
Short Term Convertible Note Shares to be issued ^{3, 4}	6,250,000
JCHX Repayment Shares to be issued ^{3, 5}	7,500,000
Shares to be issued to the Existing Directors in lieu of unpaid directors' fees and salaries ⁶	2,519,930
Shares to be issued to certain employees of the Company in lieu of unpaid salaries ⁶	615,690
Lead Manager success fee Shares ⁷	187,500
Total number of Shares on issue following the Public Offer ^{8, 10}	55,289,376
Indicative market capitalisation of the Company at the Offer Price ⁹	\$11,057,875
Brokerage fees associated with the Public Offer ⁷	\$600,000
Estimated costs of the Public Offer (excluding brokerage)	\$400,000

Notes:

- Assuming the Minimum Subscription under the Public Offer is achieved and that no Oversubscriptions are issued. If the Maximum Subscription is raised, a further \$1,000,000 will be raised by the Public Offer through the issue of an additional 5,000,000 Shares.
- Based on the number of Shares on issue as at the date of this Prospectus and assuming the existing Shares are consolidated on a 200:1 basis (subject to rounding), which is subject to shareholder approval.
- Some of the Shares issued upon conversion of the Long Term Convertible Notes, Short Term Convertible Notes and in repayment of the JCHX Loan may be classified as Restricted Securities (see Sections 2.12 and 13.7).
- Details of the Long Term Convertible Notes are set out in Section 12.10 and details of the Short Term Convertible Notes are set out in Section 12.11.

5. Details of the Shares to be issued to JCHX upon conversion of the JCHX Loan are set out in Section 12.9. JCHX has agreed to a two (2) year voluntary restriction from trading in respect of these Shares. In addition, some of these Shares may be classified as Restricted Securities.
6. Details of the Shares to be issued to certain AKN Directors and Employees are set out in sections 10.8, 12.13 and 12.14. The AKN Directors receiving these Shares have agreed to a two (2) year voluntary restriction from trading.
7. See section 12.4 for more details about the Lead Manager's remuneration. This amount reflects the expected maximum to be paid by the Company to the Lead Manager up to 30 April 2021.
8. Assumes all Approval Resolutions are passed (including the resolution to consolidate the existing shares on the basis of 200:1) and assuming the Minimum Subscription under the Public Offer is achieved and that no Oversubscriptions are issued. If the Maximum Subscription is raised, the number of Shares on issue following the Public Offer will be 60,289,376. Note also, that of these shares, a total of 10,019,930 shares will be the subject of two-year voluntary restriction agreements. Some of the shares the subject of voluntary restriction may also be classified as Restricted Securities. Details of the Shares the Company expects to be Restricted Securities are set out in section 13.7.
9. Based on Offer Price and total number of Shares on completion of the Public Offer.
10. Up to a maximum of 17,500,000 Offer Options may also be issued under the Public Offer. Details of the Offer Options are set out in Section 13.5.

Proposed Use of Funds

Pursuant to the Public Offer, AKN will raise a minimum of \$6 million if the minimum subscription is achieved. It is proposed that these funds, will be utilised as follows:

Event	Proposed use of Funds		
	Year 1	Year 2	Total \$
Initial payment under Koongie Park Earn-In	\$900,000	\$nil	\$900,000
Drilling, metallurgical testwork and other exploration activities	\$1,200,000	\$1,050,000	\$2,250,000
Administration costs and other expenses	\$450,000	\$450,000	\$900,000
Employment and consultant costs ¹	\$400,000	\$400,000	\$800,000
Repayment of the Tighe Loan ²	\$150,000	\$nil	\$150,000
Brokerage fees associated with the Public Offer ³	\$600,000	\$nil	\$600,000
Public Offer costs (excluding brokerage) ⁴	\$400,000	\$nil	\$400,000
Total Expenditure	\$4,100,000	\$1,900,000	\$6,000,000⁵

Notes:

1. Employment costs includes executive and administration salaries.
2. See section 12.12 for details of the Tighe Loan.
3. See section 12.4 for more details about the Lead Manager's remuneration. This amount reflects the expected maximum to be paid by the Company to the Lead Manager up to 30 April 2021.
4. Balance of expected costs remaining at lodgement of Prospectus.
5. Note – any funds raised over and above \$6,000,000 will be applied by the Company to accelerating activities at Koongie Park.

On completion of the Public Offer and the KP Transaction, the Company has budgeted a program to expend up to \$2.25 million over the next two years on project-related activities.

Notwithstanding the allocations set out above, in the event that circumstances change or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

Chairmens' Letter

On behalf of the Board and Proposed Board of Directors of AuKing Mining Limited, it is our pleasure to present this Prospectus and to offer you the opportunity to participate in the future growth of the Company through this offer of securities.

Dear existing AuKing shareholders and prospective investors,

On behalf of the Board and Proposed Board of Directors of AuKing Mining Limited, it is our pleasure to present this Prospectus and to offer you the opportunity to participate in the future growth of the Company through this offer of securities.

On 25 June 2020 the Company announced the proposed Earn-in Agreement with ASX-listed Anglo Australian Resources NL (**AAR**) in relation to AAR's Koongie Park copper/zinc project in the East Kimberley region near the town of Halls Creek in northern Western Australia. In addition to this agreement, the Company intends to carry out the proposed capital raising under this Prospectus and seek reinstatement to official quotation on the ASX. The Board is proposing that the KP Transaction will re-establish the Company on the path of becoming a substantial mid-tier exploration and mining group, with a primary focus on acquiring interests in and developing near-term gold, copper, and other base metals projects.

Board and Management Changes

As part of the proposed KP Transaction all of the existing Board of AKN will retire and be replaced by the following highly experienced and well credentialed people as follows:

- Dr Mark Elliott, proposed non-executive Chairman – over 40 years' experience in resource projects and ASX-listed companies;
- Mr Peter Tighe, proposed non-executive director – well-known Brisbane business identity;
- Mr Ian Hodgkinson, proposed non-executive director – senior geologist with more than 40 years' experience with exploration and project development in Australia and Africa; and
- Mr ShiZhou Yin, proposed non-executive director – senior finance executive at JCHX Group.

The management team will be led by Paul Williams (as CEO), Garry Johnston (Technical Development Manager), and Paul Marshall (CFO and Company Secretary). (See section 10 of this prospectus for more details).

Koongie Park

The Koongie Park copper zinc project is situated in the historic and highly mineralised gold and base metals province near Halls Creek in the East Kimberleys in northern Western Australia. Several mining companies already have substantial tenure holdings in the region and many of these areas have yet to be the subject of detailed, modern exploration activities – thereby highlighting the potential for significant new discoveries. The mineralisation is interpreted to form in favourable tectonic settings in the Proterozoic age to produce volcanic and sediment-hosted massive sulphide deposits. Large high-grade base metal deposits formed in the Proterozoic age in other provinces (such as Broken Hill and Mount Isa) may also occur in the East Kimberleys.

Koongie Park has already seen significant exploration, mine planning and feasibility studies focussed upon two primary copper/zinc deposits – Onedin and Sandiego – with JORC 2012 resources of **6.8Mt @ 1.3% Cu, 4.1% Zn, 0.3g/t Au and 26 g/t Ag¹**. Until now, mining has not commenced at Koongie Park due to what AKN believes are largely the following reasons:

- an underground mine at Sandiego alone had previously been shown to be feasible, but still susceptible to downward trends in commodity prices; and
- the ability for an open pit mine at the Onedin deposit to significantly enhance the Sandiego underground mine remains subject to establishing a viable metallurgical processing solution for the oxide and transitional ores at Onedin.

1. See Independent Technical Report, page 68 of this Prospectus.

The Directors believe that historical exploration has been of sound quality and forms a strong basis for continued exploration. However, it has not been exhaustive and significant opportunities remain for the discovery of more VMS-style mineralisation within the Koongie Park tenements. In addition, we note the 2016 findings of a comprehensive multi-commodity prospectivity analysis of the Halls Creek Orogen conducted by the Geological Survey of Western Australia (GSWA). A base metals prospectivity map prepared by GSWA highlighted the area of the Koongie Park tenures as the most prospective for these metals in the region².

Offer Details

The Public Offer under this Prospectus is an offer to the public to raise a minimum \$6 million by issue of 30,000,000 New Shares at \$0.20 each, with provision to accept over-subscriptions of up to a further 5,000,000 New Shares to raise an additional \$1 million 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 two (2) ordinary shares issued. Shareholders of AKN as well as prospective shareholders who have a registered address in Australia are invited to participate in the Public Offer. It is proposed that the funds raised from the Public Offer and existing cash on hand will be directed to Koongie Park project activities, as well as to cover the costs of the Public Offer and to provide working capital to the Company.

The Company's largest shareholder, JCHX Group, remains fully supportive of the Company's intention to complete the KP Transaction. The shareholding interests of JCHX Group in the Company will significantly dilute from 38% to approximately 17%.

The Company encourages Shareholders and prospective investors alike to participate in the Public Offer.

ASX Compliance

The KP Transaction will only proceed if the Approval Resolutions are passed at the General Meeting and the Public Offer raises \$6 million and all other conditions of the KP Transaction are satisfied, including obtaining approval from ASX for the Company's securities to be re-admitted to Official Quotation. Accordingly, this Prospectus is also being issued to assist the Company in re-complying with Chapters 1 and 2 of the ASX Listing Rules as a result of a change to the nature and scale of the Company's activities as a consequence of the KP Transaction.

This Prospectus includes details of the Public Offer, the Company, the Koongie Park Project and proposed operations together with a statement of the risks associated with investing in the Company. We recommend that you study the document carefully and seek independent professional advice before investing in the Company.

On behalf of the Directors, we invite you to consider this investment opportunity and look forward to welcoming you as a shareholder of the Company.



Dr Huaisheng Peng
Chairman
AuKing Mining Limited



Dr Mark Elliott
Proposed Chairman
AuKing Mining Limited

2. *Prospectivity analysis of the Halls Creek Orogen, northern Western Australia* – using a Mineral Systems Approach: Geological Survey of Western Australia, Report 159. This statement is included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72 and consent has not been obtained for this statement.

Section 1

Investment Overview

1. Investment Overview

The information in this Section 1 is a summary only. It should be read in conjunction with the information set out in the remainder of this Prospectus.

A. Introduction

Topic	Summary	For more information
Who is issuing this Prospectus?	AuKing Mining Limited ACN 070 859 522	
Who is AKN and what does AKN do?	<p>AuKing Mining Limited is a company incorporated in Australia and has been a junior exploration company focussed on establishing and developing copper and gold projects in Australia and overseas.</p> <p>It currently has no project interests, pending completion of the KP Transaction involving the Koongie Park Project.</p>	Section 3
What are AKN's objectives?	<p>On 25 June 2020, the Company announced that it had executed a binding term sheet with AAR in relation to its Koongie Park Project. The Company has also entered into an agreement to secure the technical services of Accudo.</p> <p>The Company will apply to ASX for its Shares to be re-instated to Official Quotation and for the Offer Securities to be admitted to Official Quotation. If the Shares are reinstated to Official Quotation and the Offer Securities are admitted to Official Quotation and all of the KP Transaction Conditions are satisfied, the Company's activities will focus on the following:</p> <ol style="list-style-type: none"> optimising existing feasibility studies on the proposed mining of the Sandiego deposit incorporating results from planned resource extension drilling targeting extensions along strike and at depth; carrying out a detailed exploration program across the Koongie Park Project tenures to identify additional base metals deposits to complement the existing Sandiego and Onedin resources. This includes possible drilling at depth below both deposit to identify sulphide extensions to mineralisation below the existing known oxide and transitional ore zones; and trialling and evaluating the AmmLeach® metallurgical process for the Onedin deposit which has shown good recovery test work results on other deposits with similar ore characteristics to the deposits at Koongie Park. <p>If these activities are successful, AKN will have secured the ability to earn a majority holding in a significant undeveloped Australian copper/zinc project that has the capacity to be developed into a mine in the near term.</p>	Sections 3.1 and 3.3

1. Investment Overview

continued

Topic	Summary	For more information
What are the key benefits of investing in AKN?	<p>The key highlights of an investment in the Company (assuming the Koongie Park Earn-In proceeds) include:</p> <ul style="list-style-type: none"> a. the opportunity to participate in the benefits associated with holding shares in a listed emerging resources company that will be pursuing significant growth through the development of the Koongie Park copper/zinc project; b. following the completion of the Public Offer, the Company will gain the benefit of the injection of significant funds into the Company which will enable it to undertake preliminary actions in pursuance of its new project activities; and c. the Company will be managed by directors and officers with significant experience and success across a broad range of business sectors that will hold the necessary skills and a view to guiding the Company to be a significant player in the resources sector. 	Section 3.3

B. Offer under the Prospectus

Topic	Summary	For more information
What is the Offer under this Prospectus?	<p>Under the Public Offer, the Company is offering to the public (including Existing Shareholders) a minimum of 30,000,000 Offer Shares at an issue price of \$0.20 each to raise \$6 million. Provision has been made to accept oversubscriptions of a further 5,000,000 Offer Shares to raise up to a further \$1 million. In addition, free-attaching options exercisable at \$0.25 on or before 30 June 2023 will be issued on the basis of one (1) option for every two (2) ordinary shares issued.</p> <p>The Company encourages Existing Shareholders to participate in the Public Offer and will use their best endeavours to allocate Shares to Existing Shareholders if they apply. The Directors will allocate Shares to investors and Existing Shareholders in their discretion and in a manner to meet the ASX requirements for shareholder spread.</p>	Section 2
Are there any conditions to the Public Offer?	<p>The issue of the Offer Securities under the Offer is conditional upon satisfaction or waiver of the KP Transaction Conditions.</p> <p>If any of the KP Transaction Conditions are not satisfied or waived (to the extent that they are able to be waived) then the Company will not proceed with the KP Transaction or issue any Offer Securities under this Prospectus and the Company will repay all Application Monies without interest in accordance with the <i>Corporations Act</i>.</p>	Sections 2.3 and 12.1
Why is the Public Offer being conducted and why has the Prospectus been issued?	<p>The Public Offer is being conducted to:</p> <ul style="list-style-type: none"> - provide funding for expenditure on the Koongie Park Project; - meet the expenses of the Public Offer and the KP Transaction; - provide working capital; and - satisfy certain requirements for the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. 	Section 2.3 and 3

Topic	Summary	For more information
What is the allocation policy?	<p>The Company has discretion regarding the allocation of Offer Shares under the Public Offer.</p> <p>The Company is encouraging Existing Shareholders to participate and the Board will take reasonable endeavours to allocate Shares that Existing Shareholders apply for (subject to the need to meet the ASX Spread Requirements).</p> <p>However, the Company has retained absolute discretion regarding the allocation of Offer Shares amongst Existing Shareholders.</p> <p>Further, the Company may reject any Application under the Public Offer, or allocate a lesser amount of Offer Shares than those applied for, in its absolute discretion.</p>	Sections 2.5 and 2.10
Will the Shares be listed?	The Company will apply for quotation of the Offer Shares on the ASX (subject to any ASX imposed escrow). Completion of the Public Offer is conditional on ASX approving the Company's application for Official Quotation. If approval is not given within three months after the date of this Prospectus (or any longer period permitted by law), the Public Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the <i>Corporations Act</i> .	Section 2.11
Will the free-attaching options be listed?	The Company will also apply for quotation of the Offer Options on the ASX.	Section 2.11

C. Proposed Koongie Park Earn-in ('the KP Transaction')

Topic	Summary	For more information
What does the proposed KP Transaction involve?	<p>The KP Transaction involves the Company:</p> <ol style="list-style-type: none"> having entered into an earn-in agreement with AAR providing AKN with the ability to earn up to an 75% interest in the Koongie Park copper/zinc project in Western Australia; and carrying out exploration and feasibility study activities at Koongie Park, with a view to establishing a potentially commercial mining operation. 	Sections 3 and 12.1

1. Investment Overview

continued

Topic	Summary	For more information
What are the key terms of the KP Transaction?	<p>Koongie Park Earn-in</p> <p>The Company has entered into an earn-in and joint venture agreement with AAR providing for a two-staged earn-in process whereby the Company can ultimately secure a 75% project interest in the Koongie Park Project.</p> <p>Upon satisfaction of the KP Transaction Conditions, the Company will pay an amount of \$900,000 to AAR and upon making that payment will secure a 25% project joint venture interest in the Koongie Park Exploration Tenements.</p> <p>Stage 1 of the earn-in arrangement then involves a firm commitment by the Company to spend \$1.5million on drilling, testwork and related exploration and analysis aimed at expanding the existing Koongie Park resources and to demonstrate a commercially viable processing solution on the Koongie Park ores. Stage 1 activities will be carried out over a 24 month period. Upon successful completion of stage 1, the Company will secure a 50% interest in the Koongie Park Joint Venture. At that time, AAR is also obliged to transfer M80/276 and M80/277 to the Koongie Park Joint Venture such that the Company will secure a 50% project joint venture interest in the Koongie Park Tenements.</p> <p>Stage 2 of the proposed Koongie Park Earn-in provides for the Company to secure a further 25% project joint venture interest in the Koongie Park Tenements (taking its total holding to 75%) by funding an additional \$1.5million on project development activities over a further 12 month period. Unlike stage 1, the Company is not committed to this funding and can withdraw at any time during the stage 2 process. If this occurs, the Company will continue to hold a 50% joint venture interest in the Koongie Park Tenements.</p> <p>Under the proposed Koongie Park Earn-In, AAR has retained the rights to pursue gold and platinum group metals deposits within the Koongie Park Project area.</p> <p>The acquisition of all interests in the Joint Venture are subject to the Company obtaining any approvals that may be required by the Company at the relevant time under the <i>Foreign Acquisition and Takeovers Act 1975</i> (Cth).</p> <p>Accudo Technical Services</p> <p>A focus of AKN's efforts to demonstrate a commercially viable processing solution at Onedin is access to the AmmLeach® processing system. AmmLeach® is a proprietary system that uses an ammonia-based process for leaching oxide and transitional ores that can then be subjected to normal solvent extraction and electro-winning processing.</p> <p>AKN has entered an agreement with Accudo for application of the rights of Accudo in respect of intellectual property and know-how associated with the AmmLeach® process to allow AKN's metallurgical testwork to be undertaken at Koongie Park ("IP Service Agreement"). The initial term of the IP Service Agreement is 2 years and an annual service fee of \$130,000 is payable by AKN to Accudo. In the event the Company exercises its rights to proceed to Stage 2 of the Koongie Park Earn-in, the IP Service Agreement will be automatically extended for a further year.</p>	Sections 4.8, 12.1 and 12.2.

Topic	Summary	For more information
	<p>AKN has also entered a service agreement with Domani Metals Pty Ltd (an entity associated with Garry Johnston), making provision for the services of Garry Johnston as the Company's Technical Development Manager. The services to be provided by Mr Johnston include management of the proposed feasibility optimisation studies for mining at Sandiego and also oversight of the metallurgical testwork program at Onedin. In addition to the fee payable to Accudo, AKN will pay an annual fee of \$220,000 per annum to Domani Metals Pty Ltd under this agreement.</p>	
What approvals will be sought at the General Meeting	<p>Various approvals are intended to be sought at the General Meeting relating to the KP Transaction and the Public Offer including approval of:</p> <ol style="list-style-type: none"> 1. the KP Transaction - change in scale of activities; 2. the 200:1 consolidation of the existing Shares; 3. the issue of the Offer Shares and Offer Options under this Prospectus; 4. the issue of ordinary shares to the Existing Directors and employees of AKN in lieu of unpaid fees and salary entitlements; 5. the conversion of existing loan facilities to equity and existing convertible notes to equity; 6. certain changes to the AKN Constitution; 7. the appointment of the Proposed Directors to the Company; 8. the issue of shares to the Lead Manager as part payment of its fee; and 9. the aggregate non-executive director remuneration. 	Section 3.9
Why is the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules?	<p>As the KP Transaction will significantly change the scale of the Company's activities, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules.</p> <p>In accordance with the Listing Rules, the Company's securities will continue to be suspended from trading until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules.</p> <p>On 22 September 2020, the Company sought in-principle advice from ASX as to the suitability of the Company for re-admission to the official list of ASX if it proceeds with the Koongie Park Earn-In and the IP Services Agreement.</p> <p>The Company believes that there is no reason that would cause AKN not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1 or that would cause ASX to exercise its discretion to refuse re-admission to the Official List under Listing Rule 1.19.</p> <p>Notwithstanding this, the Company notes that ASX has ultimate discretion under Listing Rules 1.19 and 2.9 to decline the Company's application for re-admission to the Official List, without giving any reasons. While the Company considers that it can satisfy ASX's requirements for quotation and re-admission to the Official List, there is the risk that ASX will exercise its discretion to decline the Company's application for re-admission to the Official List.</p>	Section 3.8

1. Investment Overview

continued

D. Business Model of AKN

Topic	Summary	For more information
What is the nature of AKN's business?	<p>The primary intention of the Board is to establish the Company as a mid-tier mining group with a mix of copper, gold and other base metal mining assets located in Australia and overseas, such assets being at various stages of mining development.</p> <p>In the short term, the primary focus of the Board and Management will be to focus all efforts on developing the interests in the Koongie Park Tenements and seeking to expand the portfolio by possibly securing other base metals and gold project areas in the East Kimberley region of northern Western Australia.</p>	Section 3
How will the Company finance its ongoing operations?	The Company is seeking the funds from the Public Offer to ensure it will have sufficient cash to meet its funding requirements to satisfy its obligations during the First Earn-in Period under the Koongie Park Earn-In.	Sections 3.3, 3.4 and 4.4
What are the material contracts that will affect AKN's operations?	<p>The key material contracts regulating the conduct of AKN's proposed activities include:</p> <ul style="list-style-type: none"> - Koongie Park Earn-In; - Precious Metals Rights Agreement; - IP Services Agreement; - Lead Manager Mandate; and - certain key senior management service agreements. 	Section 12
What are AKN's essential assets?	The Company's key asset will be the Company's rights under the Koongie Park Earn-In and the mining interests it may acquire under that agreement.	Section 12.1

E. Risks

Topic	Summary	For more information
What are the key risks to AKN?	<p>Prior to making an investment decision with regard to the Company, investors should carefully consider the risk factors, all of which may affect the Company and the industry in which it will operate.</p> <p>The business activities of the Company are and will continue to be subject to normal business risks and uncertainties and there may be many factors that could affect the future performance of the Company. Some of these risks and uncertainties may be mitigated by the use of safeguards, appropriate systems and contingencies. However, some risks may be outside the control of the Company and not able to be mitigated. Additionally, there are also a number of risk factors that are specific to the Company.</p> <p>Section 5 contains a detailed list of specific and general risks that may affect the Company and its activities. The Company believes that the key specific risks relating to its business and the Public Offer include:</p> <p>(a) Completion Risk</p> <p>The KP Transaction is subject to the KP Transaction Conditions as summarised in Section 4.4 and 12.1 of this Prospectus. These include a condition that all necessary regulatory approvals pursuant to the Listing Rules are met. These approvals are discussed in further detail below in Sections 3.8 and 3.9.</p>	Section 5

Topic	Summary	For more information
	<p>If these conditions are not satisfied or waived by the relevant due date, the KP Transaction may not proceed, in which case the Company will need to evaluate its future strategy.</p> <p>(b) Re-quotation of shares on ASX</p> <p>The KP Transaction constitutes a significant change in the nature and scale of the Company's activities and the Company needs to comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares and the Offer Options on the ASX, which would result in the investors' funds being returned, and the KP Transaction not completing. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. It is a risk for Existing Shareholders who may be prevented from trading their existing Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.</p> <p>(c) Liquidity Risk</p> <p>Subject to the Approval Resolutions being passed, the Company proposes to issue Shares to convert existing loans and convertible notes. The Directors expect that ASX will treat some of these Shares as Restricted Securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of some of these shares. Further details in this regard are set out in section 13.7.</p> <p>In addition, the Company proposes to issue Shares to Existing Directors and employees of AKN and to JCHX to repay moneys owed by the Company. The Directors and JCHX have agreed to enter voluntary escrow arrangements with the Company pursuant to which these Shares will be restricted from trading for a period of 24 months from their issue.</p> <p>If a large number of the Company's Shares are classified as Restricted Securities, this would give rise to an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.</p> <p>(d) Earn-in Risk</p> <p>Under the terms of the Koongie Park Earn-In, the Company will have the right to acquire up to a 75% interest in the Koongie Park Project. The Company's ability to achieve its objectives is dependent on it and other parties complying with their obligations under the Koongie Park Earn-In. Any failure to comply with these obligations may result in the Company not obtaining its interests in the Koongie Park Project and being unable to achieve its commercial objectives, which may have a material adverse effect on the Company's operations and the performance and value of the Shares and Offer Options.</p> <p>Further, as is the case with all joint venture agreements, there is a risk that joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture, which in either case would likely have an adverse effect on the interests and prospects of the Company.</p> <p>While the Company will earn an initial 25% interest in the Koongie Park Exploration Tenements, if the Company does not comply with its expenditure commitments under the Koongie Park Earn-in, this interest will be relinquished.</p>	

1. Investment Overview

continued

Topic	Summary	For more information
	<p>(e) COVID-19 impact risk</p> <p>The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the price of commodities and foreign exchange rates.</p> <p>Upon commencement of operations by the Company at Koongie Park, should any company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the financial condition of the Company.</p> <p>Supply chain and service disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.</p> <p>(f) Exploration and evaluation risk</p> <p>The future value of the Company will depend on its ability to find and develop sufficient resources that are economically recoverable within the Koongie Park tenure portfolio. 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, strip ratios 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, successful design construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.</p> <p>Furthermore, while the Company has confidence in the future prospects of the Koongie Park Tenements, should those tenements not prove profitable and the Company is unable to secure new exploration areas and resources, there could be a material adverse effect on the Company's prospects and its future success.</p> <p>(g) Access to Accudo's AmmLeach® Rights</p> <p>The IP Services Agreement between the Company and Accudo (see Section 12.3) provides for the Company to have access to Accudo's rights to the AmmLeach® processing technology during the course of the conduct of the metallurgical testwork activities. In the event the testwork is successful and the Company seeks to proceed with further development at Koongie Park (using the AmmLeach® process), a further commercial agreement will need to be negotiated with Accudo. The Company believes that the development of a mining operation at Koongie Park (using the AmmLeach® processing technology) will be consistent with Accudo's commercial objectives. However, there remains a risk that the Company and Accudo may not be able to reach agreement on suitable commercial terms.</p>	

Topic	Summary	For more information
	<p>(h) Protection of Accudo's AmmLeach® Rights</p> <p>The ongoing ability of Accudo to provide the AmmLeach® processing technology to the Company rests on the management of Accudo to ensure these patents and intellectual rights in Australia are kept in good standing. The Company is presently unaware of any circumstances that would give rise to the rights of Accudo being materially affected in a way that could prejudice the Company's ability to access the AmmLeach® process.</p> <p>(i) AmmLeach® Commercialisation Risk</p> <p>Development of the AmmLeach® processing technology on a commercial scale as part of a mining operation has yet to be established. The AmmLeach® process has been the subject of testwork across many ore bodies around the world. This work included the construction of a pilot-scale plant as part of a project feasibility study on the Leon project in Argentina which established commercial-quality metallurgical results. Accudo has also carried out laboratory testwork on certain project ore bodies in Australia and established commercial recovery rates utilising the AmmLeach® process. One of the immediate focus areas of AKN's activities under the Koongie Park Earn-In will be to identify a suitable metallurgical process flowsheet for the Koongie Park oxide ores, using AmmLeach®. However, while there exists a significant level of available reporting and testwork to suggest that AmmLeach® will be proven successful as a metallurgical solution for the Koongie Park oxide and transitional ores, there can be no guarantee that the Company's efforts here will be successful.</p> <p>(j) Reliance on Key Management</p> <p>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 Garry Johnston. 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.</p> <p>(k) Risk of High Volume of Share Sales</p> <p>If Completion occurs, the Company will have issued a significant number of new securities to various parties. It may be the case that the holders of some of these securities may not intend to continue to hold those securities and may wish to sell them on the ASX (subject to any applicable escrow period). There is a risk that an increase in the number of people wanting to sell Shares may adversely impact on the market price of the Shares. This risk may be increased upon Shares being released from voluntary or ASX imposed escrow restrictions.</p> <p>There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, holders of Shares may, upon selling their securities, receive a market price for their securities that is less than the price of Shares offered pursuant to the Offer.</p>	

1. Investment Overview

continued

Topic	Summary	For more information
	<p>(l) Material arrangements</p> <p>AKN has entered various material arrangements which are important to the future of the Company. Key material arrangements are set out in Section 12 of the Prospectus. Any failure by counterparties to these arrangements, or any other arrangements identified in this Prospectus, to perform their obligations under such material arrangements may have a material adverse effect on the Company, and there can be no assurance that the Company would be successful in attempting to enforce any of its rights through legal action.</p> <p>(m) Mining Tenements</p> <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. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on AKN 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 intends to commit significant exploration expenditure at Koongie Park there is significant risk associated with the Company's ongoing ability to retain the portfolio in its current form. Furthermore, no assurance that tenement renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection with any renewal.</p> <p>(n) Resource estimation</p> <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. 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 Koongie Park Tenements and thereby the Company's prospects.</p> <p>(o) Environmental risks – exploration and mining activities</p> <p>The operations and proposed activities of AKN will be subject to environmental laws and regulations. As with most exploration projects and mining operations, AKN's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. AKN will attempt to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p>	

Topic	Summary	For more information
	<p>(p) Access restrictions risk</p> <p>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 will hold 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; or - 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>(q) Foreign Investment Risk</p> <p>The Company's current largest shareholders are Bienitial International Industrial Co Ltd (an associate of JCHX) and Yunnan Copper Industry (Group) Co Limited, who respectively hold 37.42% and 32.16%. Bienitial International Industrial Co Ltd is a foreign company and Yunnan Copper Industry (Group) Co Limited is a Chinese state-owned enterprise. It is expected that following the Public Offer and the issue of Shares as contemplated by the Approval Resolutions, their respective holdings will be 16.72% and 2.71% (assuming minimum subscription is achieved).</p> <p>Each stage of the Koongie Park Earn-In is subject to the Company obtaining any approvals from the Foreign Investment Review Board that may be required at that time. If a Foreign Investment Review Board approval is required, there is no guarantee that it will be granted and failure to obtain any required approvals may limit the Company's ability to increase its interest in the Koongie Park Project.</p>	

F. Financial Information

Topic	Summary	For more information
What are the key financial metrics?	<p>Section 7 of this Prospectus sets out historical and proforma financial information for the Company. Further details regarding the Company's financial history are available on its website www.aukingmining.com and on the ASX website www.asx.com.au. The Company does not consider that the historical financial information prior to 30 June 2020 is relevant due to the current status of the Company as a shell with no assets.</p> <p>At the half year ending 30 June 2020 the Company had:</p> <ol style="list-style-type: none"> 1. cash balance of \$156,574; 2. total assets of \$279,115; 3. net assets of (\$2,727,304); and 4. shareholders' equity of (\$2,727,304). <p>The above financial information for the half year ended 30 June 2020 is based on the audit reviewed financial statements of the Company.</p>	Section 7

1. Investment Overview

continued

G. Key Terms of the Public Offer

Topic	Summary	For more information																		
What will the Public Offer raise under this Prospectus?	The Public Offer will raise a minimum of \$6 million by offering 30,000,000 Shares at an issue price of \$0.20 each, with provision to accept over-subscriptions of a further 5,000,000 Shares to raise up to a further \$1 million, 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 two (2) ordinary shares issued.	Section 2.1																		
What is the Public Offer price?	The offer price is \$0.20 per Offer Share. No additional consideration is payable for issue of the Offer Options, however the Offer Options have an exercise price of \$0.25 each.	Section 2.1																		
How will the proceeds of the Public Offer be used?	Proceeds are intended to be used to meet AKN's commitments under the Koongie Park Earn-In, to provide working capital and to pay the costs of the Public Offer and the KP Transaction.	Sections 3.4 3.5																		
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 2.8																		
Who is the Lead Manager?	Novus Capital Limited ABN 32 006 711 995	Section 12.4																		
What will the market capitalisation of the Company be upon listing on the ASX?	The market capitalisation of the Company on re-admission is expected to be approximately \$11 million (calculated at the Offer Price and assuming the minimum subscription is raised).	Section 2.1																		
What are the key dates of the Public Offer?	<table><thead><tr><th>Event</th><th>Date</th></tr></thead><tbody><tr><td>Prospectus lodged with ASIC and ASX</td><td>9 March 2021</td></tr><tr><td>Public Offer Opening Date</td><td>10 March 2021</td></tr><tr><td>Notice of Meeting given to Shareholders*</td><td>18 March 2021</td></tr><tr><td>General Meeting to consider the Approval Resolutions*</td><td>16 April 2021</td></tr><tr><td>Public Offer Closing Date</td><td>23 April 2021</td></tr><tr><td>Issue of Shares under Prospectus</td><td>27 April 2021</td></tr><tr><td>Dispatch of Holding Statements</td><td>28 April 2021</td></tr><tr><td>Expected date for re-quotation of the Company's shares on the ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules)</td><td>29 April 2021</td></tr></tbody></table> <p>* Note – these dates are dependent upon review of the Notice of Meeting by ASIC pursuant to section 218 of the <i>Corporations Act</i>. Shareholders should note this is an indicative date for the General Meeting only and the General Meeting has not yet been convened.</p> <p>This timetable is indicative only. The Company reserves the right to vary the dates, which includes closing the Public Offer early or extending the close of the Public Offer, without notifying any recipients of the Prospectus or any Applicants subject to the <i>Corporations Act</i>, the Listing Rules and other applicable laws. Investors are encouraged to submit their Applications as soon as possible after the Public Offer opens. Furthermore, dates are dependent upon Completion, and as such, satisfaction of all KP Transaction Conditions, which includes ASX providing the Conditional Approval.</p>	Event	Date	Prospectus lodged with ASIC and ASX	9 March 2021	Public Offer Opening Date	10 March 2021	Notice of Meeting given to Shareholders*	18 March 2021	General Meeting to consider the Approval Resolutions*	16 April 2021	Public Offer Closing Date	23 April 2021	Issue of Shares under Prospectus	27 April 2021	Dispatch of Holding Statements	28 April 2021	Expected date for re-quotation of the Company's shares on the ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules)	29 April 2021	Section 2.2
Event	Date																			
Prospectus lodged with ASIC and ASX	9 March 2021																			
Public Offer Opening Date	10 March 2021																			
Notice of Meeting given to Shareholders*	18 March 2021																			
General Meeting to consider the Approval Resolutions*	16 April 2021																			
Public Offer Closing Date	23 April 2021																			
Issue of Shares under Prospectus	27 April 2021																			
Dispatch of Holding Statements	28 April 2021																			
Expected date for re-quotation of the Company's shares on the ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules)	29 April 2021																			

Topic	Summary	For more information
What are the costs of the Public Offer and who is paying them?	The total costs of the Public Offer, which will be met from the proceeds of the Public Offer, are estimated at \$1,000,000 and include lead manager fees, legal and accounting fees, ASIC and ASX fees, prospectus printing costs, miscellaneous expenses.	Section 13.12
Is there brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of the Offer Securities.	Section 2.9
When will I receive dividends on the Shares?	<p>The Company is a junior explorer and anticipates that significant expenditure will be incurred in the evaluation and development of the Koongie Park Project. These activities, together with the possible acquisition of interests in other projects, are expected to dominate the period following the date of this Prospectus. Accordingly, the Company does not intend to declare a dividend in the coming financial year.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 2.13
What are the tax implications of investing in the Company?	The taxation implications of investing in Offer Securities will depend on an investor's individual circumstances. Applicants should obtain their own tax advice or financial planning advice prior to investing.	Section 13.9
How do I apply for the Offer Securities?	<p>Applications for Offer Shares under the Public Offer can be made by completing the Application Form accompanying this Prospectus and making payment of Application Monies as set out in this Prospectus.</p> <p>Applicants that have applied for Offer Shares do not need to take any further steps to apply for Offer Options because the Offer Options are free-attaching options.</p>	Section 2
When will I receive confirmation that my Application has been successful?	Holding statements that confirm Applicants' allocations under the Public Offer are expected to be dispatched to Shareholders on or around 29 April 2021.	Section 2.2
How can I obtain further information?	By speaking to your stockbroker, solicitor, professional adviser, banker or accountant.	
How can I contact the Company?	For the contact details of the Company, see the Corporate Directory at the end of this Prospectus.	Corporate Directory

1. Investment Overview

continued

H. Directors and Key Management

Topic	Summary	For more information
Who are the Directors of the Company and what is their expertise?	<p>The Company's current Directors are:</p> <ol style="list-style-type: none"> 1. Dr Huaisheng Peng, Non-Executive Chair; 2. Paul Williams, Managing Director; 3. Robert Yang, Executive Director; and 4. Qinghai Wang, Non-executive Director. <p>On Completion of the KP Transaction (and therefore subject to the Approval Resolutions being passed), all existing Board members will resign and the following directors will be appointed:</p> <ol style="list-style-type: none"> 1. Dr Mark Elliott, Independent Non-Executive Chairman; 2. Peter Tighe, Independent Non-Executive Director; 3. Ian Hodkinson, Independent Non-Executive Director; and 4. ShiZhou Yin, Non-Independent Non-Executive Director <p>On Completion, Mr Williams will become Chief Executive Officer and Mr Garry Johnston will become Technical Development Manager. Mr Paul Marshall will continue in his role as Chief Financial Officer and Company Secretary.</p> <p>The following provides a snapshot of the expertise of each person who will be a director or member of senior management following Completion:</p>	Section 10.1
	<p><i>Proposed Independent Non-Executive Chairman – Dr Mark Elliott</i></p> <p>Dr Elliott is a Chartered Professional (CP) geologist with over 45 years' experience in economic geology, exploration, mining, project development and in corporate management roles as chairman and managing director for a number of ASX-listed resource companies.</p> <p>Dr Elliott has a Diploma in Applied Geology (1973) from the Ballarat School of Mines, and a Doctor of Philosophy Degree (1979) from the University of New South Wales. He is a qualified Company Director having completed the Company Directors course Diploma awarded by the University of Sydney Graduate School of Business in 1996. He is a Fellow of the Australian Institute of Company Directors, Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.</p> <p>Dr Elliott has extensive experience in managing companies and exploration/mining operations in a wide range of commodities including gold and base metals. His management experience includes founding IPOs from commencement of project and company acquisitions, exploration to production, capital raising and negotiating joint ventures. Dr Elliott has been the Chairman of ASX listed West African explorer Mako Gold Ltd, and is Non-Executive Director of ASX listed Western Australian Archean gold explorers Nexus Minerals Limited and Aruma Resources Limited and also Astron Corporation Limited.</p>	Section 10.1

Topic	Summary	For more information
	<p><i>Proposed Independent Non-Executive Director – Peter Tighe</i></p> <p>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. JH Leavy & Co is considered one of the most successful businesses operating within the Brisbane Markets.</p> <p>Mr Tighe has been a director of Brisbane Markets Limited (BML) since 1999. BML is an unlisted public company and disclosing entity and 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 approximately \$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:</p> <ul style="list-style-type: none"> - Chairman of Safety and Tenant Advisory Committee; - BML Strategy Investment Committee; and - Legal and Compliance Committee. <p>In 2016 the JH Leavy & Co business was sold but Mr Tighe has continued as a consultant to Global Fresh Australia, trading as JH Leavy & Co, to ensure a successful transition of ownership.</p> <p>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.</p>	Section 10.1
	<p><i>Proposed Independent Non-Executive Director – Ian Hodgkinson</i></p> <p>Mr Hodgkinson 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.</p> <p>Mr Hodgkinson 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).</p> <p>Mr Hodgkinson'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.</p> <p>Mr Hodgkinson has been engaged to provide consulting services to the Company, details of which are set out in section 12.6.</p>	*

1. Investment Overview

continued

Topic	Summary	For more information
	<p><i>Proposed Non-Independent Non-Executive Director – ShiZhou Yin</i></p> <p>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 June 1990 to November 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.</p> <p>From November 2010 to May 2011, Mr Yin served as Chief Financial Officer of JCHX Mining Management Co., Ltd.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>Mr Yin has been an Independent Director of:</p> <ol style="list-style-type: none"> 1. Beijing Century Real Technology Co.,Ltd. (Shenzhen Stock Exchange Code: 300150) since September 2018; 2. Beijing Yiqiao Shenzhou Technology Co., Ltd. (which is to be listed on Growth Enterprise Market ("GEM") of Shenzhen Stock Exchange) since March 2020; and 3. previously from October 2009 to May 2015, Dalian East New Energy Development Co., Ltd. (Shenzhen Stock Exchange Code: 300125). <p>Mr Yin will represent the interests of major shareholder JCHX, on the Company's Board.</p>	Section 10.1
	<p><i>Proposed Chief Executive Officer – Paul Williams</i></p> <p>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.</p> <p>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.</p> <p>Mr Williams previously held a non-executive director role with Brisbane Lions AFL Club and has been the Managing Director of AKN since 2013.</p>	Section 10.4

Topic	Summary	For more information
	<p><i>Proposed Technical Development Manager – Garry Johnston</i></p> <p>Mr Johnston is the holder of both a Masters of Science (Distinction Mineral Economics, University Medal) and Bachelor of Science degrees and is a highly experienced mineral resources manager and executive with management roles at BHP and Newcrest Mining, and as Managing Director at ASX-listed Sardinia Gold Mines and Tanex Resources. Mr Johnston has broad experience in identifying and managing international natural resource opportunities and advising on corporate strategies.</p> <p>He has also provided advice on all sectors of the resource industry from grassroots exploration through to drill outs, feasibility studies, construction and operations. Specific expertise in assessing opportunities, metallurgical treatment and hydrometallurgy. Co-author of over 6 international patents including AmmLeach® and HyperLeach®. Mr Johnston has extensive international experience and assessments, including the Australia, South America, Mexico, Canada, Africa and South East Asia and is an expert in alkaline base metal leaching.</p>	
	<p><i>Proposed Chief Financial Officer/Company Secretary – Paul Marshall</i></p> <p>Paul Marshall is a Chartered Accountant. He holds a Bachelor of Law degree, and a post Graduate Diploma in Accounting and Finance. He has 35 years professional experience having worked for Ernst and Young for ten years, and subsequently spent 25 years in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector.</p> <p>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.</p>	

1. Investment Overview

continued

I. Interests and benefits held by, or payable to, related parties

Topic	Summary	For more information
What significant benefits and interests are payable to Directors (including Proposed Directors) and other persons connected with the Company or Public Offer?	<p>Key People</p> <p>Current Directors (Dr Huaisheng Peng, Robert Yang, Paul Williams and Mr Qinghai Wang)</p> <p>Interest or benefit</p> <p>The current holdings of the current Directors are set out in Section 10.5.</p> <p>The non-executive directors receive payment of non-executive remuneration and the executive directors receive payment of salaries.</p> <p>Subject to the Approval Resolutions being passed, the following shares will be issued to the current Directors:</p> <ol style="list-style-type: none"> 1. 420,000 Shares to Dr Peng in lieu of unpaid Directors' fees; 2. 350,000 Shares to Mr Wang in lieu of unpaid Directors' fees; 3. 1,614,445 Shares to Mr Williams on conversion of the Williams Convertible Note and in lieu of unpaid salaries and entitlements; and 4. 688,818 Shares to Robert Yang on conversion of the Yang Convertible Notes and in lieu of unpaid salaries and entitlements. 	Sections 10.5 and 10.7
	<p>Proposed Directors (Dr Mark Elliott, Peter Tighe, Ian Hodgkinson, ShiZhou Yin)</p> <p>The current holdings of the proposed Directors are set out in Section 10.5.</p> <p>Payment of non-executive remuneration and consultancy fees (as applicable).</p> <p>Subject to the Approval Resolutions being passed,</p> <ol style="list-style-type: none"> 1. 1,000,000 Shares will be issued to the Peter Tighe Super Fund (an entity associated with Peter Tighe) on conversion of the Tighe Convertible Notes; and 2. 833,333 Shares will be issued to the Peter Tighe Super Fund (an entity associated with Peter Tighe) on conversion of the Tighe Short Term Convertible Notes. 	Section 10.5, 10.7 and 12.6

Topic	Summary		For more information
	Proposed Senior Management (Paul Williams, Paul Marshall and Garry Johnston)	<p>Executive service agreements.</p> <p>Subject to the Approval Resolutions being passed, the following shares will be issued to the proposed senior management:</p> <ol style="list-style-type: none"> 1,614,445 Shares to Mr Williams on conversion of the Williams Convertible Note and in lieu of unpaid salaries and entitlements; and 262,170 Shares to Mr Marshall in lieu of unpaid service fees and entitlements. 	Sections 10.4, 12.5, 12.6 and 12.7
	Lead Manager	<p>Fees for services</p> <p>Subject to the Approval Resolutions being passed, 187,500 Shares will be issued to the Lead Manager as part payment of fees.</p>	Section 12.4
	Advisers and other service providers	Fees for services	Section 13.11
	Existing Shareholders	Retained interest in the Company on completion of the Public Offer.	Section 3.3
Are there any significant related party transactions associated with the KP Transaction?	<p>The earn-in of an interest by the Company in the Koongie Park Project does not directly involve any related parties.</p> <p>However, a number of the Approval Resolutions involve related parties, namely:</p> <ul style="list-style-type: none"> - the issue of the JCHX Repayment Shares to JCHX in satisfaction of the Company's obligation to repay the moneys owing under the JCHX Loan; - the payment of outstanding non-executive directors' fees by way of the issue of Shares; - the payment of outstanding salaries by way of the issue of Shares; - the conversion of the Related Party Convertible Notes. <p>Each of these matters are included in the Approval Resolutions.</p> <p>The Board considered that the issue of the Related Party Convertible Notes and the JCHX Loan were on arm's length terms and accordingly shareholder approval was not required.</p>		Sections 10.8

1. Investment Overview

continued

J. Other disclosures

Topic	Summary	For more information
What are the material contracts of the Company?	<p>The Company's material contracts comprise:</p> <ol style="list-style-type: none">1. Koongie Park Earn-In2. Precious Metals Rights Agreement3. IP Service Agreement4. JCHX Group Loan agreement5. Lead Manager Mandate6. Executive Service Agreement with Paul Williams7. Service contracts relating to Ian Hodgkinson, Garry Johnston and Paul Marshall8. Agreements for the Long Term Convertible Notes9. Agreements for the Short Term Convertible Notes (including the Tighe Short Term Convertible Notes)10. Tighe Loan Agreement11. Conversion agreements for unpaid Directors and employee fees and salaries	Section 12
Will the securities be subject to escrow?	<p>The Offer Securities to be issued under the Public Offer are not expected to be restricted by the ASX.</p> <p>Some of the Shares proposed to be issued under the Approval Resolutions may be subject to escrow imposed by ASX or are the subject of voluntary escrow commitments.</p>	Sections 2.12 and 13.7

Section 2

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Details of the Public Offer

2. Details of the Public Offer

This section is intended as a summary of the Public Offer. It should be read in conjunction with the remainder of this Prospectus.

2.1 Key terms of the Public Offer

The following sets out the key statistics of the Public Offer:

Public Offer

Public Offer Price	\$0.20
Shares available under the Public Offer ¹	30,000,000
Total proceeds from the Public Offer ¹	\$6,000,000 before expenses

Post Completion of KP Transaction and Public Offer

Existing Shares on issue prior to the Public Offer ²	4,662,923
Shares to be issued if the Approval Resolutions are passed (excluding the Offer Shares) ³	20,626,453
Lead Manager success fee Shares ⁷	187,500
Total number of Shares on issue following the Public Offer ^{3, 4, 5}	55,289,376
Indicative market capitalisation of the Company at the Offer Price ⁶	\$11,057,875
Brokerage fees associated with the Public Offer ⁷	\$600,000
Estimated costs of the Public Offer (excluding brokerage)	\$400,000

Notes:

1. Assuming the Minimum Subscription under the Public Offer is subscribed. The Company may accept applications for a further 5,000,000 Offer Shares to raise a further \$1,000,000.
2. Assuming the existing Shares are consolidated on a 200:1 basis, which is subject to shareholder approval.
3. Assumes all Approval Resolutions are passed (including the resolution to consolidate the existing shares on the basis of 200:1).
4. Assuming the Minimum Subscription under the Public Offer is achieved and that no Oversubscriptions are issued. If the Maximum Subscription is raised, the number of Shares on issue following the Public Offer will be 60,289,376 (on an undiluted basis). Note also, that of these Shares, a total of 10,019,930 shares will be the subject of two-year voluntary restriction agreements. Some of the shares the subject of voluntary restriction may also be classified as Restricted Securities. Details of the Shares the Company expects to be Restricted Securities are set out in section 13.7.
5. A maximum of 17,500,000 Offer Options will also be issued under the Public Offer.
6. Based on the Offer Price and total number of Shares on completion of the Public Offer.
7. See section 12.4 for more details about the Lead Manager's remuneration. This amount reflects the expected maximum to be paid by the Company to the Lead Manager up to 30 April 2021.

2.2 Indicative Timetable

Event	Date
Prospectus lodged with ASIC and ASX	9 March 2021
Public Offer Opening Date	10 March 2021
Notice of Meeting given to Shareholders*	18 March 2021
General Meeting to consider the Approval Resolutions*	16 April 2021
Public Offer Closing Date	23 April 2021
Issue of Shares under Prospectus	27 April 2021
Completion of KP Transaction	28 April 2021
Dispatch of Holding Statements	28 April 2021
Expected date for re-instatement of the Shares and admission of the Offer Securities to Official Quotation (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules)	29 April 2021

* **Note** – these dates are dependent upon review of the Notice of Meeting by ASIC pursuant to section 218 of the *Corporations Act*. Shareholders should note this is an indicative date for the General Meeting only and the General Meeting has not yet been convened.

This timetable is indicative only. The Company reserves the right to vary the dates, which includes closing the Public Offer early or extending the close of the Public Offer, without notifying any recipients of the Prospectus or any Applicants subject to the *Corporations Act*, the ASX Listing Rules and other applicable laws. Investors are encouraged to submit their Applications as soon as possible after the Public Offer opens. Furthermore, dates are dependent upon Completion, and as such, satisfaction of all Conditions Precedent. Accordingly, the proposed dates are merely indicative and subject to a number of factors outside the control of the Company.

2.3 Public Offer

This Prospectus constitutes an offer by AKN to the public (including Existing Shareholders) of 30,000,000 Shares at an issue price of \$0.20 each, payable in full on Application, to raise a minimum \$6,000,000, with provision to accept oversubscriptions for a further 5,000,000 Shares to raise up to a further \$1,000,000 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 two (2) Offer Shares issued.

The issue of any Offer Securities pursuant to the Public Offer is subject to the following conditions precedent:

- the minimum subscription to the Public Offer being raised;
- the Approval Resolutions being passed by Shareholders at the General Meeting;
- all other KP Transaction Conditions being satisfied; and
- the Company receiving Conditional Approval for re-quotation of the Company's Shares on the ASX.

If these conditions precedent are not met, the Company will not proceed with issuing Offer Securities pursuant to this Prospectus and will repay all Application Monies received, without interest and in accordance with the *Corporations Act*. Further, all Application Forms that are received by the Company or the Share Registry will be declined and destroyed.

The Offer Shares offered by the Public Offer will be issued as fully paid shares and, when issued, will rank equally in all respects with the existing Shares. Further details of the rights attaching to the Offer Shares are set out in Section 13.3.

2. Details of the Public Offer

continued

2.4 Offer Options

This Prospectus includes provision for the issue of free-attaching options exercisable at \$0.25 on or before 30 June 2023 on the basis of one (1) option for every two (2) Shares issued. Full details of the terms and conditions attaching to the Offer Options are set out in Section 13.5.

2.5 Existing Shareholders

The Company has discretion regarding the allocation of Offer Shares under the Public Offer. The Company is encouraging Existing Shareholders to participate and the Board will take reasonable endeavours to allocate Shares that Existing Shareholders apply for (subject to the need to meet the ASX Spread Requirements).

However, the Company has retained absolute discretion regarding the allocation of Offer Shares amongst Existing Shareholders.

Further, the Company may reject any Application under the Public Offer, or allocate a lesser amount of Offer Shares than those applied for, in its absolute discretion.

2.6 Minimum Subscription

The minimum subscription to the Public Offer is \$6,000,000.

If the minimum subscription to the Public Offer is not raised within four months after the date of this Prospectus, the Public Offer will not proceed and all Application Monies will be refunded to Applicants, in accordance with the *Corporations Act*.

2.7 Underwriting and Brokerage

The Public Offer is not underwritten.

The Lead Manager of the Public Offer is Novus Capital Limited. The Lead Manager will receive fees associated with the Public Offer as follows:

- a. initial engagement fee of \$15,000;
- b. monthly advisory fee of \$10,500;
- c. sponsoring broker fee of \$30,000;
- d. management fee of 1% of the amount raised under the Public Offer;
- e. brokerage fee of 6% of the amount raised under the Public Offer, subject to an 80% rebate in respect of funds raised by the Company or parties other than the Lead Manager; and
- f. success/completion fee of \$75,000 payable as to 50% cash and 50% Shares (with the issue of the share component subject to shareholder approval); and
- g. a monthly advisory fee of \$6,250 after re-admission to the Official List for a minimum period of 6 months for ongoing float support, market advice and investor relations.

2.8 When to Apply for Offer Shares

The Opening Date of the Public Offer will be 10 March 2021 at 9.00am (AEST), and the Closing Date of the Public Offer will be 5.00pm (AEST) on 23 April 2021. The Board, subject to the requirements of the Listing Rules and the *Corporations Act*, reserves the right to close the Public Offer earlier, to extend the Closing Date or to vary any of the important dates set out in this Prospectus without notice.

Applicants are encouraged to submit their Application Forms as early as possible after the Opening Date as the Public Offer may close at any time thereafter without notice.

2.9 How to Apply for Offer Shares

All Applicants under the Public Offer (including Existing Shareholders) should complete and lodge the Application Form, together with making payment of the Application Monies, in accordance with the instructions set out below or on the back of the Application Form.

You can apply for Offer Shares under the Public Offer by either:

- a. completing and lodging the Application Form for New Shares contained at the end of this Prospectus in accordance with the instructions set out on the Application Form and forwarding the completed Application Form together with the amount payable for all New Shares applied for under the Public Offer so as to reach the Company by no later than 5pm (AEST) on the Public Offer Closing Date; or
- b. completing a paper copy of the relevant Application Form for New Shares which accompanies the electronic version of this Prospectus, both of which can be downloaded from www.aukingmining.com.au, in accordance with the instructions set out on the Application Form and forwarding the completed Application Form together with the amount payable for all New Shares applied for under the Public Offer so as to reach the Company by no later than 5pm (AEST) on the Public Offer Closing Date; or
- c. apply for New Shares and pay by BPAY using the online Application Form so that the amount payable is received by the Company no later than 5pm (AEST) on the Public Offer Closing Date.

Alternatively, Application Forms and payment may be sent to the Lead Manager. The details of the Lead Manager's trust account for payment of Application Monies are:

Account Name:	Novus Capital Trust Account
Bank:	Australia and New Zealand Bank
Account BSB:	012 013
Account Number:	306 003 095
BIC SWIFT:	ANZBAU3M
Payment Reference:	Applicant name and AuKing

The completed Application Form along with a copy of the EFT/Bank transfer receipt should be emailed to mail@novuscapital.com.au.

Applicants (including Existing Shareholders) who wish to apply for Offer Shares under the Public Offer may wish to make payment through the BPAY facility. Applicants (including Existing Shareholders) may apply for Offer Shares online and pay the Application Monies by BPAY. Applicants (including Existing Shareholders) wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus which is available at www.aukingmining.com and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)). Application Monies must be received by 5pm (AEST) on the Public Offer Closing Date of 23 April 2021, keeping in mind that payments made by BPAY may take one or more business days to clear. When completing the BPAY payment, you should ensure that you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

The Application Form contains detailed instructions on how it is to be completed. An Application Form must be accompanied by a cheque in Australian dollars, crossed "not negotiable" and made payable to "AuKing Mining Limited". Payment for the Offer Shares must be made in full at the issue price of \$0.20 per Offer Share for each Offer Share subscribed. Applications for Offer Shares must be for a minimum of 10,000 Shares and then in multiples of 2,000 Shares. Applications received by the Company that do not meet these requirements may be refused at the discretion of the Directors. By way of example, an Applicant may apply for 12,000 Shares but an Application for 11,000 Shares may be refused at the discretion of the Directors.

Completed Application Forms and accompanying cheques should be lodged with the Share Registry, whose address is shown in the Corporate Directory in this Prospectus and on the Application Form. Completed Application Forms and cheque(s) must be received by the Share Registry before 5.00pm (AEST) on the Closing Date of the Public Offer.

Completed Application Forms and cheque(s) should be sent to the Share Registry as soon as possible after the Public Offer opens as the Directors may elect to close the Public Offer early.

An Application constitutes an offer by you to subscribe for Offer Shares on the terms and conditions as contained in this Prospectus. A binding contract for the issue of Offer Shares will only be formed at the time when the Directors resolve to allot the Offer Shares to the Applicants. The Application Form does not need to be signed to constitute a binding Application. An Application may not be withdrawn after lodgement unless the Applicant is permitted to withdraw the Application Form following the issue of a replacement or supplementary prospectus in accordance with the *Corporations Act*.

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Offer Shares under the Public Offer.

2. Details of the Public Offer

continued

2.10 Allotment

Subject to the Minimum Subscription of the Public Offer being achieved, the Approval Resolutions being passed, the Conditional Approval being issued by the ASX and satisfaction or waiver of all of the KP Transaction Conditions, the Directors will allot the Offer Shares and Offer Options as soon as possible after the Closing Date of the Public Offer.

Application Monies will be held in a subscription account until allotment.

This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

Allocations between the Existing Shareholders and new investors under the Public Offer will be at the sole discretion of the Directors. Further allocations made in respect of Applications under the Public Offer will be at the sole discretion of the Directors subject to the need to meet the ASX Spread Requirement.

An application for Shares may be accepted in full, for any lesser number or rejected by the Company. Where the number of Offer Shares allotted is less than the number applied for, the surplus Application Monies will be returned to the Applicant by cheque or direct credit within the time required by the *Corporations Act*. Interest will not be paid on Application Monies refunded.

It is the responsibility of Applicants to confirm the number of Offer Shares and Offer Options allotted to them prior to trading in the Offer Shares and Offer Options. Applicants who seek to deal in Offer Shares and Offer Options before they receive notification of the number of Offer Shares and Offer Options allocated to them, do so at their own risk.

2.11 ASX listing of Offer Shares and Offer Options

Application will be made within 7 days of the date of this Prospectus to the ASX for the Offer Securities to be granted Official Quotation by the ASX. The Company is not currently seeking a listing of its securities on any other stock exchange other than the ASX.

The fact that the ASX may grant Official Quotation of any of the Offer Securities is not to be taken in any way as an indication of the merits of the Company or of the Offer Securities. Quotation, if granted, of the Offer Securities offered by this Prospectus will commence as soon as practicable after the issue of holding statements to allottees. The ASX takes no responsibility for the contents of this Prospectus.

In the event that the ASX does not grant permission for the official quotation of the Offer Securities within 3 months after the date of issue of this Prospectus, none of the Shares offered by this Prospectus will be allotted or issued unless ASIC grants the Company an exemption permitting the allotment or issue.

If no allotment or issue is made, all moneys paid on application for the Shares will be refunded without interest within the time period set out under the *Corporations Act*.

2.12 Restricted Securities

The ASX may, as a condition of granting the Company's application for Official Quotation of the Offer Securities, classify certain securities of the Company as restricted securities. If so, prior to Official Quotation of the Offer Securities, the holders of the securities that are to be classified as restricted securities will be required to enter into appropriate restriction agreements with the Company.

(a) Offer Shares and Offer Options

The Company does not anticipate that any of the Offer Shares or Offer Options to be issued pursuant to this Prospectus will be classified as Restricted Securities.

(b) Other Shares

The Company anticipates up to that up to 7,711,453 Shares will be classified as Restricted Securities under the Listing Rules. Consequently, the Company must ensure that each holder of Restricted Securities enters into an escrow agreement with the Company as required by ASX to the effect that those persons will not:

1. dispose of, or agree to dispose of;
 2. create, or agree to offer to create, any security interest in; and
 3. do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of,
- their respective interests in any Restricted Security for the required period.

(c) JCHX and Director Shares

Each of JCHX and the Existing Directors have agreed to enter into voluntary restriction agreements in respect of the total 10,019,970 Shares to be issued to them under the Approval Resolutions for the repayment of the JCHX Loan and director fees and salaries, some of which may also be classified as Restricted Securities by ASX. The voluntary restriction will be for a period of two years from the date of re-admission to Official Quotation of the Shares on the ASX. It is noted that Shares to be issued to convert the Williams Convertible Notes and the Yang Convertible Notes will not form part of the voluntary restriction arrangements, but may be partially escrowed by ASX.

Further details are set out in section 13.7.

The Company will apply for the Official Quotation of any Shares which are Restricted Securities and any Shares that are issued and allotted pursuant to the exercise of any of the Restricted Securities, at the end of their respective escrow period.

2.13 Dividend policy

The Company is a junior explorer and anticipates that significant expenditure will be incurred in the evaluation and development of the Koongie Park Project. These activities, together with the possible acquisition of interests in other projects, are expected to dominate the period following the date of this Prospectus. Accordingly, the Company does not intend to declare a dividend in the coming financial year.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. The Company gives no assurance in relation to the payment of dividends or franking credits attaching to dividends.

2.14 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS in accordance with the *Corporations Act*, the Listing Rules and the ASX Settlement Rules.

Under CHESS, Applicants will not receive security certificates if they are issued Shares, but will receive a statement of their holding indicating the issue of Shares pursuant to acceptance of the Public Offer. If an Applicant is broker sponsored, ASX Settlement Pty Ltd will, after issue, send that Applicant a CHESS statement setting out the number of Shares allotted to the Applicant under the Prospectus.

If an Applicant is registered on the Issuer Sponsored Subregister, the Applicant's statement setting out the number of Shares allotted to the Applicant under the Prospectus will be dispatched by the Share Registry.

A CHESS statement or Issuer Sponsored statement will be routinely sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time. However the Company may charge an administration fee for additional issuer sponsored statements.

2. Details of the Public Offer

continued

2.15 Restrictions on the distribution of this Prospectus

The distribution of this Prospectus outside of Australia may be restricted by law. No action has been taken to register or qualify the Shares or the Public Offer, or otherwise to permit an offering of the Shares, in any jurisdiction outside Australia.

This Prospectus is not intended to, and does not, constitute an offer of securities in any place in which, or to any person to whom, the making of such offer would not be lawful under the laws of any jurisdiction outside Australia. Applicants resident in countries outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to apply for Shares under this Prospectus. The failure to comply with any applicable restrictions may constitute a violation of securities law in those jurisdictions.

In particular this Public 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.

It is the responsibility of any overseas resident Applicant to ensure compliance with all laws of any country relevant to their Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by the Applicant to the Company and that the Applicant agrees with the Company that:

- a. there has been no breach of such laws and that all necessary approvals and consents have been obtained;
- b. they are an Australian citizen or resident in Australia, are located in Australia at the time of such Application and are not acting for the account or benefit of any person in the United States, a United States person or any other foreign person; and
- c. they will not offer, sell, pledge, transfer or otherwise dispose of the Shares in the United States or in any other jurisdiction outside Australia or to a United States person, except in transactions exempt from registration under the United States Securities Act of 1933 as amended and in compliance with all applicable laws in the jurisdiction in which such Shares are offered and sold.

2.16 Electronic Prospectus

The Public Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus within Australia.

Persons who receive a copy of this Prospectus in electronic form at www.aukingmining.com are entitled to obtain a paper copy of the Prospectus (including any relevant accompanying Application Form) free of charge, during the Offer period, by contacting the Company on +61 419 762 487 or by email at p.williams@aukingmining.com.

The Application Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Application 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 Application 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 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 or a financial adviser.

2.17 Investors' Questions

Investors with questions on how to complete the Application Form or who require additional copies of the Prospectus should contact the Share Registry.

Section 3

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Company Overview and Koongie Park Transaction Rationale

3. Company Overview and Koongie Park Transaction Rationale

3.1 Company Overview

AuKing Mining Limited is an Australian company incorporated on 24 August 1995. AKN has been admitted to the official list of the ASX since October 2007.

Since quotation on the ASX, the Company's activities have comprised exploration and the proposed development of copper, gold and other mineral projects mostly in the Mount Isa region of North Queensland, but also in other locations including Chile, Laos and Mexico. Since 2013, approximately \$10 million has been invested by the Company across these various exploration and development activities, the most recent being the La Dura gold and silver project in Durango, Mexico. In late 2015 the Company entered into a strategic relationship with its (then) major shareholder, Yunnan Copper, with the purpose of heading that company's efforts to secure project opportunities in the Democratic Republic of Congo (DRC). However, with the decision of Yunnan Copper's parent company (Chinalco) to withdraw further participation in the Company's future activities, the DRC venture did not proceed.

The Company has since disposed of its Mount Isa, Chile and Laos interests. The Company's interest in the La Dura project in Mexico (which was subject to an option agreement) lapsed in early 2019.

In early 2016, the large Chinese mining services company JCHX joined the Company as its major shareholder. JCHX is a large privately-owned corporation, based in Beijing and does not have any Chinese Government ownership. JCHX continues to provide considerable technical expertise and also access to new project opportunities around the world. With the introduction of JCHX, the Company has also established an aggressive project development approach in relation to project opportunities across Africa, South and North America, Mongolia and Australia. More than \$1 million has been spent by the Company since 2016 pursuing these opportunities. The proposed Koongie Park Earn-In was identified and negotiated by local management of the Company.

3.2 Financial Position and Performance

Historical and Proforma financial information for the Company is set out in Section 7 of this Prospectus.

Since the beginning of 2018, when the Company's proposed activities in Mexico (the La Dura project) ceased, the Company's management began pursuing a range of other project opportunities. For these past three years (while the Company has been pursuing other opportunities) the Company held no active or material project assets nor carried out project-specific activities. The Company has largely been an asset-less "shell" seeking a new project. It was a result of this lack of specific project asset that led to the ASX suspending the Company's securities from official quotation on 30 September 2019.

Throughout this three year period the Company continued to prepare audit-reviewed June half year financial statements and audited full year December financial statements. Each of these reports were lodged with ASX in accordance with the Company's continuous disclosure requirements. Those historical reports can be obtained from either the ASX's company disclosure platform or the Company's website. However, these reports have not been included in this Prospectus because the Company considers that the financial information contained in them bears no material relevance to the Company's financial position upon completion of the KP Transaction.

Copies of AKN's audit reviewed accounts for the financial half-year ended 30 June 2020, as well as previous financial reports are available at www.aukingmining.com and on the ASX website.

3.3 Rationale of the Koongie Park Transaction

The Board of AKN considers that the Koongie Park Project provides the Company with the platform to secure a strategic holding of prospective tenures in the Halls Creek region, which enables the Company to carry out exploration and development activities on a regional basis targeting copper, zinc and potentially gold, as well as other base metals deposits. As a result, following reinstatement to Official Quotation, the Company's activities will focus on the following:

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

Why Koongie Park?

The Directors moved to proceed with the Koongie Park Earn-In because of:

- a. the location and near-term mining potential of the Koongie Park Project;
- b. the extensive amount of previous exploration and mine feasibility work undertaken at Koongie Park by AAR and previous owners has created a large database of existing technical information – all of which can be accessed by AKN;
- c. the introduction of the proposed new Directors and management team and their backgrounds;
- d. strong recent movements in the prices for base metals such as copper and zinc, with a positive future outlook likely to continue; and
- e. the potential to establish near-term (within 3-5 years) mining operations at Koongie Park.

Investment Highlights

The Directors are of the view that the key highlights of an investment in the Company (assuming the KP Transaction proceeds) include the opportunity to participate in the benefits associated with:

- a. holding Shares in a listed emerging resources company that will be pursuing significant growth through the development of the Koongie Park copper/zinc project;
- b. following the completion of the Public Offer, the injection of significant funds into the Company which will enable it to undertake preliminary actions in pursuance of its new project activities; and
- c. the Company being managed by directors and officers with significant experience and success across a broad range of business sectors that will hold the necessary skills and a view to guiding the Company to be a significant player in the resources sector.

Koongie Park Earn-in Disadvantages

The Directors are of the view that the Koongie Park Earn-in may give rise to the following non-exhaustive list of disadvantages:

- a. the Public Offer, together with the Shares proposed to be issued under the Approval Resolutions will result in the issue of Shares which will have a dilutionary effect on the holdings of Existing Shareholders. Despite this dilutionary effect, the Directors note that Existing Shareholders will have a retained interest in the Company on completion of the Public Offer; and
- b. there are inherent risks associated with the KP Transaction and the change in scale of the Company's activities.

Notwithstanding these potential disadvantages, the Directors note that without the Koongie Park Earn-in and the opportunity to carry out the Public Offer under this Prospectus, the Company's shares would continue to remain under suspension from Official Quotation and there is a risk that the Company might eventually be removed from the Official List altogether.

3.4 Purpose of the Public Offer

The Public Offer is being conducted to:

- a. provide funding that the Company proposes to contribute to the Koongie Park Project under the Koongie Park Earn-In;
- b. meet the expenses of the Public Offer and pay the payment due to AAR upon satisfaction of the KP Transaction Conditions;
- c. provide working capital; and
- d. satisfy certain requirements for the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

The Directors are satisfied that upon completion of the Public Offer, AKN will have sufficient funds to meet its stated objectives.

3. Company Overview and Koongie Park Transaction Rationale

continued

3.5 Planned expenditure

Pursuant to the Public Offer, AKN will raise a minimum \$6 million. It is proposed that these funds, together with the cash on hand of the Company as at 5 March 2021 (being approximately \$365,000) will be utilised as follows:

Item	Proposed use of Funds		
	Year 1	Year 2	Total \$
Initial payment under Koongie Park Earn-in	\$900,000	\$nil	\$900,000
Drilling, metallurgical testwork and other exploration activities	\$1,200,000	\$1,050,000	\$2,250,000
Administration costs and other expenses	\$450,000	\$450,000	\$900,000
Employment and consultant costs ¹	\$400,000	\$400,000	\$800,000
Repayment of the Tighe Loan ²	\$150,000	\$nil	\$150,000
Brokerage fees associated with the Public Offer ³	\$600,000	\$nil	\$600,000
Public Offer ⁴	\$400,000	\$nil	\$400,000
Total Expenditure	\$4,100,000	\$1,900,000	\$6,000,000

Notes:

1. Employment costs includes executive and administration salaries.
2. See section 12.12 for details of the Tighe Loan.
3. See section 12.4 for more details about the Lead Manager's remuneration. This amount reflects the expected maximum to be paid by the Company to the Lead Manager up to 30 April 2021.
4. Balance of expected costs remaining at lodgement of Prospectus.

Note – any funds raised under the Public Offer over and above \$6,000,000 will be applied by the Company to accelerate activities on the Koongie Park Project.

Notwithstanding the allocations set out above, in the event that circumstances change or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

3.6 Share capital structure post Issue

Upon completion of the issue and allotment of the Offer Shares pursuant to this Prospectus and completion of the KP Transaction, the Company's share capital structure will be as follows:

Shareholder	Number of Shares	%
Existing Shareholders ^{1, 2}	4,662,923	8.43%
AKN Shares to be issued upon conversion of debts ³	20,438,953	36.97%
Shares issued pursuant to the Public Offer	30,000,000	54.26%
Lead Manager success fee Shares	187,500	0.34%
TOTAL^{4, 5}	55,289,376	100.00%

Notes:

1. Excludes any Shares subscribed under the Offer by Existing Shareholders – these are included in the Offer Shares.
2. Assumes the existing Shares are consolidated on the basis of 200:1
3. Assumes approval from Shareholders to convert the JCHX Loan, Long Term Convertible Notes, Short Term Convertible Note and unpaid Director and employee fees and salaries – see sections 10.8, 12.9, 12.10, 12.11, 12.13 and 12.14 for further details.
4. Assumes the Public Offer is fully subscribed to the minimum amount of \$6 million. A further 5,000,000 Offer Shares may be issued as Oversubscriptions, which would result in a total of 60,289,376 Shares on issue, with the Shares under the Public Offer representing 58.05%.
5. A maximum of 17,500,000 Offer Options may also be issued by the Company.

3.7 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the KP Transaction and the Public Offer (assuming Shareholders approve the conversion of the JCHX Loan into Shares and that no existing substantial Shareholder applies for additional Shares pursuant to the Public Offer) are set out in the table below.

Name	Current Shareholding		Minimum on Completion	
	Number of Shares	%	Number of Shares	%
Bienital International Industrial Co Ltd (JCHX associate)	349,018,230	37.42%	9,245,092	16.72%

Note:

The reduction in Bienital's shares results from the proposed 200:1 consolidation of AKN's shares, to be approved by shareholders at the forthcoming general meeting. In addition, two current directors who are associates to JCHX, being Dr Peng and Mr Wang, will have an interest of 420,000 Shares (0.76%) and 350,000 Shares (0.63%) following completion of the Public Offer (assuming a minimum subscription) and Approval Resolutions.

The Company will announce to the ASX details of its top 20 Shareholders (by shareholding) following completion of the Public Offer and upon its securities being re-admitted to Official Quotation.

3.8 Re-Admission to the Official List

As stated above, the KP Transaction will constitute a significant change to the nature and scale of the Company's current activities. In accordance with its normal practice, the ASX:

- may require that the Company obtain Shareholder approval for the purposes of Listing Rule 11.1.2, and for completeness the Company is seeking this approval at the General Meeting;
- has suspended trading on the ASX of all securities of the Company and those securities will remain suspended until the Approval Resolutions are passed, Completion occurs and ASX has re-instated the Company's securities to Official Quotation; and
- will require the Company to comply with the applicable requirements of Chapters 1 and 2 of the Listing Rules, before it will allow trading on the ASX in the Company's securities to re-commence. These requirements include providing evidence to the ASX that the Company has:
 - satisfied the ASX Spread Requirements;
 - issued a prospectus in accordance with the *Corporations Act*;
 - satisfied an "assets" test of having net tangible assets of at least \$4 million after deducting the costs of the Public Offer; and
 - evidenced that either less than half of all its tangible assets are in cash, or if more than half of its tangible assets are cash that it has commitments consistent with its business objectives to spend half of its cash.

Listing Rule 1.19 provides that admission to the Official List of ASX is at ASX's absolute discretion. ASX must also be satisfied under Listing Rule 1.1 Condition 1 that the Company's structure and operations are appropriate for a listed entity. On 22 September 2020, the Company sought in-principle advice from ASX as to the suitability of the Company for re-admission to the official list of ASX if it proceeds with the Koongie Park Earn-In and the IP Services Agreement.

The Company believes that there is no reason that would cause AKN not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1 or that would cause ASX to exercise its discretion to refuse re-admission to the Official List under Listing Rule 1.19.

Notwithstanding this, the Company notes that ASX has ultimate discretion under Listing Rules 1.19 and 2.9 to decline the Company's application for re-admission to the Official List, or refuse quotation of the Company's shares, without giving any reasons. While the Company considers that it can satisfy ASX's requirements for quotation and re-admission to the Official List, ASX may exercise its discretion to decline the Company's application for re-admission to the Official List.

If ASX declines the Company's application for re-admission, the Company will not proceed with the KP Transaction or the Public Offer and no Offer Securities will be issued under this Prospectus.

Completion of the KP Transaction is conditional upon ASX issuing the Conditional Approval which will not be issued if ASX is not satisfied under Listing Rule 1.1 Condition 1 or if ASX exercises its discretion under Listing Rule 1.19 and does not grant the Conditional Approval. Accordingly, no Offer Shares will be issued under this Prospectus unless ASX provides the Conditional Approval. The Company will provide further disclosure to the market upon ASX making a determination in respect of the application for the Conditional Approval.

3. Company Overview and Koongie Park Transaction Rationale

continued

3.9 Approval Resolutions

The General Meeting will be convened by the Company in the near future primarily for the purpose of seeking the approval of Shareholders to various resolutions required to implement the KP Transaction.

It is a condition of completion of the Public Offer that each of the Approval Resolutions are approved by Shareholders. The Approval Resolutions comprise the following:

- Resolution 1 - Approval of Koongie Park Earn-in: Change in Scale of Activities;
- Resolution 2 - Approval of 200:1 consolidation of existing Shares;
- Resolution 3 - Approval to issue Offer Shares under the Prospectus;
- Resolution 4 - Approval to issue Offer Options under the Prospectus;
- Resolution 5 - Approval to issue Shares to JCHX Group in lieu of repayment of existing loan moneys;
- Resolution 6 - Approval to issue Shares to Dr Huaisheng Peng in lieu of unpaid directors fees;
- Resolution 7 - Approval to issue Shares to Mr Qinghai Wang in lieu of unpaid directors fees;
- Resolution 8 - Approval to issue Shares to Mr Paul Williams (a director) in lieu of unpaid salaries and entitlements;
- Resolution 9 - Approval to issue Shares to Mr Robert Yang (a director) in lieu of unpaid salaries and entitlements;
- Resolution 10 - Approval to issue Shares to other employees and agents of the Company in lieu of unpaid salaries and service fees;
- Resolution 11 - Approval of issue of Shares to Saralau Pty Ltd upon conversion of convertible notes;
- Resolution 12 - Ratification of the issue of convertible notes to N&M Greenhalgh Super Fund and approval of issue of Shares to N&M Greenhalgh Super Fund upon conversion of convertible notes;
- Resolution 13 - Approval of issue of Shares to Paul R Williams Super Fund upon conversion of convertible notes;
- Resolution 14 - Approval of issue of Shares to Peter Tighe Super Fund upon conversion of convertible notes;
- Resolution 15 - Approval of issue of Shares to Yang Family Trust upon conversion of convertible notes;
- Resolution 16 - Ratification of the issue of short term convertible notes to various private investors and approval of issue of Shares to those private investors upon conversion of convertible notes;
- Resolution 17 - Approval of issue of Shares to Peter Tighe Super Fund upon conversion of short term convertible notes;
- Resolution 18 - Approval of the issue of Shares to Novus Capital Limited as part payment of success fee on Capital Raising
- Resolution 19 - Adoption of New Constitution;
- Resolution 20 - Appointment of Stanley Mark Elliott as a non-executive director;
- Resolution 21 - Appointment of Peter Gerard Tighe as a non-executive director;
- Resolution 22 - Appointment of Ian Hodkinson as a non-executive director;
- Resolution 23 - Appointment of Shizhou Yin as a non-executive director;
- Resolution 24 - Approval of non-executive director fees;

If any of the Approval Resolutions are not approved by Shareholders neither the KP Transaction nor the Public Offer will be completed.

Section 4

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The Koongie Park Project

4. The Koongie Park Project

4.1 Overview

The Koongie Park copper/zinc project is situated in the highly mineralised Halls Creek Mobile Belt which also hosts the Savannah (Sally Malay) and Copernicus nickel projects, the Argyle diamond mine and the Nicolson's 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 in north-eastern Western Australia.

AAR is the 100% owner of the Koongie Park Project, having acquired full ownership of the project in 2002. 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 Koongie Park has been the subject of over 245 reverse circulation (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.



Koongie Park Project Location (Source: Independent Technical Report – see section 6 for more details)

4.2 Climate, Geography and Infrastructure

The East Kimberley has a tropical monsoon climate receiving about 90% of its rainfall during the short wet season, from November to April, when cyclones are common and the rivers flood. In the dry season, from May to October, south-easterly breezes bring sunny days and cool nights. Halls Creek has a mean annual rainfall of 575.6 mm. The Kimberley is one of the hottest parts of Australia. Halls Creek's average annual maximum temperature is 33.6 °C and average minimum is 20.0 °C. The hottest part of the year is November before the rains break, when the average maximum temperature is 38.3 °C (BOM, 2020).

Physiographically the Koongie Park Project lies across the watershed between the Laura River flowing to the southwest, the Margaret river flowing to the west, and the Elvire River flowing to the east. Elevations range from 380m to 480 m above sea level with variable topography: flat, undulating, low rounded boulder-strewn hills, and subdued strike ridges. The more rugged Halls Creek Ridges lie to the southeast. Much of the surrounding region comprises extensive black-soil plains supporting grasslands and providing excellent grazing for the pastoral industry. Vegetation in the project area comprises mostly spinifex grass, Acacia scrub and eucalyptus species.

Halls Creek functions as a hub for the local indigenous population and as a support centre for cattle stations in the area. The Koongie Park Project lies on the Lamboo, Moola Bulla, Burks Park Koongie Park pastoral stations. The Koongie Park Project also lies on the lands of the Ngarrawanji, Koongie-Elvire and Jaru Traditional Owners within the jurisdiction of the Kimberley Land Council.

The project area can be accessed by air services to Kununurra or Broome and then by road (Great Northern Highway). Air charter services can land at the small Halls Creek aerodrome. Generally access within the project area is good via station tracks, fence lines and old exploration grid lines. An exploration camp has been established in Halls Creek comprising an office, accommodation, storage shed and core processing facilities. Infrastructure in the area is limited, with basic services and supplies available in Halls Creek.

4.3 Exploration History

Mapping by the Geological Survey of Western Australia (GSWA) in 1962 identified the gossan outcrops which are now known as the Onedin and Sandiego prospects. Pickands Mather explored for base metals over the area south of Halls Creek from 1963 to 1972. Between 1972 and 1977 Kennecott pegged tenements over known Cu-Pb-Zn-Ag gossans at Koongie Park, around the Onedin and Sandiego areas, and undertook geological and structural mapping, rock chip and soil sampling, diamond and percussion drilling. From 1978 until 1979 Newmont continued to drill test known mineralisation and magnetic anomalies coincident with electromagnetic (EM) conductors along strike of known mineralisation. Extensive trenching, percussion and diamond drilling, detailed EM, ground magnetic surveys, and low-level aeromagnetic surveys failed to locate significant extensions to base metal prospects. In 1980, North Broken Hill concentrated on testing the supergene enriched zone of the base metal mineralisation at the Sandiego prospect. From 1983 to 1988 Asarco carried out RAB drilling, including limited work on supergene gold potential at Sandiego. From 1988 to 1989 RTZ Mining / BP Minerals in JV with Asarco continued testing for gold potential by re-assaying split core samples for gold. This work located several low order gold anomalies in the Sandiego area.

A group of six tenements were initially purchased by AAR from RTZ Mining in March 1990, with three additional mining leases pegged and granted in 1994. The six originally granted mining leases were explored by AAR in joint venture with Billiton Australia (now Anglo Gold) from 1989-1994. Billiton earned its equity but was forced to sell their interest to AAR under a pre-emptive rights clause, when Acacia Resources purchased all of Billiton's assets in Australia in 1994. Billiton undertook aeromagnetic and radiometric surveys. Minor geochemical sampling done during this time produced modest gold bearing results. In 1995, Lachlan Resources (a subsidiary of Barrick Gold) signed a joint venture agreement over the area and continued exploration until 2002. During 1996 and 1997 Lachlan and AAR carried out extensive resource definition type drilling and developed geological and structural interpretations for both Onedin and Sandiego base metal deposits. AAR obtained 100% ownership of the project due to the withdrawal of Lachlan Resources from the joint venture in 2002.

In 2006, following a substantial improvement in base metal commodity prices, AAR commenced its first drilling program in its own right. AAR then established a maiden mineral resource estimates for the Sandiego and Onedin deposits reported in conformance with the JORC Code (2004)³. In October 2008 AAR completed a study on the economics of underground mining of the Sandiego deposit⁴. Further drilling occurred in 2007-2009 with subsequent resource updates reported in conformance with the JORC Code (2004).

Some 245 RC and diamond drill holes encompassing 50,417 m have been drilled on the project by AAR. This effort focused on resource, metallurgical and geotechnical drilling at the Sandiego and Onedin base metal deposits. Since 2011 AAR focused on gold exploration, with little exploration for base metals occurring on the property.

3. Anglo Australian Resources NL, Report on Activities for the Quarter Ended 31 December 2006, announced on the Australian Stock Exchange on 31 January 2007.

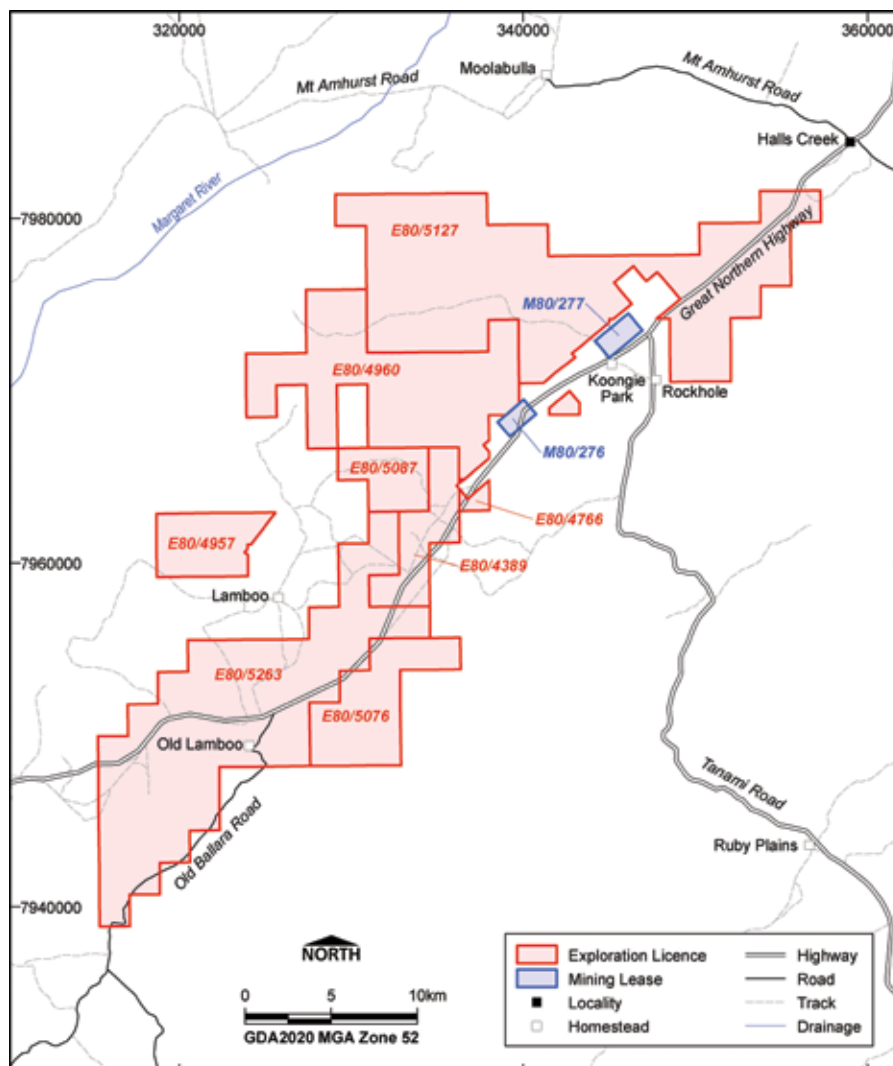
4. Anglo Australian Resources NL, Report on Activities for the Quarter Ended 30 September 2008, announced on the Australian Stock Exchange on 30 October 2008.

4. The Koongie Park Project

continued

4.4 Koongie Park Tenures

The Koongie Park tenure package comprises 10 tenements with 2 mining leases and 8 exploration licences. The total tenement area is approximately 500km². The primary mineral assets, the Onedin and Sandiego copper-zinc-gold-silver deposits, lie within the granted mining leases M80/277 and M80/276, which expire in 2031. The diagram below highlights the tenure package.



AAR's Koongie Park Tenements, February 2021 (Source: Independent Technical Report – see section 6 for more details)

4.5 Koongie Park Geology

Full details about the Koongie Park Tenements are provided in the Solicitor's Report in section 9 of this Prospectus.

(a) Geology

The massive sulphide deposits of Koongie Park have been traditionally classified as volcanogenic massive sulphide (VMS) deposits. The Onedin deposit has been referred to as a carbonate associated VMS. Based on the assumption there are no exhalative rocks at Onedin, it is proposed that the best model for the base metal occurrence is as a sub-horizontal basin floor replacement VMS. Other genetic models proposed include: distal skarn and structurally controlled replacement during deformation within high strain zones. The Board considers the weight of evidence supports their interpretation as VMS deposits. As a result, the deposits are interpreted to have been formed around the time of deposition of the host volcanic and sedimentary strata in which they are bound and generally in bedding parallel lenses. Hydrothermal fluids associated with volcanic activity is interpreted to have been the source of the metals and other constituents of the mineralisation.

AKN places the Koongie Park deposits in the bimodal-felsic sub-type of VMS deposit - in the host-rock lithology classification of Barrie and Hannington (1999). The bimodal-felsic types are common in Phanerozoic, typically occur in sequences with >50% felsic volcanic rocks, <35% mafic volcanic/intrusive rocks, and <15% siliciclastic rocks. Examples include the VMS deposits in the Hokoriku District of northern Honshu, Japan, and the Rosebery district in Tasmania.

The mineralogy of the primary mineralisation at Sandiego is pyrite-sphalerite-pyrrhotite-chalcopryite +/- galena which is largely hosted in the magnetite-rich exhalative suite of rocks where it occurs as a massive conformable wedge-shaped lens 200 m in length with a maximum thickness of 75 m. In general, the sulphides exhibit replacement textures and show evidence of mobilisation, which is a result of deformation and metamorphism subsequent to initial formation. Weak to moderate sulphide vein and stringer mineralisation occur at the base of the exhalite package in the underlying tuffs. Mineralisation is relatively rare in the carbonate zone but may extend into the talc-chlorite schists. Overall, there is poor spatial correlation between copper and zinc mineralisation at Sandiego. Moreover, discrete zinc-rich and copper-rich zones have been identified from core logging and assay results in the vertical dimension.

At Onedin sphalerite is the main sulphide in the primary mineralisation with subordinate pyrrhotite-pyrite-chalcopryite-galena. Sphalerite chiefly occurs as fine-grained masses. In general, the sulphides exhibit replacement textures and show evidence of mobilisation, which is a result of deformation and metamorphism subsequent to initial formation.

The Koongie Park formation exhibits a deep weathered profile at Sandiego and particularly Onedin resulting in three weathering domains - oxidised zone at surface, primary zone at depth, and the transition zone in between. Each zone has very different mineral assemblages and consequent very different metallurgical properties.

The oxidised zone consists of completely oxidized material, the base (BOCO) base of complete oxidation. This surface is on average about 100 m below ground level. It is undulating and deepens significantly in the vicinity of steeply dipping faults. The Transition Zone consists of partially oxidized material and is located between BOCO and the top of fresh rock (TOFR). Supergene mineralisation is comprised of secondary mineralisation hosted in the oxidised and transition Zones. Gossans are developed at surface above the mineral deposits.

Supergene mineralisation at Onedin is well developed as the bulk of the deposit is located in the oxidised and transition zones. Significant supergene enrichment of copper has occurred with a range of secondary copper minerals present: malachite, chrysocolla, bornite, covellite, chalcocite, cuprite, digenite and native copper. Moreover, a major sub-horizontal torpedo-shaped lens of supergene copper 200 m in length straddles the oxide and transition zone. Lead is also relatively enriched in gossans above the TOFR surface where it occurs as the minerals pyromorphite and cerussite. Localised occurrences of secondary zinc are also present in the form of smithsonite, however zinc is generally depleted in the oxide zone.

(b) Koongie Park Resources

The Onedin and Sandiego copper-zinc-gold-silver deposits are at an advanced stage of exploration with mineral resources defined. In addition, drilling targets have been identified at various other advanced prospects, with numerous other promising zones of surface mineralisation and geophysical anomalism worthy of further exploration and assessment. Indicated and Inferred Mineral Resources have been estimated by CSA Global for the Sandiego and Onedin deposits in conformance with the JORC Code (2012) as set out below.

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

Koongie Park JORC (2012) resources, Independent Technical Report - see section 6 for more details

4. The Koongie Park Project

continued

4.6 Koongie Park Project Potential – Proposed AKN Activities

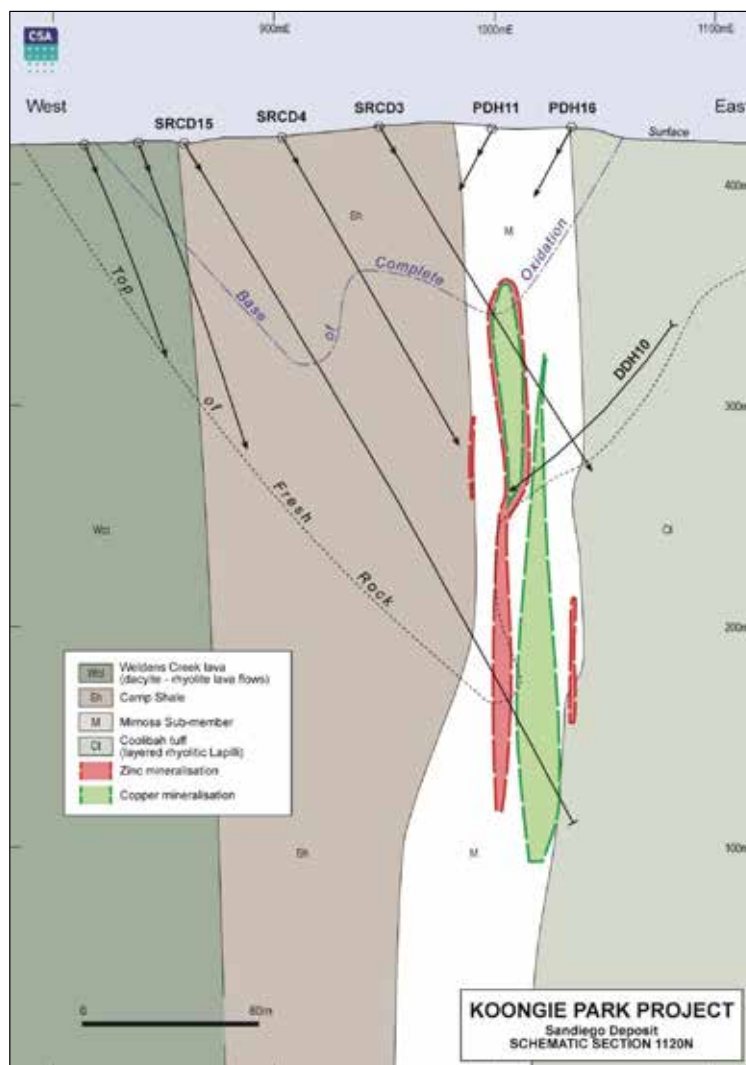
There are three (3) primary areas that summarise the potential for AKN to develop the mineral resources at the Koongie Park Project, namely:

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

Each of these are addressed in more detail as follows:

(a) Optimise Sandiego mine feasibility studies

AAR completed a Pre-Feasibility Study (PFS) to assess the viability of a mining operation at the Sandiego deposit during October 2008. The PFS focussed on underground mining of the sulphide and transition ore zones at Sandiego, with construction of a 500k tpa processing plant (using flotation techniques) with a 4-5 year operating life. The Board has identified that at the Sandiego deposit the primary copper and zinc mineralisation plunges at depth and to the south – leaving potential for the mineralisation to continue.

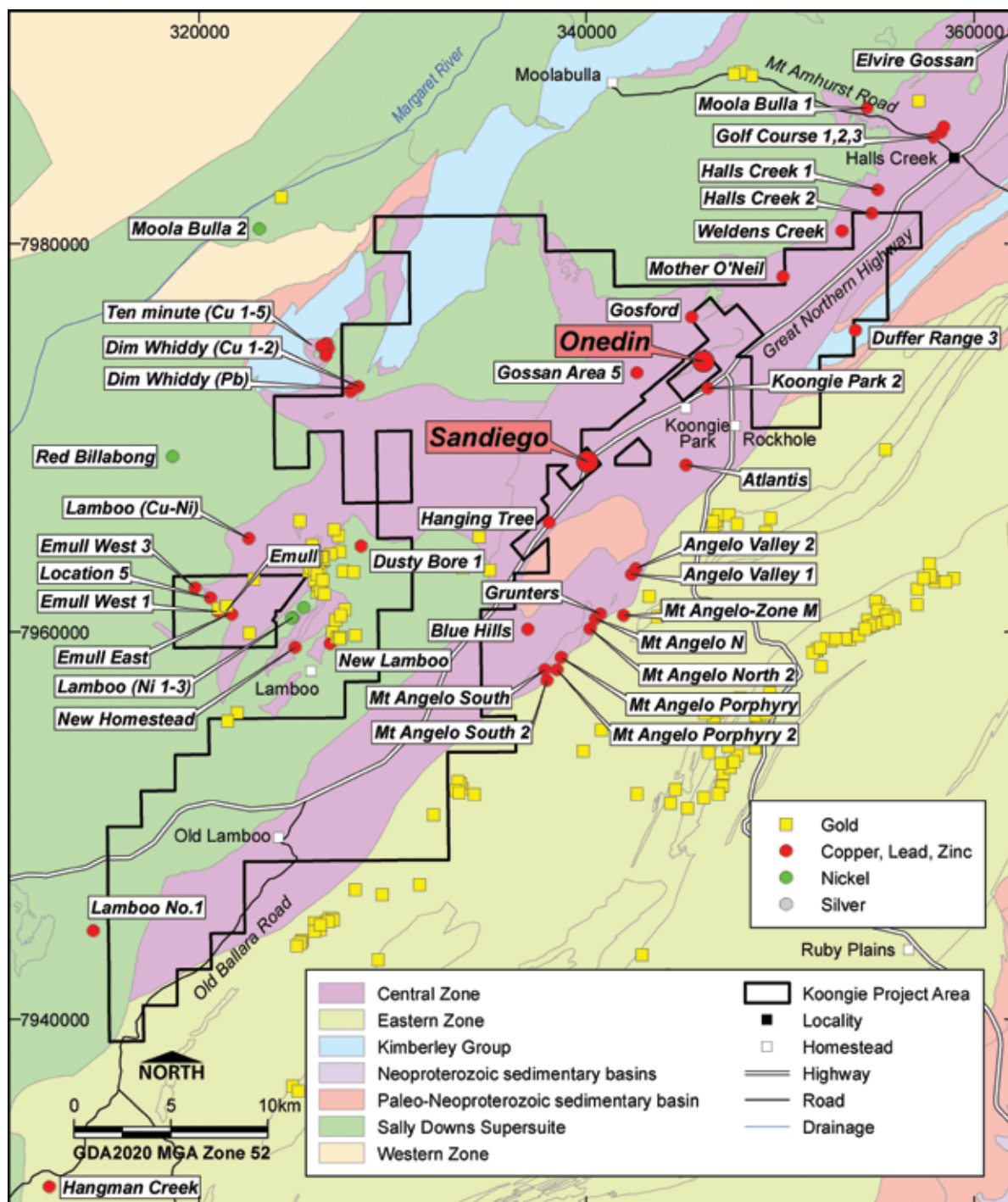


Schematic cross-section view of the Sandiego deposit (Source: Independent Technical Report – see section 6 for more details)

An immediate activity of AKN upon Completion will be to carry out a detailed optimisation review of the Sandiego PFS and all related mining studies. A key element of the optimisation work will be the design and conduct of a drilling program aimed at significantly expanding the existing known resources at Sandiego.

(b) Regional Koongie Park Exploration

The region in and around the existing Koongie Park Project area is well-known for mineral occurrences as highlighted in the diagram below. The Board considers that the area is underexplored at depth and highly prospective for the discovery of further VMS base metal mineralisation below approximately 150m.



Geological map of Koongie Park showing tectonic units and mineral occurrences (Source: Independent Technical Report – see section 6 for more details)

4. The Koongie Park Project

continued

AKN has identified several factors about the Koongie Park Project that make it attractive for VMS exploration, namely:

- a. favourable regional geological setting;
- b. presence of proximal felsic volcanic facies and bimodal volcanism;
- c. abundant mineralisation identified at numerous locations throughout a specific stratigraphic sequence;
- d. the presence of at least two sizeable existing VMS deposits; and
- e. the extent and intensity of the alteration indicative of a high heat flow system with high fluid to rock ratios.

A key feature of AKN's initial exploration activities across the Koongie Park Project area will be the use of geophysical methods to drive future exploration drilling and assessment. Previous studies have concluded that the 50kms of strike of the project was incompletely explored by appropriate geophysical methods and that it was not unreasonable to expect that further VMS deposits could be discovered along the interpreted strike extent using geophysical methods. In the case of Koongie Park in particular:

- a. Koongie Park's mineralisation is highly conductive;
- b. Koongie Park and other mineralisation are lenses;
- c. country rock is highly resistive;
- d. the depth of weathering on sulphides is greater than elsewhere; and
- e. mineralisation tends to follow a main trend,

all indicating that geophysical methods should be ideal for the Company's initial Koongie Park Project exploration activities. Furthermore, the Geological Survey of Western Australia (GSWA) undertook in 2016 a comprehensive multi-commodity prospectivity analysis of the Halls Creek Orogen. This multi-author study used a GIS (geographic information system) driven, minerals system approach and developed a comprehensive set of prospectivity maps and images. *The Pb-Zn-Cu-Ag prospectivity map generated by the GSWA highlighted the Koongie Park Project area as the most prospective for these metals in the region*⁵.

(c) Onedin Metallurgy

Introduction

A focus of AKN's early efforts to demonstrate a commercially viable metallurgical processing solution at Koongie Park's Onedin deposit is access to the AmmLeach® processing system. AmmLeach® is a proprietary technology that uses an ammonia-based process for the selective extraction of base metals from amenable ore deposits and concentrates.

The most common form of oxide/transitional ore leaching is by the use of sulphuric acid. However, with more complex oxide ores (such as at Koongie Park's Onedin deposit) one of the primary issues associated with leaching oxide ores can be the excessive use of sulphuric acid by a significant amount of carbonate minerals present in the ore. Not only does this use come at significant additional expense (making the process non-viable) but still may not achieve the levels of mineral recovery that is critical to establish an economically viable operation.

Commercial Application

Prior pilot-scale and laboratory testwork has established that the AmmLeach® process has the potential to leach complex ores that are otherwise uneconomic to treat (using traditional acid-based leaching technology) and operates at ambient temperature, making it an ideal process for either heap or tank leaching activities. Another potential advantage of the AmmLeach® process is that the use of alkaline-based ammonia leaching (as opposed to the traditional acid leaching) can substantially reduce environmental impacts of the proposed operations.

The AmmLeach® process has not yet been utilised in a commercial mining and processing operation. It has however, been the subject of many studies and testwork ranging from pilot-scale to laboratory level analysis, including the following:

- Leon, Argentina – the alkaline leaching method was developed for the high carbonate ores at this project and built a pilot plant as part of a project feasibility study. The pilot plant tests established commercial-grade copper recoveries exceeding 70%; and
- North-western Queensland project, Mount Isa region – testwork on several oxide ore samples demonstrated successful extraction of copper under a range of AmmLeach® conditions.

5. Prospectivity analysis of the Halls Creek Orogen, northern Western Australia – using a Mineral Systems Approach: Geological Survey of Western Australia, Report 159. This statement is included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72 and consent has not been obtained for this statement.

IP Services Agreement

AKN has engaged Perth-based Accudo (the holder of owner of the rights in Australia to the AmmLeach® process) under a services agreement, whereby AKN will have access to Accudo's metallurgical expertise and knowledge, including the AmmLeach® process. More details of this agreement are set out in Section 12.3.

4.7 Koongie Park - Proposed AKN Budget

AKN has developed an indicative program of work and budget for proposed activities at Koongie Park over the next two years. The program of work encompasses the proposed activities identified in section 4.6 above comprising a mix of exploration of existing known deposits, exploration across the tenure portfolio and metallurgical testwork of the Onedin oxide and transitional ores. The budget of planned activities is set out in the table below (noting that the proposed use of funds of the Public Offer includes a small contingency amount):

Exploration activity Item	Year 1 (A\$)	Year 2 (A\$)	TOTAL (A\$)
Salaries and wages	100,000	100,000	200,000
Contract labour	25,000	25,000	50,000
Travel and accommodation	40,000	30,000	70,000
Communications	4,000	4,000	8,000
Freight	10,000	5,000	15,000
Tenure rents	47,000	47,000	94,000
Tenure rates	44,000	44,000	88,000
Contractors/consultants	55,000	55,000	110,000
Tenement administration	35,000	35,000	70,000
Geophysical surveys	130,000	20,000	150,000
Site preparation	10,000	10,000	20,000
Environmental monitoring	2,500	2,500	5,000
Project studies	25,000	100,000	125,000
Drilling (RC)	-	150,000	150,000
Drilling (diamond)	375,000	225,000	600,000
Assays	25,000	25,000	50,000
Native Title/Land compensation	10,000	10,000	20,000
Metallurgical testwork (Phase Ia)	70,000	-	70,000
Metallurgical testwork (Phase Ib)	-	80,000	80,000
Vehicles	20,000	20,000	40,000
Total expenditure	1,027,500	987,500	2,015,000

AKN's proposed two-year work program and budget (Source: Independent Technical Report – see section 6 for more details)

The proposed program of activities and budget are subject to the availability of contractors and the results of activities that require positive outcomes prior to progressing to the next stage of activity. AKN will allocate additional consulting fees to these budgeted amounts, as it is entitled to do so under the Koongie Park Earn-in. The Company believes that the indicative program and budget are adequate and will be sufficient to meet the statutory expenditure on the Koongie Park Tenements.

4. The Koongie Park Project

continued

4.8 Koongie Park Earn-In terms

General

The Company has entered into an Earn-in and Joint Venture Agreement with AAR with respect to the Koongie Park Project. Under the Koongie Park Earn-in, the Company (via its wholly owned subsidiary, AKN (Koongie Park) Pty Ltd) and AAR (via its wholly owned subsidiary, Koongie Park Pty Ltd (**AAR Sub**)) propose to form the Joint Venture on terms which include, but are not limited to, the following:

- a. the Company is granted the right to:
 1. Explore for and (subject to completion of a feasibility study and a decision to mine) develop base metals deposits within the project area;
 2. Conduct exploration activities, update resource estimates to JORC Code reporting standard, prepare a feasibility study in respect of the Sandiego and Onedin deposits and (subject to completion of a feasibility study and a decision to mine) development activities for base metals deposits on the project area; and
 3. Earn up to a 75% interest in the project area through the joint venture by funding exploration and project development studies (as stipulated below); and

Another wholly owned subsidiary of AAR, Koongie Park Gold Pty Ltd, retains the right to explore for and develop gold and platinum group metals (**PGM**) deposits within the project area other than the mining leases (on which the Sandiego and Onedin deposits are situated) (see section 12.1).

Earn-in Rights

The Koongie Park Earn-in provides for a two-staged earn-in process whereby the Company can ultimately secure a 75% project interest in the Koongie Park Project. A summary of the two-stage earn-in is outlined below.

Conditions Precedent

The Koongie Park Earn-in does not bind the parties and has no force or effect unless and until the KP Transaction Conditions are satisfied or waived, namely the Company:

- a. obtaining all necessary Company shareholder and regulatory approvals, including for the purposes of Chapters 1, 2 and 11 of the ASX Listing Rules, as required to give effect to the transaction contemplated by the Koongie Park Earn-in;
- b. successfully raising a minimum of \$6,000,000 pursuant to a capital raising; and
- c. paying \$900,000 to AAR.

The Company and AAR must use reasonable endeavours to satisfy the KP Transaction Conditions as soon as possible and, in any event, by 31 March 2021. AAR may agree to extend this date by two further 14 day periods at its discretion and, beyond that, by agreement in writing.

On completion of the Conditions Precedent, the Koongie Park Joint Venture will commence (as set out below).

AAR will transfer ownership of the Koongie Park Project tenements to AAR Sub and grant the Joint Venture parties a contractual licence to the tenements until AAR Sub becomes registered holder.

Initial Interest

The Company shall acquire an initial 25% interest in the Joint Venture on satisfaction of the Conditions Precedent and the Company making a total initial payment of \$1,000,000 to AAR, in the following tranches:

- a. \$100,000 as a non-refundable deposit within 5 business days of the parties signing the Agreement (which was paid in July 2020); and
- b. \$900,000 at any time prior to the satisfaction of the other KP Transaction Conditions,

at which time the Joint Venture will be formed. The Koongie Park Project exploration licences and prospecting licences will become Joint Venture Property on formation of the Joint Venture Property (subject to any FIRB approval that the Company is required to obtain).

While the Company is earning its First Earn-in Interest and Second Earn-in Interest, the Company will sole fund all expenditure on exploration activities in relation to the Joint Venture and free carry AAR's interest in the Joint Venture.

First Earn-in Period

During the First Earn-In Period of twenty four (24) months, the Company may earn a further 25% interest in the Joint Venture by incurring expenditure of \$1.5 million which may include expenditure on exploration, testwork and related analysis to establish a commercially viable processing solution for the Koongie Park oxide ores **(the First Earn-In Milestone)**.

Upon satisfying the First Earn-in Milestone, the Company shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 50% interest in the Joint Venture. AAR will also be obliged to transfer the two mining leases (on which the Sandiego and Onedin deposits are situated) into the Joint Venture as Joint Venture property (subject to any FIRB approval that the Company is required to obtain).

If the Company fails to satisfy the First Earn-in Milestone during the First Earn-in Period, the Company will be deemed to have withdrawn from the Joint Venture, will cease to have any interest in the Joint Venture and the Koongie Park Earn-in will automatically terminate.

Second Earn-in Period

During the Second Earn-in Period, which is a period of 12 months commencing immediately following completion of the First Earn-in Milestone and the Company giving notice that it elects to proceed with the Second Earn-in, the Company may earn a further 25% interest in the Joint Venture by incurring additional expenditure of \$1.5m, which may include expenditure on exploration activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Koongie Park tenements **(Second Earn-In Milestone)**.

Upon satisfying the Second Earn-in Milestone, the Company shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 75% interest in the Joint Venture. If the Company fails to satisfy the Second Earn-in Milestone during the Second Earn-in Period, then the Company will retain its earned interest in the Joint Venture of 50% and the parties will make contributions to Joint Venture expenditure proportionate to their respective percentage interests in the Joint Venture.

Other JV Provisions

The Koongie Park Earn-in between the Company and AAR contains various other provisions that are standard for an exploration joint venture including:

- a. The Company is the manager of all Joint Venture activities while it is earning interests in the Joint Venture and following completion of those earn-ins;
- b. The Joint Venture manager is responsible for all reporting, budget and work program preparation, tenure management and generally reporting to the Joint Venture management committee from time to time;
- c. Upon conclusion of AKN's earn-in rights, the parties are then obliged to contribute towards future programmes and budgets in proportion to their respective Joint Venture interests;
- d. The management committee will make a decision to mine. A decision to mine must be based on a feasibility study for a proposed mining operation utilising 'Class 3' estimation data (as defined in the AusIMM Cost Estimation Handbook) and all necessary approvals to develop and mine the proposed mining operations must be in place. A participant who does not wish to proceed to mining may be bought out at an agreed purchase price or if the purchase price is unable to be agreed, at fair market value. Following a decision to mine, the parties will in good faith negotiate and enter into a new mining Joint Venture to govern mining activities;
- e. Dilution mechanisms apply in the event a party is unwilling or unable to contribute towards their share of ongoing Joint Venture expenditure commitments as well as other default provisions (including a buyout right);
- f. Mutual pre-emptive right on sale of a Joint Venture interest and a tag along right if a party sells a Joint Venture interest of 50% or greater;
- g. If a transaction contemplated under the agreement constitutes the transfer of a legal or equitable interest in or affecting a Koongie Park Tenement in respect of which ministerial consent is required, then the transfer is subject to and conditional upon:
 1. receipt of ministerial consent; and
 2. where the Koongie Park Tenement is an exploration licence, a period of 12 months having elapsed from the date of grant of that Koongie Park Tenement;
- h. In the event a party's interest in the Joint Venture dilutes below 10%, they will be deemed to have withdrawn from the JV and their interest will revert to a 1% net smelter return royalty.

With effect after commencement of the Koongie Park Joint Venture, the Koongie Park Earn-in provides for the Company to reimburse certain outgoings incurred prior to execution of the Koongie Park Earn-in and sets out the party responsible for payments of any fines issued due to under-expenditure on the tenements (depending on the tenement year the fine relates to).

4. The Koongie Park Project

continued

The Koongie Park Earn-in also provides that if any required FIRB approval is not obtained (or the requirement for FIRB approval is not waived) for either:

- a. the exploration and prospecting licences (described as the tranche 1 assets) within 12 months of the commencement of the Joint Venture; or
- b. the mining leases (described as the tranche 2 assets) within 12 months of the date on which the Company notifies AAR that it has satisfied the First Earn-in Milestone,

the parties will meet and negotiate in good faith either an extension to the above timeframes with a view to overcoming the delay or to reach an agreement for an equitable alternative to the requirement for FIRB approval. If agreement is unable to be reached within 6 months from the first meeting, the relevant tenements which did not obtain the necessary FIRB approval and in respect of which an agreement was not able to be reached will not become Joint Venture property and will be excluded from the Joint Venture with no liability to either party.

AAR's Precious Metals Rights

In conjunction with the Koongie Park Earn-in summarised in section 12.1, the Company and AAR have entered into an agreement titled Precious Metals Rights Agreement (**the PMRA**). The primary function of the PMRA is to establish the exclusive rights of AAR's wholly owned subsidiary, Koongie Park Gold Pty Ltd (**PM Holder**), to explore for and develop gold and PGMs across the Koongie Park Project other than the area of the mining leases (**the Excluded Area**) (on which the Sandiego and Onedin deposits are situated) and non-exclusive access rights to the Koongie Park Project (other than the Excluded Area). The key parties to the PMRA are PM Holder (on one hand) and the Joint Venture managed by the Company (on the other). The Precious Metals Rights have been granted but the remaining operative clauses of the PMRA comes into effect at the same time as the Joint Venture.

In addition to gold and PGEs, AAR can extract any other minerals incurring in connection with those minerals and construction materials to carry out exploration or mining activities on the tenements.

Under the PMRA:

- a. each party must submit an annual work program to the other, in advance of the proposed activities;
- b. in the case of the Company (as manager of the Joint Venture) discovering a geologically anomalous concentration of gold or PGMs it must immediately notify AAR and vice versa in the case of AAR discovering a geologically anomalous concentration of minerals other than gold or PGMs. If either of these occur, the party receiving notice then has the right to exercise their rights to exclusively explore and develop minerals (**Mineral Rights**);
- c. there is provision to establish priority when a party is seeking to exercise their Mineral Rights that may interfere with existing exploration or mining activities of the other party and if it is unable to be resolved then it may be determined by an expert, with mining activities to take priority over exploration activities;
- d. there is provision to establish priority when there is the potential for respective mining activities to be carried out by the parties within close proximity of each other and if it is unable to be resolved then it may be determined by an expert; and
- e. there is also provision to establish priority when there exist economic deposits of gold, PGM or other minerals within sufficient proximity that recovery of the minerals is best carried out by a single mining operation via joint mining or sequential mining.

The Joint Venture will be responsible for keeping the tenements in good standing including meeting expenditure, paying rent and statutory reporting.

AAR must rehabilitate all disturbances it creates after the Joint Venture commences, but otherwise the Joint Venture will be responsible for rehabilitation of disturbances.

Each of AAR Sub and the Joint Venture will be responsible for State royalties (to the extent attributable to the sale of minerals by a party in exercise of its rights under the PMRA) and will pay the applicable royalty payments to any third parties in exercise of a party's rights under the PMRA.

The PMRA contains a mutual pre-emptive right on sale of a party's Mineral Rights.

Finally, the PMRA provides for parties to hold a pre-emptive right over sales contracts and sales arrangements for the sale of minerals (to which they are generally entitled) but where they are not the dominant mineral being the subject of mining activities, in order to receive the benefit from the sale of minerals to which they are generally entitled, or otherwise charge a 1% net smelter return royalty on that mineral.

The PMRA provides for the consequences of a party defaulting under the PMRA, in that the non-defaulting party has the right to commence proceedings against the defaulting party and recover indemnity costs in enforcing the agreement, as well as a suspension right, and the defaulting party agrees to grant a call option in favour of the non-defaulting party to buy out the mineral rights at an agreed value or at fair market value.

As noted previously, the PMRA has no application in respect of the area of the mining leases where the Sandiego and Onedin deposits are situated – the Company retains the full right to explore and develop all minerals (including gold and PGMs) within those mining leases.

Section 5

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Investment Risks

5. Investment Risks

5.1 Introduction

An investment in the Shares being offered under this Prospectus is not risk free.

The future performance of AKN and the future investment performance of the Shares may be influenced by a range of factors. Many are outside the control of the Board. Prior to making any decision to accept the Offer, investors should carefully consider the following risk factors applicable to the Company. Some or all of your investment may be lost as a result of an occurrence of one or more of these factors.

Careful consideration should be given to the following risk factors, as well as the other information contained in this Prospectus and the Applicant's own knowledge and enquiries, before an investment decision is made.

In particular there are risks associated with the KP Transaction, specifically in relation to the success of the Company which may adversely impact the value of an investment in the securities of the Company (see below in Section 5.3).

In addition, there are other general investment risks, many of which are largely beyond the control of the Company and its Directors (Section 5.2).

However, the risks described below are not to be taken as exhaustive. The specific risks considered, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the Offer Securities offered under this Prospectus.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. The Company aims, and will aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures.

However, some of the risks identified below are highly unpredictable and the Company is limited in the extent to which they can effectively manage them or they are outside the control of AKN and not capable of mitigation.

Investors should bear in mind that this Prospectus (including this Section 5) has been prepared without taking into account each Applicants' individual financial objectives, financial situation and particular needs. Applicants should seek professional investment advice if they have any queries in relation to making an investment in the Company.

5.2 General risks

(a) Trading Price of Shares and Offer Options

There are a number of risks associated with any stock market investment. The market price of the Shares and Offer Options can be expected to rise and fall in accordance with general market conditions and factors and there can be no certainty that, in the event the Company's securities are re-admitted to Official Quotation, an active market for the Shares and Offer Options will develop.

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares and Offer Options. In addition, the price of the Shares and Offer Options are subject to varied and often unpredictable influences on the market for equities, including but not limited to general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares and Offer Options. In addition factors that in the future may impact specifically on the share prices of listed companies identified as being part of or involved in the resources and energy may impact likewise on the price of the Shares and Offer Options. In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(b) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates in Australia and other jurisdictions in which the Company may do business, as well as globally, may have an adverse effect on the Company's activities, as well as on its ability to fund those activities. Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

1. general economic outlook;
2. interest rates and inflation rates;
3. currency fluctuations;
4. changes in investor sentiment toward particular market sectors;
5. the demand for, and supply of, capital; and
6. terrorism or other hostilities.

There is no guarantee that the value of the Company's securities will not be adversely affected by any of the above factors.

(c) General legislative change

The Company is not aware of any current or proposed material changes in relevant regulations or policy in Australia or in any other markets in which the Company may do or intend to do business. However, changes in laws and regulations in Australia or other relevant jurisdictions may adversely affect the financial performance or the current and proposed operations generally of the Company. Of particular note here might be laws or regulations affecting the resources and energy sectors.

(d) Government policy

In addition to legislation changes, changes in relevant taxation, interest rates, other legal or administrative regimes, as well as Government policies in Australia or in any other markets in which the Company may do or intend to do business, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities. Of particular note here might be Government policies affecting the resources and energy sectors.

Further, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to financial services regulation and protection of investment activities, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's business, operations or financial condition.

(e) 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.

(f) Management actions

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management team) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security, but without assuming any personal liability for the same.

(g) COVID-19 impact risk

The global economic outlook is facing uncertainty due to the current COVID-19 (Novel Coronavirus) pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the price of commodities and foreign exchange rates.

While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

5. Investment Risks

continued

(h) Additional Requirements for Capital

Although the Directors believe that on completion of the Offer the Company will have sufficient working capital to carry out its short-term business objective, there can be no assurance that such objectives can be met without further financing or, if additional financing is necessary, that financing can be obtained on favourable terms or at all.

The capital requirements of the Company depend on numerous factors. Upon completion of the Koongie Park Earn-in, the Company may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed or is not available to obtain additional financing on acceptable terms, it may be required to reduce the scope of its operations and may not be able to take advantage of opportunities or respond to competitive pressures.

Expenditures may need to be incurred that has not been taken into account in this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

(i) Litigation Risks

The Company may be exposed to possible disputes and litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. If any such claim or dispute is proven, this may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(j) Force Majeure

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions.

(k) Acquisitions

As part of its business strategy, the Company may make acquisitions of, or joint venture arrangements with companies and projects that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, and entering joint ventures.

(l) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(m) Currently no market

There is currently no public market for the Shares (due to the Company's securities being suspended from quotation on the ASX), the price of the Shares is subject to uncertainty and there can be no assurance that an active market for the Shares will develop or continue after the Public Offer.

In the event the Company's securities are re-admitted to Official Quotation, the price at which the Shares trade on ASX may be higher or lower than the Offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their shares that is above or below the price that Shareholders paid.

5.3 Specific risks to an investment in the Company

(a) Completion Risk

The KP Transaction is subject to the KP Transaction Conditions as summarised in Section 4.4 of this Prospectus. These include a condition that all necessary regulatory approvals pursuant to the Listing Rules are met. These approvals are discussed in further detail below in Sections 3.8 and 3.9.

If these conditions are not satisfied or waived by the relevant due date, the KP Transaction may not proceed, in which case the Company will need to evaluate its future strategy.

(b) Re-quotation of shares on ASX

The KP Transaction constitutes a significant change in the nature and scale of the Company's activities and the Company needs to comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.

On 22 September 2020, the Company sought in-principle advice from ASX as to the suitability of the Company for re-admission to the official list of ASX if it proceeds with the Koongie Park Earn-In and the IP Services Agreement.

The Company believes that there is no reason that would cause AKN not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1 or that would cause ASX to exercise its discretion to refuse re-admission to the official list under Listing Rule 1.19.

Notwithstanding this, the Company notes that ASX has ultimate discretion under Listing Rules 1.19 and 2.9 to decline the Company's application for re-admission to the Official List, without giving any reasons. While the Company considers that it can satisfy ASX's requirements for quotation and re-admission to the Official List, there is the risk that ASX will exercise its discretion to decline the Company's application for re-admission to the Official List.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares and the Offer Options on the ASX, which would result in Applicants funds being returned, and the KP Transaction not completing. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. It is a risk for Existing Shareholders who may be prevented from trading their existing shares should the Company be suspended until such time as it does re-comply with the Listing Rules. If the Company has not re-complied with Chapters 1 and 2 of the Listing Rules and obtained approval for its securities to be re-admitted to Official Quotation before 30 September 2021, the Company expects that ASX will remove the Company from the Official List.

(c) Dilution Risk

The Company currently has 932,584,461 Shares on issue. In accordance with the proposed consolidation of the Company's existing Shares (on a 200:1 basis), the total number of existing Shares will reduce to 4,662,923. In addition, subject to the passing of the Approval Resolutions and the successful Public Offer, the Company proposes to issue:

1. 3,135,620 Shares to Existing Directors and AKN employees in lieu of unpaid directors' fees and salaries;
2. 7,500,000 Shares to JCHX in satisfaction of the JCHX Loan;
3. 3,553,333 Shares upon conversion of the Long-Term Convertible Notes;
4. 6,250,000 Shares upon conversion of the Short-Term Convertible Notes;
5. 187,500 Shares to the Lead Manager as part of the Lead Manager's remuneration (see section 12.4 for more details about the Lead Manager's remuneration); and
6. a minimum 30,000,000 Offer Shares to raise \$6,000,000 under the Public Offer, with provision to accept oversubscriptions for a further 5,000,000 Offer Shares.

Upon establishment of the Joint Venture and assuming the Public Offer is subscribed to the minimum \$6,000,000 subscription:

1. the the Shares on issue at the date of this Prospectus (but excluding any Offer Shares issued under the Public Offer) will comprise approximately 8.43% of the Company's issued share capital; and
2. the Offer Shares issued under this Prospectus will represent approximately 54.26% of the Company's issued share capital.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund future development activities of the Company.

5. Investment Risks

continued

(d) Liquidity Risk

Subject to the Approval Resolutions being passed, the Company proposes to issue the Shares to convert existing loans and convertible notes. The Directors expect that ASX will treat some of these securities as Restricted Securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of some these Shares. Further details in this regard are set out in section 13.7.

In addition, the Company proposes to issue Shares to existing AKN directors and employees of AKN and to JCHX to repay moneys owed by the Company. The Directors and JCHX have agreed to enter voluntary escrow arrangements with the Company pursuant to which these Shares will be restricted from trading for a period of 24 months from their issue.

If a large number of the Company's securities are classified as Restricted Securities, this would give rise to an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

The Shares will only be listed on the Official List and presently will not be listed for trading on any other securities exchange in Australia or elsewhere. As such, there can be no guarantee that an active market will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investments in the Company.

In the event that ASX imposes mandatory escrow on the Company's securities, a high proportion of Shares will be subject to escrow following completion of the Public Offer. This would reduce liquidity in the market for the Shares and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect reduced liquidity may have on demand. An illiquid market for the Shares is likely to have an adverse impact on the prices of the Shares.

Following the end of any escrow periods, a significant number of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the prices of the Shares.

(e) Earn-In Risk

Under the terms of the Koongie Park Earn-in, the Company will have the right to acquire up to a 75% interest in the Koongie Park Project. The Company's ability to achieve its objectives is dependent on it and other parties complying with their obligations under the Koongie Park Earn-in. Any failure to comply with these obligations may result in the Company not obtaining its interests in the Koongie Park Project and being unable to achieve its commercial objectives, which may have a material adverse effect on the Company's operations and the performance and value of the Shares.

The Koongie Park Earn-in is subject to the KP Transaction Conditions being satisfied by 31 March 2021. AAR may agree to extend this date by two further 14 day periods at its discretion and, beyond that, by agreement in writing. There is no guarantee that AAR will agree to these periods of extension and if AAR does not agree and the KP Transaction Conditions have not been satisfied by 31 March 2021 (or any later date that AAR do agree to), the Koongie Park Earn-in will not proceed.

Further, as is the case with all joint venture agreements, there is a risk that joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture, which in either case would likely have an adverse effect on the interests and prospects of the Company.

While the Company will earn an initial interest of 25% in the Koongie Park Exploration Tenements, if the Company does not comply with its expenditure commitments under the Koongie Park Earn-in, this interest will be relinquished.

(f) Access to Accudo's AmmLeach® Rights

The IP Services Agreement between the Company and Accudo (see Section 12.3) provides for the Company to have access to Accudo's rights to the AmmLeach® processing technology during the course of the conduct of the metallurgical testwork activities. In the event the testwork is successful and the Company seeks to proceed with further development at Koongie Park (using the AmmLeach® process), a further commercial agreement will need to be negotiated with Accudo. The Company believes that the development of a mining operation at Koongie Park (using the AmmLeach® processing technology) will be consistent with Accudo's commercial objectives. However, there remains a risk that the Company and Accudo may not be able to reach agreement on suitable commercial terms and in that case, the Company will not have access to the AmmLeach® processing technology.

(g) Protection of Accudo's AmmLeach® Rights

The ongoing ability of Accudo to provide the AmmLeach® processing technology to the Company rests on the rights and obligations of Accudo to the Australian patents. The Company is presently unaware of any circumstances that would give rise to the rights of Accudo being materially affected in a way that could prejudice the Company's ability to access the AmmLeach® process. However, the Company has no control in respect of the Australian patents.

(h) AmmLeach® Commercialisation Risk

Development of the AmmLeach® processing technology on a commercial scale as part of a mining operation has yet to be established. The AmmLeach® process has been the subject of testwork across many ore bodies around the world. This work included the construction of a pilot-scale plant as part of a project feasibility study on the Leon project in Argentina which established commercial-quality metallurgical results. Accudo has also carried out laboratory testwork on certain project ore bodies in Australia and established commercial recovery rates utilising the AmmLeach® process. One of the focus areas of AKN's activities under the Koongie Park Earn-In will be to identify a suitable metallurgical process flowsheet for the Koongie Park oxide ores, using various metallurgical processes including AmmLeach®. However, while there exists a significant level of available reporting and testwork to suggest that AmmLeach® could be proven successful as a metallurgical solution for the Koongie Park oxide and transitional ores, there can be no guarantee that the Company's efforts here will be successful.

(i) 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 Garry Johnston. 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.

(j) Risk of High Volume of Share Sales

If Completion occurs, the Company will have issued a significant number of new securities to various parties. It may be the case that the holders of some of these securities may not intend to continue to hold those securities and may wish to sell them on the ASX (subject to any applicable escrow period). There is a risk that an increase in the number of people wanting to sell Shares may adversely impact on the market price of the Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, holders of Shares may, upon selling their securities, receive a market price for their securities that is less than the price of Shares offered pursuant to the Public Offer.

(k) 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.

5. Investment Risks

continued

(l) Material arrangements

The Company is party to various contracts, including those set forth in Section 12. 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.

(m) 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.

(n) 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 intends to commit significant exploration expenditure at Koongie Park there is significant 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.

(o) 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.

All of the tenements within the Koongie Park Project have been consistently under-expended and various applications for exemption from expenditure conditions have been lodged. 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) 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.

(q) 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.

(r) 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.

5. Investment Risks

continued

(s) 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.

(t) 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.

Please refer to the Solicitor's Report on the Koongie Park Tenements in Section 9 of this Prospectus for further details of any applicable Native Title claims and Aboriginal heritage sites.

(u) 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.

(v) 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.

(w) 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.

(x) 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 proprietary 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.

(y) 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.

(z) 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.

5. Investment Risks

continued

(aa) 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.

(bb) 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.

(cc) 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.

(dd) Foreign Investment Risk

The Company's current largest shareholders are Bienital International Industrial Co Ltd (an associate of JCHX) and Yunnan Copper Industry (Group) Co Limited, who respectively hold 37.42% and 32.16%. Bienital International Industrial Co Ltd is a Chinese company and Yunnan Copper Industry (Group) Co Limited is a Chinese state-owned enterprise. It is expected that following the Public Offer and the issue of Shares as contemplated by this Notice of Meeting, their respective holdings will be 16.72% and 2.71%.

Each stage of the Koongie Park Earn-in is subject to the Company obtaining any approvals from the Foreign Investment Review Board that may be required at that time. If a Foreign Investment Review Board approval is required, there is no guarantee that it will be granted and failure to obtain any required approvals may limit the Company's ability to increase its interest in the Koongie Park Project.

(ee) General

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Shares offered under the Public Offer. The Shares issued under the Public Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Potential investors should therefore consider an investment in the Company as speculative and should consult their professional advisers before deciding whether to apply for Shares under the Public Offer.

Section 6

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Independent Technical Report

6. Independent Technical Report

continued



CSA Global
Mining Industry Consultants
an ERM Group company

INDEPENDENT TECHNICAL ASSESSMENT REPORT

Western Australian Mineral Assets of AuKing Mining Limited

REPORT Nº R278.2020
25 February 2021



AUKING MINING LIMITED

INDEPENDENT TECHNICAL ASSESSMENT REPORT – WESTERN AUSTRALIAN MINERAL ASSETS

**Report prepared for**

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6. Independent Technical Report

continued

AUKING MINING LIMITED

INDEPENDENT TECHNICAL ASSESSMENT REPORT – WESTERN AUSTRALIAN MINERAL ASSETS



Executive Summary

CSA Global Pty Ltd (CSA Global), an ERM Group company, was requested by AuKing Mining Limited (AuKing) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support a public offering of shares for AuKing to list with the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the project areas.

AuKing has secured the right to earn up to a 75% interest in mineral assets in the East Kimberley region in the north of Western Australia which are the subject of this report. These mineral assets form the Koongie Park project, located 5 km to 65 km southwest of the town of Halls Creek as illustrated in Figure 1. The Koongie Park tenure package comprises 10 tenements with two mining leases and eight exploration licences, covering 507 km². AuKing has purchased the rights to base metal for these tenements from the holders Anglo Australian Resources NL (AAR). The rights to gold deposits is retained by AAR, who has held tenure at Koongie Park since 1989. The primary mineral assets, the Onedin and Sandiego copper-zinc-gold-silver deposits, lie within the granted mining leases M80/277 and M80/276, which expire in 2031.

The Onedin and Sandiego copper-zinc-gold-silver deposits are at an advanced stage of exploration with Mineral Resources defined. In addition, targets have been defined at various other advanced prospects, with numerous other promising zones of surface mineralisation and geophysical anomalism worthy of further exploration and assessment. Indicated and Inferred Mineral Resources have been estimated for the Sandiego and Onedin deposits in accordance with the JORC Code (2012) as detailed in Table 1 and Table 2.

Table 1: Mineral Resource estimates for the Sandiego and Onedin deposits

Deposit	Zone	Cut-off grade	Classification	Tonnes (Mt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
Onedin	Supergene	Cu >0.8%	Indicated Inferred	0.5 -	1.4 -	1.0 -	0.4 -	33 -
	Transitional and Primary	Cu >0.8%	Indicated Inferred	0.8 -	1.6 -	1.1 -	0.3 -	34 -
	Zn Dominant Primary	Zn >3%	Indicated Inferred	2.0 -	0.5 -	6.3 -	0.3 -	32 -
Sandiego	Supergene	Cu >0.8%	Indicated Inferred	0.4 0.01	4.0 1.0	2.7 0.1	0.3 0.05	48 3
	Transitional and Primary	Cu >0.8%	Indicated Inferred	1.1 0.4	2.8 1.8	1.5 2.0	0.4 0.3	12 5
	Zn Dominant Primary	Zn >3%	Indicated Inferred	1.2 0.4	0.2 0.1	7.0 6.2	0.2 0.1	26 9

Notes: The Mineral Resources were classified as Indicated by CSA Global in accordance with the JORC Code (2012). Mineral Resources are reported at cut-off grades as mentioned in the table. Tonnage is reported as dry tonnes. Rounding has been applied to appropriately reflect the precision of the estimate.

Table 2: Combined Mineral Resource estimates for the Koongie Park project deposits

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



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

The Onedin deposit is located approximately 18 km southwest of Halls Creek, with the Sandiego deposit 5 km further to the southwest, both close to the Great Northern Highway providing excellent access.

The deposits have been drilled by diamond coring and reverse circulation (RC) methods, with all holes used to support the Mineral Resource estimate. HQ sized core holes were drilled for metallurgical testwork with most drilled NQ size. CSA Global has reviewed the drilling methods, recovery, logging, surveying, sampling, sample analysis, quality assurance and quality control (QAQC) and other data issues associated with the drilling data for the two deposits and has deemed it suitable to support resource modelling and reporting of Mineral Resources. A conventional industry-standard methodology has been used in developing the Mineral Resource estimates for Onedin and Sandiego which is documented in resource reports and summarised in this report. Detailed commentary on each of the criteria outlined in Table 1 of the JORC Code has been developed by CSA Global and is provided as an appendix to this report.

Rocks of the Koongie Park property are assigned to the Central Zone of the Lamboo Province, which is of Palaeoproterozoic age. They formed within the Halls Creek Orogen, a 300 km long and 50–60 km wide northwest trending tectonic belt. It is composed of folded sedimentary and volcanic rocks intruded by large igneous complexes. A complex history of polyphase deformation and metamorphism obscures primary textures of rocks and original contact relationships between units.

Massive sulphide deposits at Sandiego and Onedin are hosted by the Koongie Park Formation which is composed of mafic and felsic volcanics, associated sediments including sandstone, mudstone, carbonate, chert and ironstone, and is intruded by rhyolitic to rhyodacitic sills, dolerite bodies and basalt dykes. Massive sulphide mineralisation is strata bound within the middle Mimosa Member, with disseminated sulphides overlying the massive sulphides. Both deposits are interpreted to occur within the limbs of intensely folded, higher order, double-plunging anticlinal structures. The axial planes of the fold structures appear to be upright to south-southeast-dipping. They trend northeast, sub-parallel to the regional fault systems of the Halls Creek Orogen.

The massive sulphide deposits of Koongie Park are classified as volcanogenic massive sulphide (VMS) deposits. They are interpreted to have been formed around the time of deposition of the host volcanic and sedimentary strata in which they are bound and generally in bedding parallel lenses. Hydrothermal fluids associated with volcanic activity are interpreted to have been the source of the metals and other constituents of the mineralisation.

The mineralogy of the primary mineralisation at Sandiego is pyrite-sphalerite-pyrrhotite-chalcocopyrite ± galena which is largely hosted in the magnetite-rich exhalative suite of rocks where it occurs as a massive conformable wedge-shaped lens 200 m in length with a maximum thickness of 75 m. At Onedin, sphalerite is the main sulphide in the primary mineralisation with subordinate pyrrhotite-pyrite-chalcocopyrite-galena. Onedin comprises numerous stacked lenses of mineralisation with a folded and faulted geometry over a vertical zone of 400 m.

A deep weathering profile (up to 250 m) is exhibited at both deposits, resulting in three weathering domains; an oxidised zone at surface, a primary zone at depth, and the transition zone in between. Each zone has very different mineral assemblages and consequently very different metallurgical properties. A significant portion of both deposits is affected by oxidation.

Significant metallurgical testwork has been undertaken for the deposits by various explorers since the 1970s. Several desktop mining studies were also undertaken by early explorers. Early work was effectively superseded by a major metallurgical testwork campaign and mining studies undertaken by AAR from 2006. The testwork was conducted by AMMTEC Laboratories under the guidance of the METS Engineering Group. The metallurgical testwork has established that saleable copper and zinc concentrates could be produced from the sulphide mineralisation at Sandiego and Onedin but work on the transitional material (using conventional flotation techniques) was challenging. The 2007 testwork included 96 metallurgical sample tests

6. Independent Technical Report

continued

AUKING MINING LIMITED

INDEPENDENT TECHNICAL ASSESSMENT REPORT – WESTERN AUSTRALIAN MINERAL ASSETS



on different ore types from Onedin and Sandiego to underpin a mineral processing flowsheet for economic study work.

Mapping by the GSWA in 1962 identified the gossan outcrops which are now known as the Onedin and Sandiego prospects. Since then the main project area has seen exploration by Pickands Mather, Kennecott, Newmont, North Broken Hill, Asarco, RTX Mining, BP Minerals and Billiton Australia, with AAR holding the ground since 1989. Since 2011, AAR has focused on gold exploration, with little exploration for base metals occurring on the property.

CSA Global considers that historical exploration has been of sound quality and forms a strong basis for continued exploration. However, it has not been exhaustive and significant opportunities remain for the discovery of more VMS-style mineralisation with the Koongie Park tenements.

The Koongie Park Formation hosts numerous base metal occurrences and has long been considered the most prospective geological unit on the property attracting the bulk of the historical exploration. The surface and shallow depth of the property has been effectively explored by a number of different companies over many decades using a broad variety of approaches and techniques. Following review of the exploration database CSA Global considers the entire area of the Koongie Park Formation within the tenements to be underexplored at depth and highly prospective for the discovery of further VMS base metal mineralisation. Shallow drilling across the Koongie Park project is considered to be ineffectual for discovering deep VMS deposits which do not surface due to the substantial depletion of base metals in the regolith which has occurred. AuKing proposes to design future drilling to intersect target zones at least 100 m below surface in fresh rock. Litho-geochemistry using suitable pathfinder elements of fresh (unoxidised) drillhole samples would be an effective exploration tool, as it can significantly enlarge the ore target. Litho-geochemistry could uncover significant geochemical haloes associated with mineralisation and be used to vector towards a major deposit.

CSA Global recommends using electromagnetic (EM) geophysical methods to drive future exploration for new discoveries. The Koongie Park mineralisation is highly conductive, the country rock is highly resistive, known mineralisation has responded to EM surveys and many VMS deposits have been detected with EM surveys globally. An experienced geophysicist should be engaged to design deep penetrating EM geophysical surveys based on an assessment of available technology and the results of historical surveys in the most geologically prospective parts of the Mimosa Member of the Koongie Park Formation. The highest-ranking conductors detected should be tested by diamond drilling intersecting targets at least 150 m below surface.

AuKing has informed CSA Global that it will undertake scoping study work on the Onedin and Sandiego deposits to examine potential for economic development and pathways to development. This may include infill diamond drilling, updating Mineral Resources, metallurgical testwork, mining studies, processing studies, environmental studies, and economic assessments.

An early component of the scoping study will be a detailed assessment of the existing metallurgical testwork results, geometallurgical analysis of the drill core data and desktop review of potential mineral processing pathways. This work will cover both the primary sulphide mineralisation and the secondary mineralisation of the transitional and oxide zones. The appropriate metallurgical testwork will be designed and commissioned, with a campaign of diamond drilling implemented to provide the fresh core sample vital for reliable and meaningful testwork results. The drillholes will be purpose designed to develop a set of composite samples representative of the geometallurgical mineralisation types and grades within the deposits.

AuKing provided CSA Global with a copy of their planned expenditure for its projects for an initial two-year period following the planned capital raising. The proposed budgets are considered consistent with the exploration potential of AuKing's projects and considered adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the tenements.



Figure 1: Location of AuKing's project areas in Western Australia

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continued

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INDEPENDENT TECHNICAL ASSESSMENT REPORT – WESTERN AUSTRALIAN MINERAL ASSETS



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1 Introduction

1.1 Compliance with the VALMIN and JORC Codes

This Report has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2015 ("VALMIN¹ Code"), which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC² Code and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Reports.

1.2 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the projects on information made available to the principal authors by AuKing, along with technical reports prepared by consultants, government agencies and previous tenement holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with AuKing's management for information contained within this assessment. This report has been based upon information available up to and including 1 July 2020.

CSA Global has endeavoured, by making reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report, or used in its preparation, has been provided by AuKing in the form of documentation and digital data. AuKing was provided a final draft of this Report and requested to identify any material errors or omissions prior to its lodgement. AuKing has warranted to CSA Global that the information provided for preparation of this report correctly represents all material information relevant to the projects. Full details on the tenements is provided in the Independent Solicitor's Report elsewhere in the prospectus. CSA Global has not independently verified the legal status or ownership of the property or any of the underlying agreements. This information should be contained within the Independent Solicitor's Report and described therein under Summary of Material Agreements, elsewhere in the prospectus. This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government sources or the ASX. The authors of these reports have not consented to their statements used in this ITAR, and these statements are included in accordance with ASIC Corporations (Consent and Statements) Instrument 2016/72.

Figures, maps and illustrations in this Report have been prepared by CSA Global unless otherwise stated.

1.3 Authors of the Report

CSA Global is a mining industry consulting company headquartered in Perth, Western Australia (WA). CSA Global provides geological, resource, mining, management and corporate consulting services to the international mining sector and has done so for more than 30 years.

This ITAR has been prepared by a team of consultants from CSA Global's Perth, WA office. The individuals who have provided input to the ITAR have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The consultants preparing this ITAR are specialists in their fields of geology and exploration, in particular relating to gold and base metals.

¹ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. < <http://www.valmin.org> >

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). < <http://www.jorc.org> >



The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this Report. The Competent Persons' individual areas of responsibility are presented below:

- Principal author – Mr Neal Leggo (Principal Consultant Geologist – CSA Global, Perth, WA) is responsible for all sections of the report.
- Author – Mr David Williams (Principal Consultant Geologist – CSA Global, Brisbane, Queensland) is responsible for Sections 2.6 and 2.7 of the report.
- Peer reviewer – Ms Ivy Chen (Principal Consultant Geologist – CSA Global, Perth, WA) is responsible for the entire report.

Neal Leggo is a geologist with over 35 years' experience including management, mineral exploration, consulting, resource geology, underground operations and open pit mining. He has worked in a variety of Australian geological terranes and specialises in copper, gold, silver-lead-zinc, and iron ore for which he has the experience required for code-compliant reporting. Neal also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands, and industrial minerals. He provides a range of consulting services including code-compliant (JORC, NI 43-101, VALMIN) reporting and valuation, technical studies, reviews and management of exploration projects. Neal has completed numerous independent technical reports (ITAR, CPR, QPR).

David Williams is a resource geologist with over 25 years' experience in mine geology and Mineral Resource estimation. He is a Competent Person for the JORC reporting of Mineral Resource estimates and is similarly a qualified person for Canadian NI 43-101 Mineral Resource estimate reports. David's commodity expertise is extensive, and it has been developed from working on mining and resource estimation projects in Australia, Africa, Asia and Europe. David is also a specialist on due diligence studies, and he has provided professional opinion for Independent Geologist Reports.

Peer review was completed by Ivy Chen, a geologist and corporate governance specialist, with over 30 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the ASIC from 2009 to 2015. Ivy's experience in the mining industry in Australia and China, as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Recent projects completed include listings and other commercial transactions on the Australian, Singapore, Hong Kong and UK stock exchanges. Ivy is a company director, a member of the VALMIN committee and has completed numerous independent technical reports (ITAR, CPR, QPR) and valuations of mineral assets.

1.4 Independence

Neither CSA Global, nor the authors of this Report, has or has had previously, any material interest in AuKing or the mineral properties in which AuKing has an interest. CSA Global's relationship with AuKing is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to AuKing at a commercial rate for the preparation of this Report, the payment of which is not contingent upon the conclusions of the Report. The fee for the preparation of this Report is approximately A\$51,400.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of AuKing. No member or employee of CSA Global has, or has had, any shareholding in AuKing.

There is no formal agreement between CSA Global and AuKing as to AuKing providing further work for CSA Global.

6. Independent Technical Report

continued

AUKING MINING LIMITED

INDEPENDENT TECHNICAL ASSESSMENT REPORT – WESTERN AUSTRALIAN MINERAL ASSETS



1.5 Declarations

1.6 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global), an ERM Group company, was requested by AuKing Mining Limited (AuKing) to prepare an Independent Technical Assessment Report (ITAR or the “Report”) for use in a prospectus to support a public offering of shares for AuKing to raise funds and enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the project areas.

1.6.1 Purpose of this Document

This Report has been prepared by CSA Global at the request of, and for the sole benefit of AuKing. Its purpose is to provide an independent technical assessment of AuKing’s mineral assets in WA.

The Report is to be included in its entirety or in summary form within a prospectus to be prepared by AuKing, in connection with a listing on the ASX. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 1 July 2020 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.6.2 Practitioner/Competent Person’s Statements

The information in this Report that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Neal Leggo, a Competent Person who is a Member of the AIG. Mr Leggo is employed by CSA Global. Mr Leggo has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the “Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets”, and 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 Leggo consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the AIG (#4176). Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

1.6.3 Site Inspection

During its work on the Koongie Park project in 2006 through 2009, CSA Global conducted substantial fieldwork including supervision of drilling and extensive re-logging of historical drill core with a number of CSA Global staff members visiting site. No additional site visit was made to the projects by the authors of this report as part of this assignment. CSA Global consider that there would be little additional material information to be gained from a further site visit, as there has been minimal base metal exploration on the project since the time of the earlier fieldwork.

1.7 About this Report

AuKing has secured the right to earn up to a 75% interest in mineral assets in the East Kimberley region in the north of WA which are the subject of this report. The geology and mineralisation for the project areas is



discussed, as well as past exploration work done, and the results obtained there from. A great wealth of data pertains to the work done on the projects and an effort was made to summarise this to constrain the size and readability of the report. Maps of the areas are presented.

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2 Koongie Park Project

2.1 Location and Access

AuKing has secured the rights to earn up to a 75% interest in mineral assets that are all located in the East Kimberley region in the north of WA. They consist of a contiguous block of tenements named the Koongie Park project located extending between 5 km and 65 km southwest of the town of Halls Creek (Figure 1). The Great Northern Highway passes through Halls Creek and transects the Koongie Park project area, providing excellent road access to the property. However, it is remote with the nearest settlements to Halls Creek being Fitzroy Crossing 290 km by road to the west, Broome 685 km to the west, Warmun 160 km to the north, and Kununurra 380 km in the same direction.

The project area lies within the Shire of Halls Creek and is covered by the following Geological Survey of Western Australia (GSWA) map sheets:

- 1:250,000 Map Sheet SE52-09 (MOUNT RAMSAY) and SE52-10 (GORDON DOWNS)
- 1:100,000 Map Sheet 4361 (ANGELO) and 4461 (HALLS CREEK).

2.2 Climate, Geography and Infrastructure

The East Kimberley has a tropical monsoon climate receiving about 90% of its rainfall during the short wet season, from November to April, when cyclones are common and the rivers flood. In the dry season, from May to October, south-easterly breezes bring sunny days and cool nights. Halls Creek has a mean annual rainfall of 575.6 mm. The Kimberley is one of the hottest parts of Australia. Halls Creek's average annual maximum temperature is 33.6 °C and average minimum is 20.0 °C. The hottest part of the year is November before the rains break, when the average maximum temperature is 38.3 °C (BOM, 2020).

Physiographically the Koongie Park project lies across the watershed between the Laura River flowing to the southwest, the Margaret river flowing to the west, and the Elvire River flowing to the east. Elevations range from 380 m to 480 m above sea level with variable topography: flat, undulating, low rounded boulder-strewn hills, and subdued strike ridges. The more rugged Halls Creek Ridges lie to the southeast. Much of the surrounding region comprises extensive black-soil plains supporting grasslands and providing excellent grazing for the pastoral industry. Vegetation in the project area comprises mostly spinifex grass, acacia scrub and eucalyptus species.

Halls Creek functions as a local population hub and as a support centre for cattle stations in the area. The Koongie Park project lies on the Lamboo and Koongie Park pastoral stations. The Koongie Park project lies on the lands of the Ngarrawanji, Koongie-Elvire and Jaru Traditional Owners within the jurisdiction of the Kimberley Land Council.

The project area can be accessed by air services to Kununurra or Broome and then by road (Great Northern Highway). Air charter services can land at the small Halls Creek aerodrome. Generally, access within the project area is good via station tracks, fence lines and old exploration grid lines. An exploration camp has been established in Halls Creek comprising an office, accommodation, storage shed and core processing facilities. Infrastructure in the area is limited, with basic services and supplies available in Halls Creek.

2.3 Tenure

The Koongie Park tenure package comprises 10 tenements with two mining leases and eight exploration licences. The total tenement area is approximately 507 km². AuKing has purchased the rights to base metal for these tenements from the holders Anglo Australian Resources NL (AAR). The rights to gold deposits is retained by AAR, with the rights to gold associated with predominantly base metal deposits with AuKing. The primary mineral assets, the Onedin and Sandiego copper-zinc-gold-silver deposits, lie within the granted mining leases M80/277 and M80/276, which expire in 2031.

The locations of tenements are shown in Figure 2. Table 3 provides a summary of the project tenements.

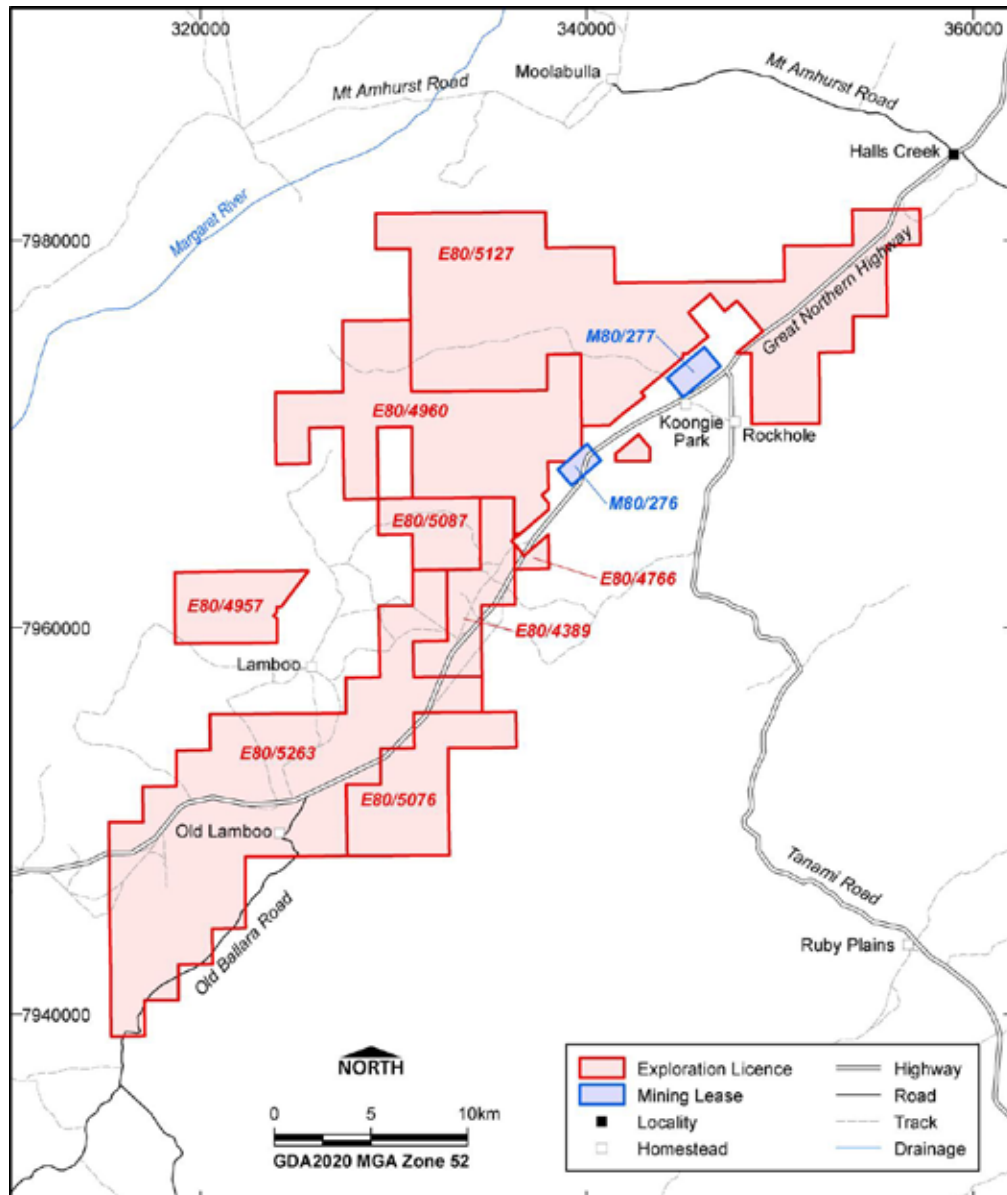


Figure 2: Tenement location map – Koongie Park project

Limited expenditure has been incurred by AAR over the past five years.

Further details on the tenements (expenditure, rents, rates, agreements, royalties, Native Title, Crown Reserves etc.) are provided in the Independent Solicitor's Report elsewhere in the prospectus.

AuKing has informed CSA Global that all granted titles have exploration deeds in place which ensures access to the tenure and defines the terms of any subsequent mining agreement.

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Table 3: Summary of AuKing's Western Australian tenements

Tenement no.	Holder	Area	Commenced	Expiry	Annual rent	Annual rates	Minimum expenditure
E80/4389	AAR	7 blocks	17 Sep 2010	16 Sep 2022	\$4,305.00	\$563.62	\$70,000.00
E80/4766	AAR	1 block	13 Jun 2014	12 Jun 2024	\$341.00	\$562.00	\$15,000.00
E80/4957	AAR	7 blocks	11 Nov 2016	10 Nov 2021	\$1,631.00	\$563.62	\$30,000.00
E80/4960	AAR	27 blocks	24 Mar 2017	23 Mar 2022	\$6,291.00	\$2,173.95	\$27,000.00
E80/5076	AAR	11 blocks	27 Nov 2018	26 Nov 2023	\$1,518.00	\$885.68	\$20,000.00
E80/5263	AAR	47 blocks	4 Dec 2019	3 Dec 2024	\$6,392.00	\$3,784.29	\$47,000.00
E80/5087	AAR	5 blocks	28 Nov 2018	27 Nov 2023	\$6.90	\$562.00	\$15,000.00
E80/5127	AAR	57 blocks	27 Nov 2018	26 Nov 2023	\$7,866.00	\$4,589.46	\$57,000.00
M80/276	AAR	220.50 ha	6 Apr 1989	5 Apr 2031	\$4,375.00	\$8,456.87	\$22,100.00
M80/277	AAR	324.40 ha	6 Apr 1989	5 Apr 2031	\$6,435.00	\$12,397.05	\$32,500.00

All tenements are granted and held 100% by AAR. ha = hectare, Block = 1 graticule block (DMIRS tenement system unit of area).

Source: Austwide, 2020; DMIRS Tengraph.

AAR purchased the Koongie Park project in 1989 from RTZ (Kennecott) and then organised a joint venture (JV) with Billiton Australia commencing December 1989. Under the agreement, Billiton could earn 51% by expending \$1.3 million on exploration. Billiton earned its equity but was forced to sell its interest to AAR under a pre-emptive rights clause, when Acacia Resources purchased all of Billiton's assets in Australia in 1994. In 1995, Lachlan Resources (Lachlan) signed a JV agreement over the area, whereby Lachlan had a three-year option to purchase 51% of the project from AAR with a minimum expenditure commitment of \$400,000 in the first year. Lachlan exercised the option and continued exploration until 2002. In June 2002, Lachlan agreed to return all its rights and property in the Koongie Park project to AAR who has continued to hold 100% of the project to date. Numerous exploration licences surrounding the core mining leases have been acquired by AAR in recent years (Chellew, 2020).

Consulting archaeologists were engaged by AAR to undertake an archaeological site avoidance survey of the two mining leases in 2008, with the objective to determine the presence of any Aboriginal heritage sites so that no Aboriginal sites are disturbed when work commences on the mining leases. Four Aboriginal archaeological sites were identified, all located in M80/276, with the remainder of the mining lease areas cleared (Nejman, 2008).

Agreements are in place with the Kimberley Land Council and AAR for native title, heritage protection and mineral exploration over Ngarrawanji Lands, Koongi-Elvire Lands and Jaru (formerly Lamboo) Lands. AuKing has advised CSA Global that the proposed new JV between AAR and AuKing assumes all the rights and responsibilities under these agreements.

2.4 Regional Geology

Rocks of the Koongie Park property are assigned to the Lamboo Province, which is of Palaeoproterozoic age (1910–1805 Ma). They formed within the northwest trending Halls Creek Orogen which is one of two Palaeoproterozoic orogens in the Kimberley region. The Halls Creek Orogen trends northeast, nearly orthogonal to the west-northwest trending King Leopold Orogen (Figure 3). The geology of the region is dominated by the Kimberley Craton in the north, with much younger (Phanerozoic) rocks of the Canning Basin to the south (Figure 3). Rocks exposed in the Kimberley Craton are mostly sediments of Palaeoproterozoic age comprising the Kimberley Group (1805–1740 Ma), the Speewah Group (1835–1807 Ma) and several minor basins. Figure 5 illustrates the stratigraphy of the region.

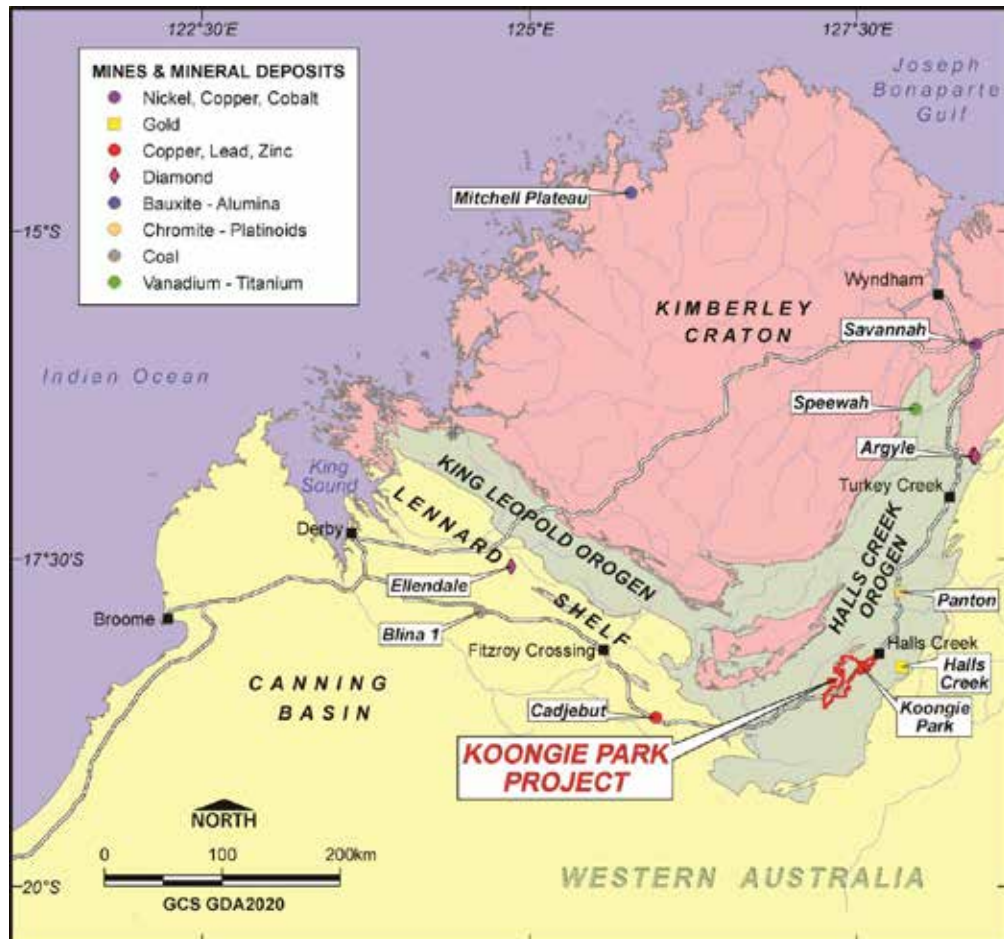


Figure 3: Regional geological map of Kimberley region

2.4.1 Halls Creek Orogen

The Halls Creek Orogen is composed of folded sedimentary and volcanic rocks intruded by large ultramafic, mafic and felsic complexes, aged between 1912 Ma and 1805 Ma, which are grouped into the Lamboo Complex (Figure 4). These rocks are considered to be the basement in this area. Sedimentary and volcanic rocks of younger Proterozoic and Palaeozoic basins overlie the Lamboo Complex and although some occurrences are scattered amongst basement rocks, most are on the margins of the orogen.

2.4.2 Lamboo Province

Subdivision of the Lamboo Province into three distinct geological domains has been recognised (Figure 4). The Koongie Park property covers mostly rocks assigned to the Central Zone.

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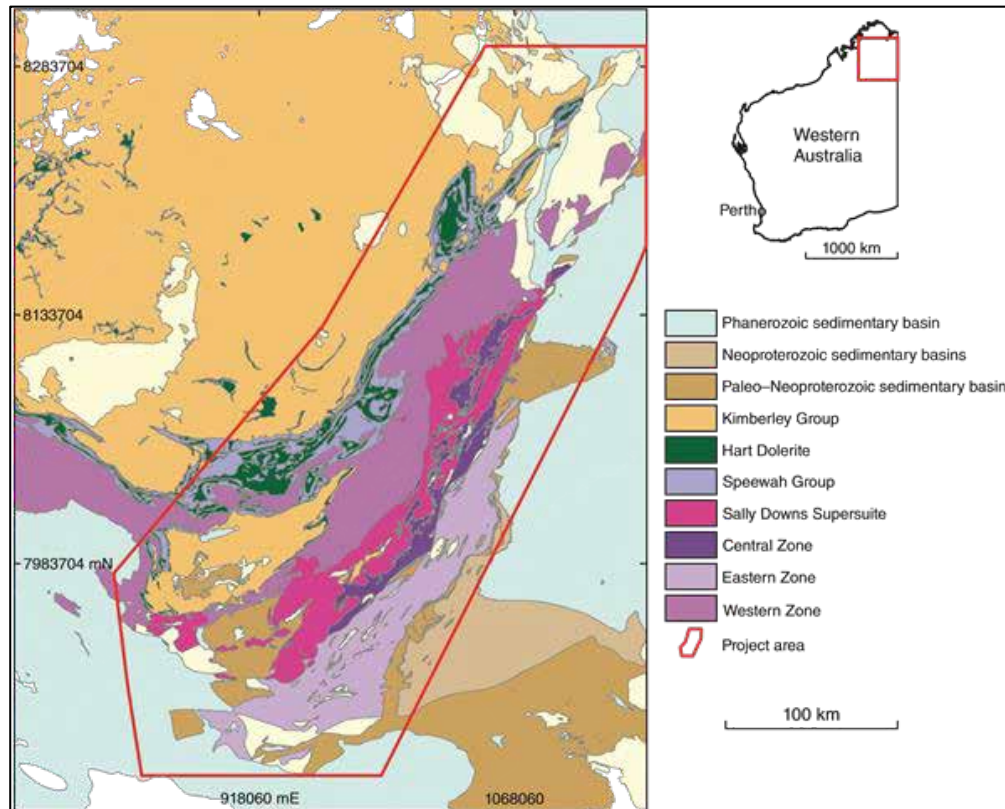


Figure 4: Map of Eastern, Central, and Western Zones of the Lamboo Province within the Halls Creek Orogen
Source: GSWA Report 159 (Occhipinti et al., 2016)

The Western Zone comprises flysch and felsic volcanic rocks which are deformed and metamorphosed; potassic, I-type granitic and sub-volcanic rocks, as well as gabbroic rocks, and layered mafic/ultramafic intrusions. The Western Zone is thought to represent the eastern margin of the buried Kimberley Craton.

The Central Zone comprises turbiditic metasedimentary and mafic volcanic and volcanoclastic rocks of the Tickalara Metamorphics, deposited by 1865 Ma. These rocks were intruded by tonalitic sheets and deformed and metamorphosed between 1865–1856 Ma and 1850–1845 Ma. A younger succession of rocks comprising the sedimentary rocks and mafic and felsic volcanic rocks of the Koongie Park Formation (KPF) were deposited in a possible rifted arc setting at around 1843 Ma. Layered mafic-ultramafic bodies were intruded into the Central Zone at 1856, 1845 and 1830 Ma. Large volumes of granite and gabbro of the Sally Downs Supersuite intruded the Central Zone during the Halls Creek Orogeny at 1835–1805 Ma. Researchers interpret the Central zone to be an arc-like domain developed on a continental fragment.

The Eastern Zone has exposed older basement mafic and felsic volcanic rocks dated at 1910 Ma – the Ding Dong Downs Volcanics. These are unconformably overlain by low-grade metasedimentary and metavolcanic rocks of the Halls Creek Group. At the base of the Halls Creek Group the quartz sandstone of the Saunders Creek Formation contains ancient detrital zircon crystals (dated 3600–2512 Ma). Overlying mafic volcanic rocks of the Biscay Formation in the lower part of the Halls Creek Group were erupted at 1880 Ma on a passive continental margin along the western edge of the North Australian Craton. The overlying turbiditic metasedimentary rocks of the Olympio Formation divided into upper and lower units separated by alkaline volcanism dated at 1857–1848 Ma. The Halls Creek Group was deformed and metamorphosed during the

1835–1805 Ma Halls Creek Orogeny and were stitched to the Central Zone by the 1820–1810 Ma granites of the Sally Downs Supersuite.

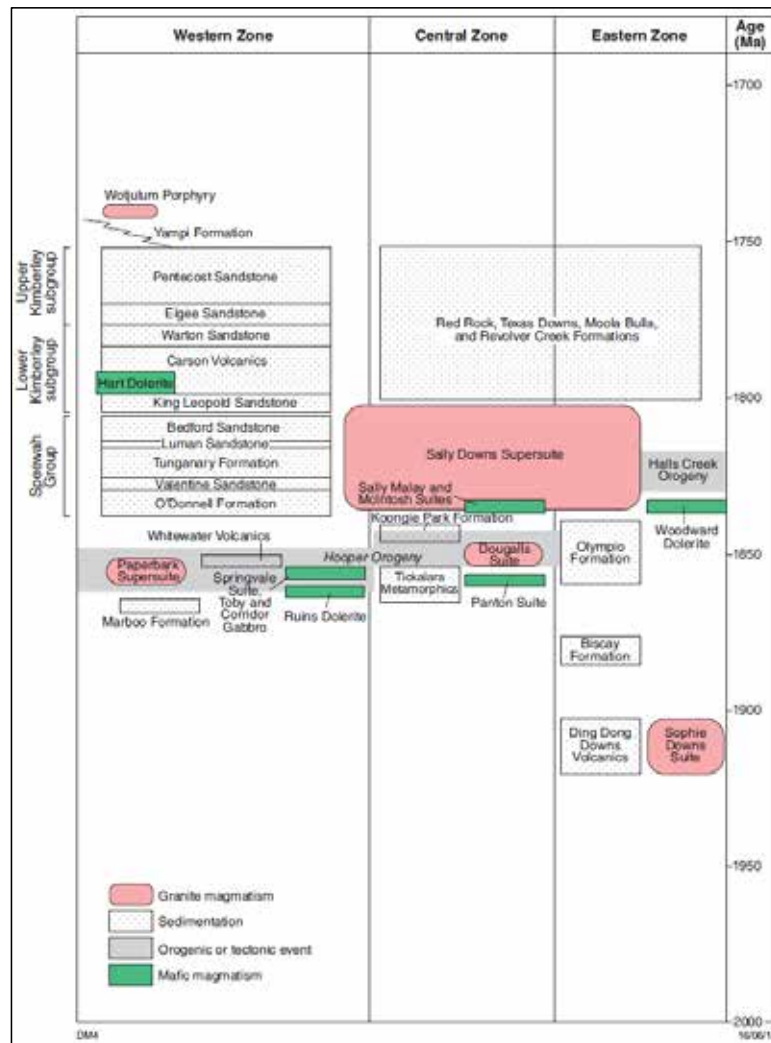


Figure 5: Stratigraphy of the Halls Creek Orogen – eastern Lamboo Province
Source: GSWA Report 159 (Occhipinti et al., 2016)

2.4.3 Tectonic Interpretation

The principal geological domains were formed during the amalgamation of the Kimberley craton and the proto-North Australian Craton between 1.9 and 1.8 billion years ago (Ga). Post-orogenic rocks of the Kimberley Group onlap and unconformably overlie the Lamboo province successions. These rocks are sometimes interpreted to include the Moola Bulla Formation which dominantly comprises coarse clastic rocks that lies close to the boundary between the Eastern and Central zones. The Lamboo province was amalgamated to form the North Australian Craton. Researchers interpret that subduction zones existed on either side of the Central Zone of the Lamboo Province; however, no subduction beneath the Eastern Zone is interpreted. The Eastern Zone is regarded as a passive margin to the proto-North Australian Craton onto

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which a thick succession of turbidites and volcanics was deposited. This domain may have been more isolated from significant thermal events as evidenced by its mid-greenschist or lower metamorphic grades and lack of intrusions outside the suture zones between Central and Eastern zones along the Angelo fault (Tyler et al., 2012; Phillips et al., 2016)

2.4.4 Regional Mineralisation

The Palaeoproterozoic Lamboo Province in the East Kimberley region is host to a wide range of mineral deposit styles including orogenic and possibly epithermal gold systems (Occhipinti et al., 2016); current and recently operating mines include Argyle (diamonds), Ridges Iron Ore (iron), Savannah and Copernicus (nickel, copper, cobalt); Halls Creek, Nicolsons and Wagtail North (gold); other mineral deposits include Speewah (vanadium-titanium). Figure 3 shows the locations of the main mineral deposits of the Kimberley.

2.5 Local Geology

2.5.1 Stratigraphy

The following descriptions of the geology of the Koongie Park property are derived from the reconnaissance and mapping programs conducted by previous explorers, supported by existing literature and GSWA geological reports.

Major tectonic elements represented in the project area include the Central Zone and Eastern Zone of the Lamboo Province, Sally Downs Supersuite, Moola Bulla Basin, and Kimberley Basin (Figure 6). Majority of the property covers rocks of the Central Zone and the Sally Downs Supersuite. A complex history of polyphase deformation and metamorphism obscures primary textures of rocks and original contact relationships between units. The map patterns of the rock units which occur within the Central Zone tectonic unit are complex and thus no figure was available to show their mapped distribution across the project area.

Tickalara Metamorphics

The oldest rocks on the property are the Tickalara metamorphics dated at 1865–1854 Ma. They comprise interlayered pelite and psammite, with local banded iron-formation and lesser calc-silicate metamorphosed rocks with biotite-muscovite-andalusite-sillimanite-quartz and garnet-staurolite-biotite-muscovite-quartz assemblages.

These rocks are sometimes strikingly similar in appearance to those in the KPF, and indeed the KPF was formerly mapped as Tickalara metamorphics. Orth (2002) described an unconformable contact between the Tickalara and overlying KPF exposed at Hanging Tree, where basaltic volcanic facies and sandstone (Tickalara) are directly overlain by ironstone, chert and felsic volcanic facies (upper KPF), with no obvious structural or metamorphic break between the two units.

Olympio Formation

The Olympio Formation consists of a monotonous sequence of weakly metamorphosed and strongly deformed sediments, thin- to medium bedded mudstone, siltstone, and matrix-supported quartz wacke, greywacke and arkose. Thicker beds include metamorphosed coarse-grained to pebbly, clast-supported quartz sandstone units.

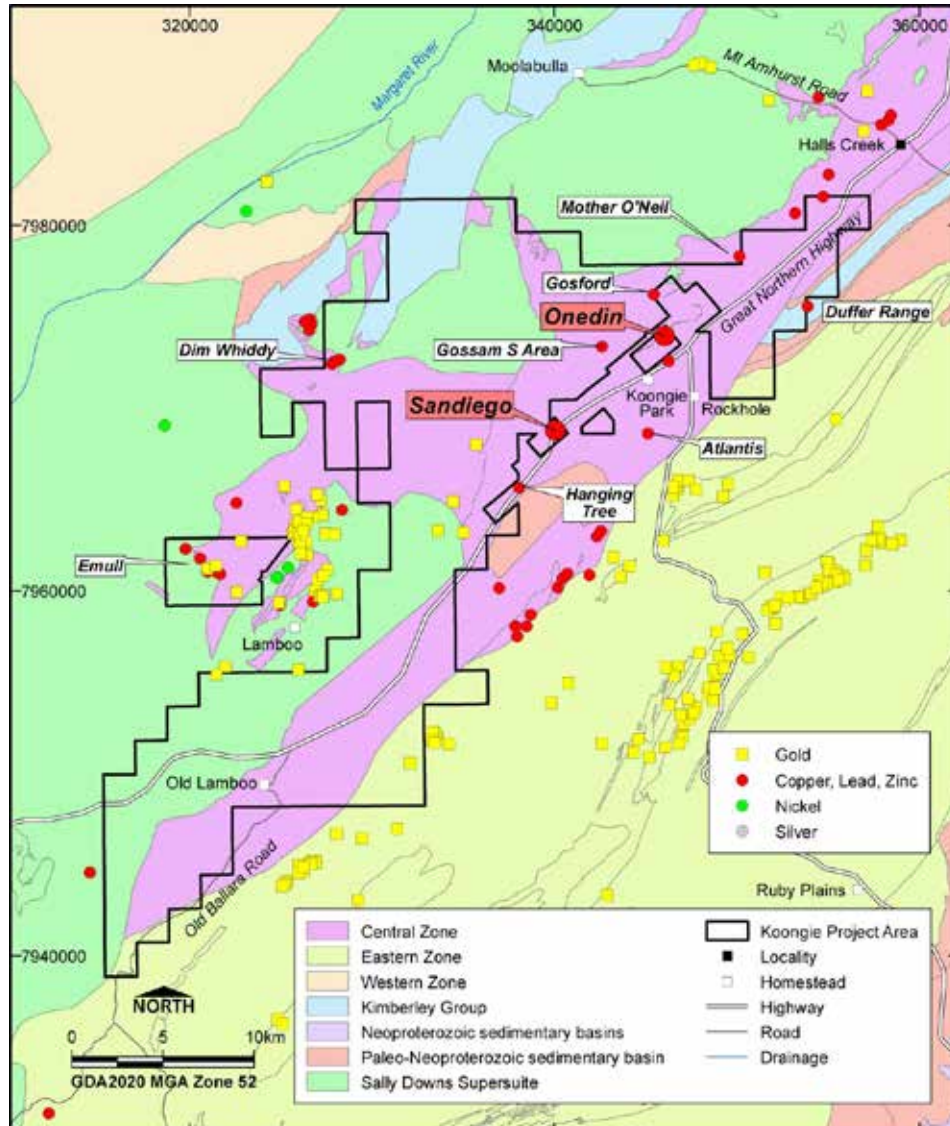


Figure 6: Geological map of the Koongie Park property showing tectonic units and mineral occurrences

Koongie Park Formation

The KPF occurs in the southern portion of the Central Zone of the Halls Creek Orogen (Figure 6). The KPF within the Koongie Park property is broadly characterised as metamorphosed low-grade composed of mafic and felsic volcanic and associated sedimentary facies including sandstone, mudstone, carbonate, chert and ironstone intruded by rhyolitic to rhyodacitic sills, dolerite bodies and basalt dykes. The KPF hosts numerous base metal occurrences and two significant base metal deposits, Onedin and Sandiego (Figure 6).

Figure 7 provides a graphic presentation of the detailed stratigraphy of the KPF in the area of the Onedin and Sandiego base metal deposits. The Coolibah Tuff Member is the lowest stratigraphic unit, overlain by the Mimosa Member, followed by the Camp Shale Member, with the Weldons Creek Lava Member at the top of

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the formation. Massive sulphide mineralisation is strata bound within the middle Mimosa Member, with disseminated sulphides overlaying the massive sulphides.

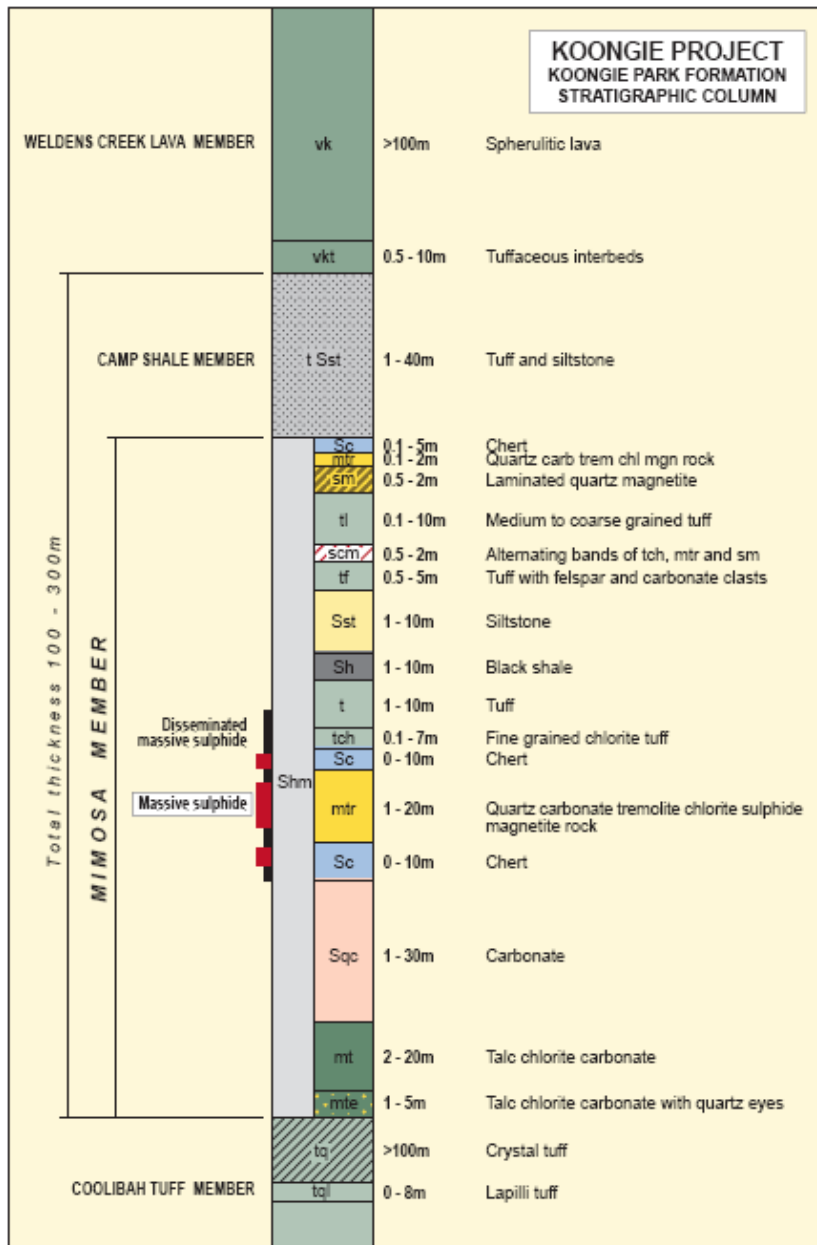


Figure 7: Stratigraphic column for the KPF

Source: Wholley (2007) (after Eishenlhor 1984, Mattinson 2003)

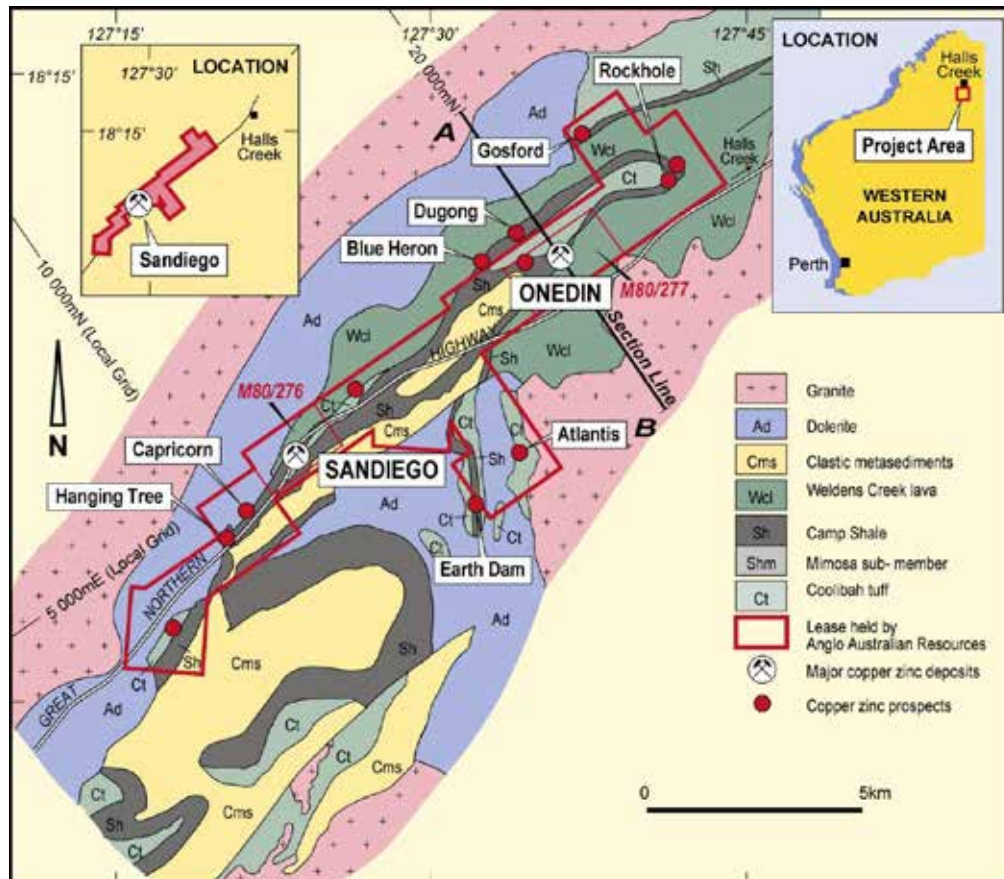


Figure 8: Geological map of the Sandiego-Onedin deposit KPF
Source: AAR (Bateman, 2010). Note red line reflects the tenement holding in 2010, refer Figure 7 for 2021 tenement outline.

Figure 8 is a geological map of the immediate area around the Sandiego and Onedin volcanogenic massive sulphide (VMS) deposits, showing the interpreted solid geology of the KPF subdivided into its members. The location of the deposits and some of the numerous base metal occurrences are shown including Atlantis, Earth Dam, Hanging Tree, Capricorn, Blue Heron, Dugong, Gosford and Rockhole.

Recent broader scale mapping of the Koongie Park property by AAR in 2017 (Milner, 2018) divided the KPF into two informal units: lower and upper. The **lower KPF** as mapped consists of basalt, dolerite, interbedded graded sandstone and mudstone, mudstone, chert, ironstone and poorly sorted, lithic-rich pebbly sandstone facies. The interbedded graded sandstone and mudstone facies and mudstone facies dominate with isolated outcrops of chert. Locally, either mafic rocks or sediments may be dominant in the stratigraphic sequence: locally, tabular basalt is intercalated with rare beds of poorly sorted, lithic-rich pebbly sandstone. However, in other areas, small units of basalt are intercalated with interbedded graded sandstone and mudstone. The **upper KPF** as mapped consists of felsic volcanic units, carbonate, ironstone, chert, mudstone, quartz-bearing volcanoclastic beds and lithic sandstone. Currently known base metal prospects are concentrated in the upper KPF at Koongie Park (i.e. the trend which includes Sandiego and Onedin deposits). Low outcrop and sub-crop of metasediments are present across the property but separating the various silty to sandy and variably deformed and metamorphosed units has not readily produce mappable units, except at a very local scale.

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The KPF hosts massive sulphide deposits at Sandiego and Onedin and is considered the most prospective geological unit on the property.

Moola Bulla Formation

The upper KPF is overlain in the south by the Moola Bulla Formation. Sediment deposited into the Moola Bulla Basin is interpreted as deposited in a fluvial and sandy braid-delta complex draining from a granite and metasedimentary source. Basal erosional contacts are present where the Moola Bulla Formation locally incises upper KPF chert, mudstone and sandstone. The Moola Bulla Formation outcrops in a refolded synform on the south-eastern side of the Highway Fault and as a narrow fault sliver further north on the north-western side of this fault.

Sally Downs Supersuite

The Sally Downs Supersuite forms a major component of the Halls Creek Orogen (Figure 6). In the field area, granitoid, massive gabbro, and mingled gabbro-granite outcrop in the southern half and north-eastern areas. Granitoid and gabbro plutons have intruded, and contact metamorphosed the KPF and are therefore younger than the KPF.

Emull Gabbro

The Emull Gabbro is a north to north-easterly trending, elongate intrusion about 15 km long x 7–8 km wide that outcrops on the Angelo and Dockrell map sheets. The unit comprises medium- to fine-grained, subophitic and subhedral granular gabbro, xenocrystic quartz gabbro and tonalite. The tonalite typically forms irregular veins cutting the various gabbro types. Locally, some of the coarser grained gabbros have a weak layering. The unit has been metamorphically recrystallized, and consists of amphibole or green hornblende and plagioclase, with up to 5% reddish-brown biotite, minor interstitial quartz, and minor amounts of opaque minerals. Amphibole commonly contains cores of clinopyroxene and rare orthopyroxene, and locally plagioclase cores contain abundant secondary epidote.

McIntosh Suite (and Lamboo Ultramafics)

The McIntosh Suite is a group of layered mafic-ultramafic intrusions that includes magnetite gabbro, magnetite gabbro-norite, magnetite-olivine gabbro, olivine gabbro, leucogabbro, leucogabbro norite, anorthosite, olivine gabbro-norite, gabbro, gabbro-norite, peridotite and troctolite. Four informal units are present in the suite, including the Lamboo Ultramafics. The suite has an approximate age of between 1855 Ma and 1842 Ma. The McIntosh suite is exposed on the property in the Emull area, west of Nicolson's Find.

The Lamboo Ultramafics form a north to north-easterly trending elliptical intrusion about 6 km long and 2–3 km wide. The ultramafic rocks are thought to have been intruded as sills into low- to medium-grade metamorphosed KPF. The intrusion was folded before being intruded by the Loadstone Monzogranite. Possible cumulate textures are present in resistant hills of folded Lamboo Ultramafics, although these are overprinted by later tectonic fabrics and may represent recrystallization textures. Strongly carbonate-bearing exposures of weathered ultramafics outcrop in creek beds. Carbonate is present in both the weathered rock matrix and as sharp-walled stockwork veining. Scattered exposures of basic to intermediate gabbro occur to the west of the Lamboo Ultramafics and metabasalt to the east.

Kevin's Dam Suite

The Kevin's Dam suite of felsic intrusive rocks include massive, medium-grained, even-textured and porphyritic biotite monzogranite with local mafic enclaves. The main two members of this suite occurring on the Koongie Park tenements are the Loadstone Monzogranite and Dillinger Monzogranite.

Loadstone Monzogranite

The Loadstone Monzogranite forms scattered outcrops, commonly covered in laterite. These occur across the southern portion of Lamboo Station, including Nicolson's Find and Nicolson's East target area. Exposure

of the unit in open pits shows that it is deeply weathered, down to 200 m in places. Dating of the Loadstone gives an age of 1827 Ma. The Loadstone Monzogranite intrudes the Tickalara Metamorphics, KPF, and McIntosh Suite. Late aplite and pegmatite veins crosscut the Loadstone Monzogranite. The intrusion is quite homogenous across the Koongie Park property consisting almost entirely of medium- to coarse-grained, weakly porphyritic biotite monzogranite. K-feldspar megacrysts are typical. As a whole, the groundmass is undeformed within the intrusion; however, margins of the intrusions are variously folded or separated by extension and boudinage. The intrusion is distinguished from most others in the Sally Downs batholith by the presence of microcline, rather than microperthite, as the K-feldspar.

Dillinger Monzogranite

The Dillinger Monzogranite is a homogeneous intrusion of medium grained nearly-equigranular biotite monzogranite. The Dillinger Monzogranite intrudes the Tickalara metamorphics, KPF, Emull gabbro, and McIntosh Suite. Best exposure of the Dillinger monzogranite occur in the far southwest tenement boundary, where it is present as large hills outcropping along the highway. Ridges of hydrothermal stockwork and breccia are exposed throughout the project area and have been described in earlier work although no associated mineralisation has been described.

2.5.2 Structural Geology

The structural geology and deformation history of the Koongie Park project area has been the subject of significant academic and mining industry study over many decades. Figure 9 illustrates how a series of deformation events have faulted and folded the stratigraphic units through geological time, resulting in the complex arrangements seen in the rock mass today.

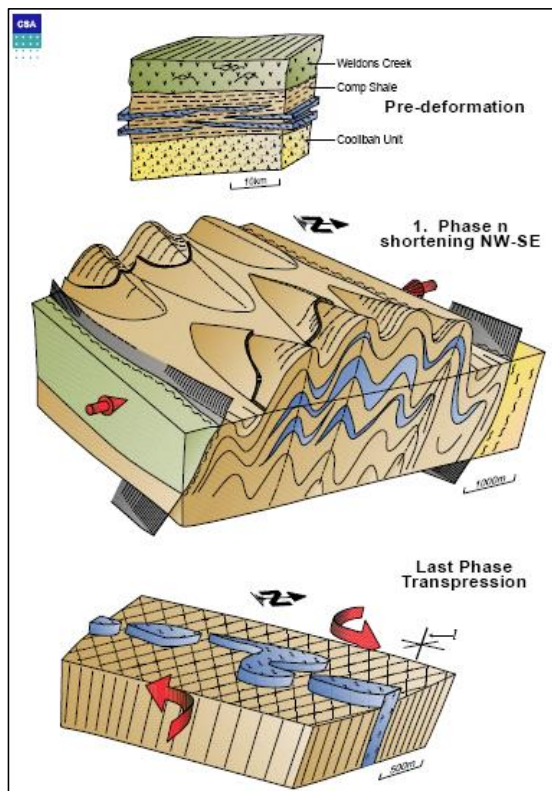


Figure 9: 3D block diagram illustrating structural geology and deformation history at Koongie Park

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The project area is located within the southern part of the highly deformed Late Proterozoic Halls Creek Orogen. Both, the Santiago and Onedin deposits are situated within the limbs of intensely folded, higher order, double-plunging anticlinal structures that have been interpreted from magnetic images. The axial planes of the fold structures appear to be upright to south-southeast-dipping. They trend northeast, sub-parallel to the regional transcurrent and anastomosing fault systems that dominate the Halls Creek Orogen (Elliott et al., 2006).

2.5.3 Mineralisation

The massive sulphide deposits of Koongie Park have been traditionally classified as VMS deposits. In a PhD thesis on the Onedin deposit, Orth (2002) has referred to it as a carbonate-associated VMS. Based on the assumption there are no exhalative rocks at Onedin, Orth proposed that the best model for the base metal occurrence is as a sub-horizontal basin floor replacement VMS. Other genetic models proposed include distal skarn, and structurally controlled replacement during deformation within high strain zones.

CSA Global considers the weight of evidence supports their interpretation as VMS deposits. Thus, the deposits are interpreted to have been formed around the time of deposition of the host volcanic and sedimentary strata in which they are bound and generally in bedding parallel lenses. Hydrothermal fluids associated with volcanic activity is interpreted to have been the source of the metals and other constituents of the mineralisation.

CSA Global place the Koongie Park deposits in the bimodal-felsic sub-type of VMS deposit, in the host-rock lithology classification of Barrie and Hannington (1999). The bimodal-felsic types are common in the Phanerozoic, typically occur in sequences with >50% felsic volcanic rocks, <35% mafic volcanic/intrusive rocks, and <15% siliciclastic rocks. Examples include the VMS deposits in the Honolulu District of Japan, and the Rosebery district in Tasmania.

The mineralogy of the primary mineralisation at Sandiego is pyrite-sphalerite-pyrrhotite-chalcopyrite ± galena which is largely hosted in the magnetite-rich exhalative suite of rocks where it occurs as a massive conformable wedge-shaped lens 200 m in length with a maximum thickness of 75 m. In general, the sulphides exhibit replacement textures and show evidence of mobilisation, which is a result of deformation and metamorphism subsequent to initial formation. Weak to moderate sulphide vein and stringer mineralisation occur at the base of the exhalite package in the underlying tuffs. Mineralisation is relatively rare in the carbonate zone but may extend into the talc-chlorite schists. Overall, there is poor spatial correlation between copper and zinc mineralisation at Sandiego. Moreover, discrete zinc-rich and copper-rich zones have been identified from core logging and assay results in the vertical dimension (Elliott et al., 2006).

At Onedin, sphalerite is the main sulphide in the primary mineralisation with subordinate pyrrhotite-pyrite-chalcopyrite-galena. Sphalerite chiefly occurs as fine-grained masses. In general, the sulphides exhibit replacement textures and show evidence of mobilisation, which is a result of deformation and metamorphism subsequent to initial formation.

The KPF exhibits a deep weathered profile at Sandiego and particularly Onedin resulting in three weathering domains – oxidised zone at surface, primary zone at depth, and the transition zone in between. Each zone has very different mineral assemblages and consequently have very different metallurgical properties.

The oxidised zone consists of completely oxidized material above the base of complete oxidation (BOCO). This surface is on average about 100 m below ground level. It is undulating and deepens significantly in the vicinity of steeply dipping faults. The transition zone consists of partially oxidised material and is located between BOCO and the top of fresh rock (TOFR). Supergene mineralisation is comprised of secondary mineralisation hosted in the oxidised and transition zones. Gossans are developed at surface above the mineral deposits.

Supergene mineralisation at Onedin is well developed as the bulk of the deposit is located in the oxidised and transition zones. Significant supergene enrichment of copper has occurred with a range of secondary copper minerals present: malachite, chrysocolla, bornite, covellite, chalcocite, cuprite, digenite and native copper. Moreover, a major sub-horizontal torpedo-shaped lens of supergene copper 200 m in length straddles the



oxide and transition zone. Lead is also relatively enriched in gossans above the TOFR surface where it occurs as the minerals pyromorphite and cerussite. Localised occurrences of secondary zinc are also present in the form of smithsonite; however, zinc is generally depleted in the oxide zone.

2.5.4 Alteration

Hydrothermal alteration associated with the mineralising process is best developed at Sandiego where four semi-conformable alteration zones are discerned in the Mimosa Member. These correspond to carbonate, talc, chlorite and silica zones which are interpreted to represent alteration of a seafloor environment by hydrothermal convective systems, common to VMS deposits. At Onedin, these alteration types are recognised but owing to the structural complexity and strong deep oxidation it is not possible to identify clear alteration zoning (Elliott et al., 2006).

The recognition of similar alteration types and patterns at outlying prospects will be an important targeting criterion for future exploration work by AuKing.

2.6 Mineral Resources – Onedin Deposit

The Mineral Resources for the Onedin copper-zinc-gold-silver deposit are presented in Table 4.

Table 4: Onedin deposit Mineral Resource estimate

Zone	Reporting cut-off grade	Classification	Tonnes (Mt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
Supergene	Cu >0.8%	Indicated	0.5	1.4	1.0	0.4	33
		Inferred	-	-	-	-	-
Transitional and Primary	Cu >0.8%	Indicated	0.8	1.6	1.1	0.3	34
		Inferred	-	-	-	-	-
Zn Dominant Primary	Zn >3%	Indicated	2.0	0.5	6.3	0.3	32
		Inferred	-	-	-	-	-

Notes: The Mineral Resources were classified as Indicated by CSA Global in accordance with the JORC Code (2012). Mineral Resources are reported above cut-off grades as described in the table. Resources are reported as dry tonnes. Rounding has been applied to appropriately reflect the precision of the estimate.

The Onedin deposit is located approximately 18 km southwest of Halls Creek, WA, and approximately 5 km to the northeast of the Sandiego deposit (Figure 6). A Mineral Resource was estimated for the deposit by CSA Global in 2009.

The Onedin deposit is classified as a VMS deposit, with base metals accumulating in a sub-horizontal basin floor replacement system. The deposit is interpreted to have been formed around the time of deposition of the host volcanic and sedimentary strata in which it is bound, and generally in bedding parallel lenses. Hydrothermal fluids associated with volcanic activity are interpreted to have been the source of the metals and other constituents of the mineralisation. Sphalerite is the main sulphide in the primary mineralisation at Onedin with subordinate pyrrhotite-pyrite-chalcocopyrite-galena.

The deposit is located within the middle Mimosa Member of the KPF (Figure 7), which includes volcanic units, carbonates, ironstone, chert, mudstone, quartz-bearing volcanoclastic beds, and sandstone (Figure 8). The Onedin deposit is situated within the limbs of intensely folded, higher order, double-plunging anticlinal structures with axial planes interpreted to be upright, to south-southeast dipping. They trend northeast, sub-parallel to the regional transcurrent and anastomosing fault systems that dominate the Halls Creek Orogen.

A deep weathering profile is exhibited at Onedin, resulting in three weathering domains; an oxidised zone at surface, a primary zone at depth, and the transition zone in between. Each zone has very different mineral assemblages and consequently very different metallurgical properties. The oxidised zone consists of completely oxidised material, above the BOCO surface. This surface is on average about 100 m below ground level, is undulating and deepens significantly in the vicinity of steeply dipping faults. The transition zone consists of partially oxidised material and is located between the BOCO and the TOFR. Gossans are developed at surface above the mineral deposits.

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Supergene mineralisation at Onedin is well developed with the bulk of the deposit located in the oxidised and transition zones. Significant supergene enrichment of copper has occurred with a range of secondary copper minerals present: malachite, chrysocolla, bornite, covellite, chalcocite, cuprite, digenite and native copper. A major sub-horizontal torpedo-shaped lens of supergene copper 200 m in length straddles the oxide and transition zone. Lead is also relatively enriched in gossans above the TOFR surface where it occurs as the minerals pyromorphite and cerussite. Localised occurrences of secondary zinc are also present in the form of smithsonite; however, zinc is generally depleted in the oxide zone.

The Onedin deposit has been drilled by several drilling methods, being diamond coring, reverse circulation (RC), and rotary air blast (RAB). Of these, diamond and RC drilling were used to support the Mineral Resource estimate. RAB drillholes were not used because they were drilled to shallow depths and did not intercept the zones of mineralisation. Diamond drillholes are either HQ or NQ diameter. HQ holes were used for metallurgical testwork and NQ holes were used to support the Mineral Resource estimate. A number of RC holes were extended to depth with diamond core drilling.

All drill cuttings were geologically logged prior to sampling. RC drillholes were sampled at 1 m intervals, which were reduced in size to produce a sample of approximately 1–2 kg in weight. Diamond core was sampled at varying intervals ranging from 0.1 m to 4 m, by cutting core in half using a diamond saw, with one half of the sample bagged for transportation to the analytical laboratory.

Diamond drill core and RC chip samples were submitted to Genalysis Laboratory Services in Perth, WA. Each sample was analysed for gold, silver, copper, lead, zinc, barium, arsenic, bismuth, antimony, nickel, cobalt, iron and magnesium. Ore grade samples were subjected to a modified four-acid (HF, HNO₃, HClO₃, HCl) digest followed by optical emission spectroscopy (OES) analysis for all elements excluding gold. Gold was analysed by fire assay with atomic absorption spectroscopy finish (AAS) using a 50 g charge. Samples without visible mineralisation were treated by a normal four-acid (HF, HNO₃, HClO₃, HCl) digest followed by OES analysis for all elements excluding gold. These samples were analysed for gold by aqua regia digest of a 50 g charge followed by solvent extraction and flame AAS.

The geological interpretation supporting the Mineral Resource estimate was guided firstly by geology, and secondly by grade envelopes to constrain mineralisation. Zinc domains were based upon a lower cut-off grade of 1% Zn, and below the TOFR interface; copper domains were based upon a lower cut-off of 0.5% Cu. Up to 2 m of internal dilution was permitted during the interpretation of the mineralisation domains. Some overlap of the zinc and copper zones occurs. Weathering domains were interpreted for the BOCO and TOFR interfaces. The Mineral Resource extends along strike 260 m, across strike by 210 m and has a depth extent below surface of 450 m.

The geological interpretation of the Onedin deposit by CSA Global is illustrated in plan view in Figure 10, and in cross-sectional view in Figure 11.

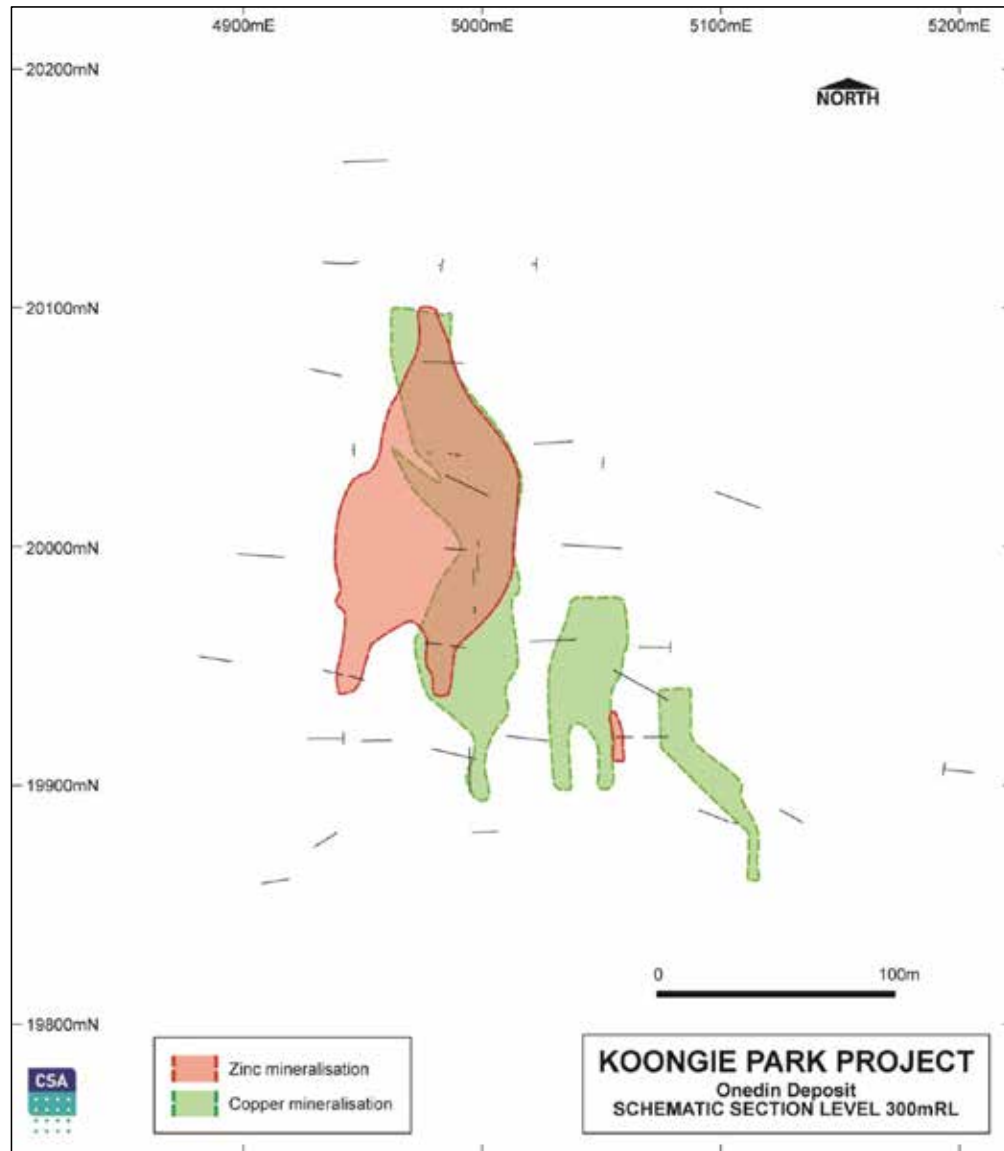
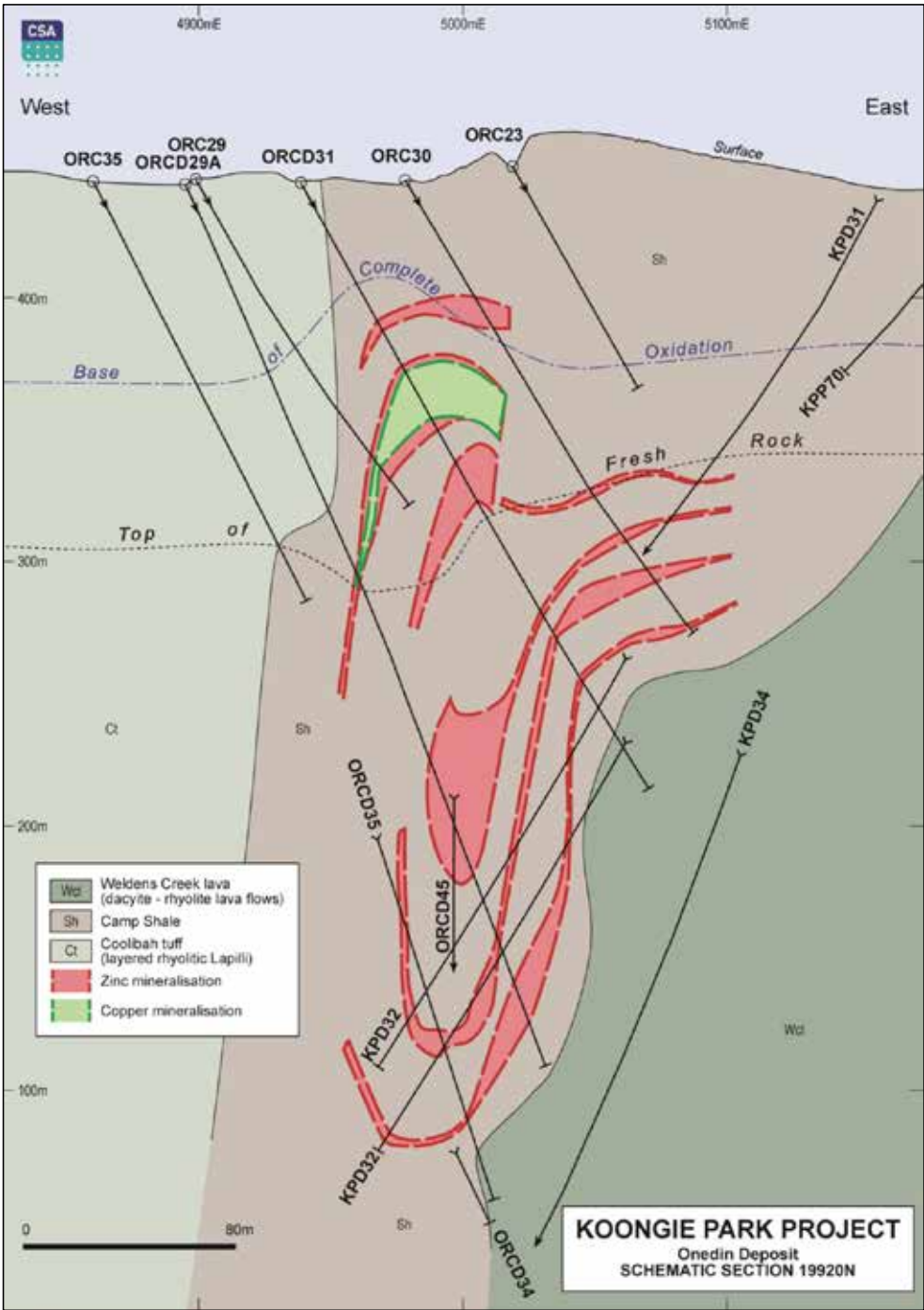


Figure 10: Schematic plan view of Onedin deposit, showing zones of mineralisation and drillhole traces
Drillhole traces in black – view window is 20 m above to 20 m below RL of plan.

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A block model with block sizes 5 m (X) x 10 m (Y) x 10 m (Z) was constructed, with the individual blocks assigned to the local geological domains (mineralisation and weathering) and each interpolated with a copper, zinc, gold, and silver grade. The block size dimensions were determined from approximately half the drillhole spacing. Drill samples were flagged by mineralisation and weathering domains, and the drill samples composited to 1 m length intervals. Composited sample data were statistically reviewed to determine appropriate top cuts, with top cuts applied for zinc, copper, silver, and gold where required. Variograms were modelled for copper and zinc from composited sample data within their respective mineralisation domains, with moderate relative nugget effects modelled, and with short ranges approximately 50 m for zinc and copper.

Grade interpolation used ordinary kriging (OK) for the zinc and copper grade variables and inverse distance squared (IDS) for the silver and gold grade variables. All sub-blocks were assigned the grade of their parent block. Cell discretisation was used in each estimate. A sample search ellipse of 100 m x 100 m x 30 m (perpendicular to strike) was used, with a minimum of four samples and maximum of 12 samples used to interpolate grade into any one block. A minimum of five samples per drillhole was used for grade interpolation. Search radii were increased, and the minimum number of minimum samples reduced in subsequent sample searches if cells were not interpolated in the first pass. Octant searches were not used. The interpolated grades were validated by way of review of cross sections (block model and drill samples presented with same colour legend); swath plots, and comparison of mean grades from drillhole data with block model grades.

The following density values (t/m³) were applied, based upon density measurements taken from diamond core billets:

- Oxide Zone (Cu domain only) = 2.38
- Transitional Zone; Zn zone = 2.56, Cu Zone = 3.26, Zn+Cu zone = 2.75
- Primary Zone; Zn Zone = 3.14, Cu Zone = 3.21, Zn + Cu Zone = 3.1.

The Mineral Resource model is classified based upon drillhole spacing, quality of sampling and sample analyses, quantity of density measurements, and the relative confidence in the geological interpretation. This Mineral Resource is supported by a high level of confidence in the geological interpretations, sufficient to assume geological and grade continuity to satisfy an Indicated classification. All blocks within the Onedin Mineral Resource are classified as Indicated in accordance with the JORC Code (2012).

"Table 1" commentary on the criteria specified by the JORC Code for the Onedin deposit are provided in Appendix A.

2.7 Mineral Resources – Sandiego Deposit

Mineral Resources for the Sandiego copper-zinc-gold-silver deposit are presented in Table 5.

Table 5: Sandiego deposit Mineral Resource estimate

Zone	Reporting cut-off grade	Classification	Tonnes (Mt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
Supergene	Cu >0.8%	Indicated	0.4	4.0	2.7	0.3	48
		Inferred	0.01	1.0	0.1	0.05	3
Transitional and Primary	Cu >0.8%	Indicated	1.1	2.8	1.5	0.4	12
		Inferred	0.4	1.8	2.0	0.3	5
Zn Dominant Primary	Zn >3%	Indicated	1.2	0.2	7.0	0.2	26
		Inferred	0.4	0.1	6.2	0.1	9

Notes: The Mineral Resources were classified as Indicated or Inferred by CSA Global in accordance with the JORC Code (2012). Mineral Resources are reported above cut-off grades as described in the table. Tonnages are reported as dry tonnes. Rounding has been applied to appropriately reflect the precision of the estimate.

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The Sandiego deposit is located approximately 25 km southwest of Halls Creek, WA, and approximately 5 km to the southwest of the Onedin deposit (Figure 6). A Mineral Resource was estimated for the deposit by Coffey Mining Pty Ltd in 2010.

The Sandiego deposit is classified as a VMS deposit, with base metals accumulating in a sub-horizontal basin floor replacement system. The deposit is interpreted to have been formed around the time of deposition of the host volcanic and sedimentary strata in which it is bound, and generally in bedding parallel lenses. Hydrothermal fluids associated with volcanic activity are interpreted to have been the source of the metals and other constituents of the mineralisation. Primary mineralisation consists of pyrite-sphalerite-pyrrhotite-chalcocopyrite \pm galena.

The Sandiego deposit is hosted within the same strata as Onedin – the middle Mimosa Member of the Koongie Park Formation (Figure 7). The Sandiego deposit has a similar structural geology to the Onedin deposit (Figure 8), situated within the limbs of intensely folded, higher order, double-plunging anticlinal structures with axial planes interpreted to be upright, to south-southeast dipping. They trend northeast, sub-parallel to the regional transcurrent and anastomosing fault systems that dominate the Halls Creek Orogen.

A deep weathering profile is exhibited at Sandiego, resulting in three weathering domains; an oxidised zone at surface, a primary zone at depth, and the transition zone in between. Each zone has very different mineral assemblages and consequently very different metallurgical properties. The oxidised zone consists of completely oxidised material, above the BOCO surface. This surface is on average about 100 m below ground level, is undulating and deepens significantly in the vicinity of steeply dipping faults. The transition zone consists of partially oxidised material and is located between the BOCO and the TOFR. Gossans are developed at surface above the mineral deposits.

The mineralogy of the primary mineralisation at Sandiego is pyrite-sphalerite-pyrrhotite-chalcocopyrite \pm galena which is largely hosted in the magnetite-rich exhalative suite of rocks where it occurs as a massive conformable wedge-shaped lens 200 m in length with a maximum thickness of 75 m. Weak to moderate sulphide vein and stringer mineralisation occur at the base of the exhalite package in the underlying tuffs. Mineralisation is relatively rare in the carbonate zone but may extend into the talc-chlorite schists. Overall, there is poor spatial correlation between copper and zinc mineralisation at Sandiego. Moreover, discrete zinc-rich and copper-rich zones have been identified from core logging and assay results in the vertical dimension (Elliott et al., 2006). Supergene mineralisation at Sandiego is poorly developed although a supergene copper Mineral Resource is reported.

The Sandiego deposit has been drilled by diamond coring and RC methods, with all holes used to support the Mineral Resource estimate. Diamond drillholes are either HQ or NQ diameter. HQ holes were used for metallurgical testwork and NQ holes were used to support the Mineral Resource estimate. A number of RC holes were extended to depth with diamond core drilling.

All drill cuttings were geologically logged prior to sampling. RC drillholes were sampled at 1 m intervals, which were reduced in size to produce a sample of approximately 1–2 kg in weight. Diamond core was sampled at varying intervals ranging from 0.1 m to 4 m, by cutting the core in half using a diamond saw, with one half of the sample bagged for transportation to the analytical laboratory.

Diamond drill core and RC chip samples were submitted to Genalysis Laboratory Services in Perth, WA. Each sample was analysed for gold, silver, copper, lead, zinc, barium, arsenic, bismuth, antimony, nickel, cobalt, iron and magnesium. Ore grade samples were subjected to a modified four-acid (HF, HNO₃, HClO₃, HCl) digest followed by OES analysis for all elements excluding gold. Gold was analysed by FA with AAS finish using a 50 g charge. Samples without visible mineralisation were treated by a normal four-acid (HF, HNO₃, HClO₃, HCl) digest followed by OES analysis for all elements excluding gold. These samples were analysed for gold by aqua regia digest of a 50 g charge followed by solvent extraction and flame AAS.

The geological interpretation supporting the Mineral Resource estimate was guided firstly by geology, and secondly by grade envelopes to constrain mineralisation. Zinc domains were based upon a lower cut-off grade of 1% Zn, and below the TOFR interface; copper domains were based upon a lower cut-off of 0.4% Cu. Up to 2 m of internal dilution was permitted during the interpretation of the mineralisation domains. Some



overlap of the zinc and copper zones occurs. Weathering domains were interpreted for the BOCO and TOFR interfaces. The Mineral Resource extends along strike 350 m, across strike by 70 m and has a depth extent below surface of 650 m.

The geological interpretation of the Sandiego deposit by CSA Global is illustrated in plan view in Figure 12, and in cross-sectional view in Figure 13.

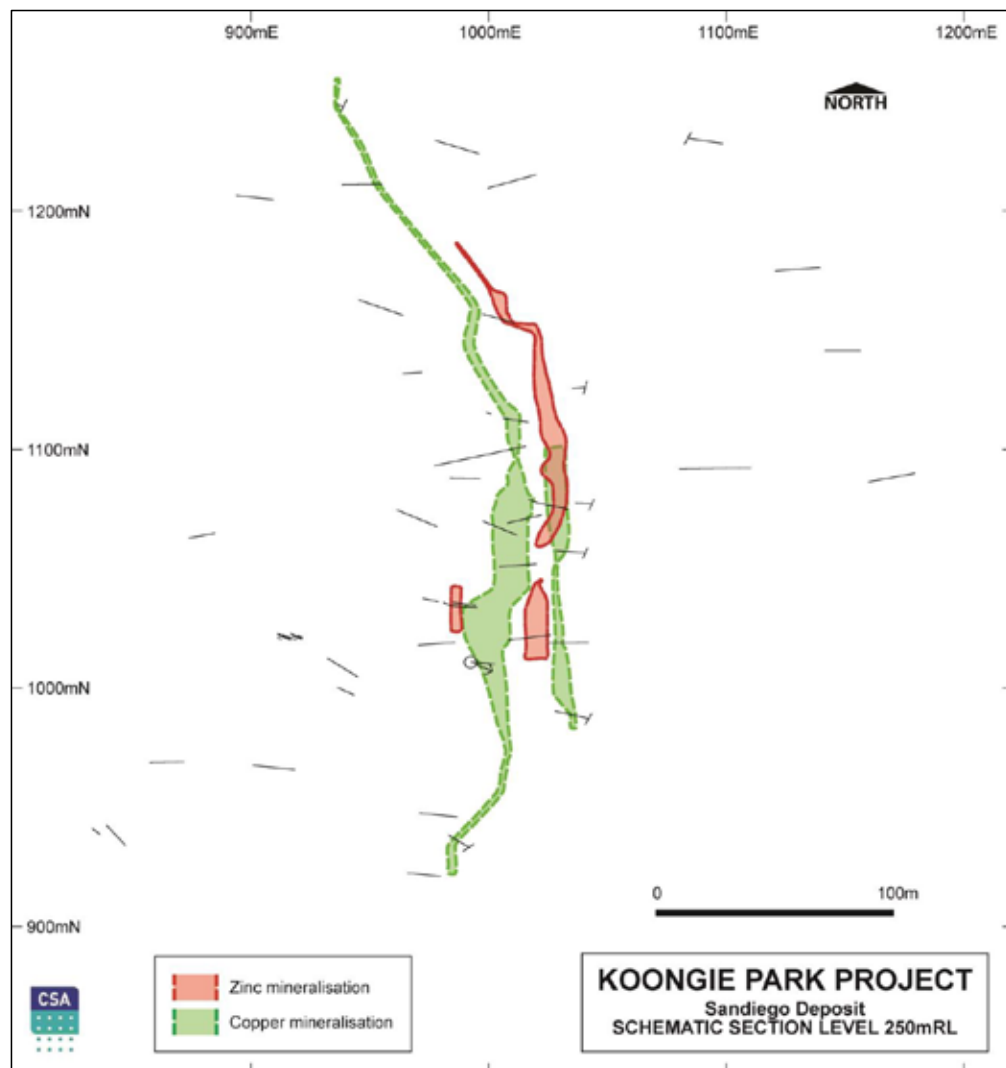


Figure 12: Schematic plan view of Sandiego deposit, showing zones of mineralisation and drillhole traces
Drillhole traces in black – view window is 20 m above to 20 m below RL of plan

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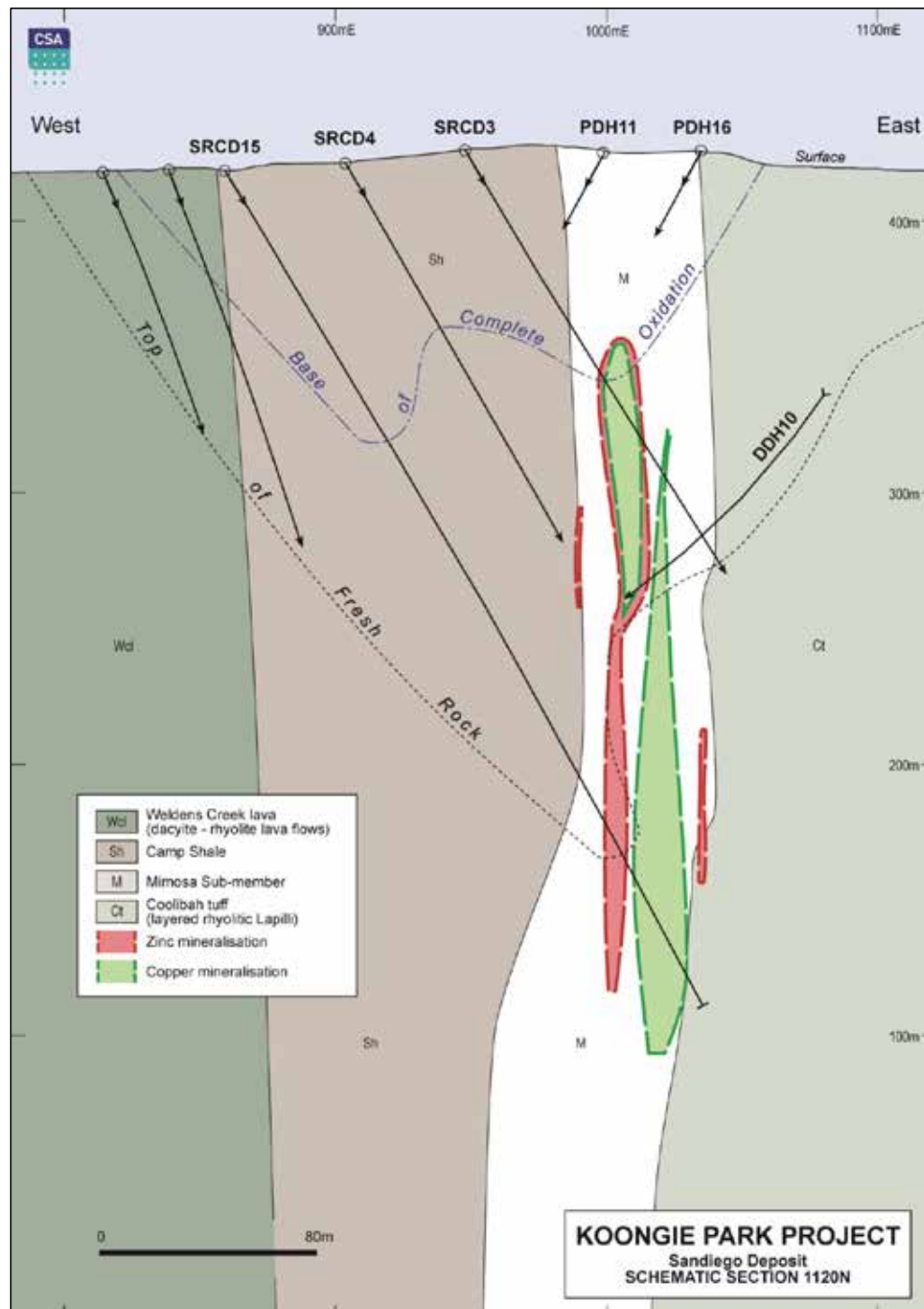


Figure 13: Schematic cross section view of Onedin deposit showing formation/lithology, copper mineralisation, zinc mineralisation, weathering domains and drillholes with IDs (looking grid north)



A block model with block sizes 5 m (X) x 10 m (Y) x 10 m (Z) was constructed, with the individual blocks assigned to the local geological domains (mineralisation and weathering) and each interpolated with a copper, zinc, gold, and silver grade. The block size dimensions were determined from approximately half the drillhole spacing. Drill samples were flagged by mineralisation and weathering domains, and the drill samples composited to 2 m length intervals. Composited sample data were statistically reviewed to determine appropriate top cuts, with top cuts applied for zinc, copper, silver, and gold where required. Variograms were modelled for copper and zinc from composited sample data within their respective mineralisation domains, with low relative nugget effects modelled, and with short ranges approximately 25 m for zinc and copper.

Grade interpolation used OK for the zinc and copper grade variables and IDS for the silver and gold grade variables. All sub-blocks were assigned the grade of their parent block. Cell discretisation was used in each estimate. A sample search ellipse of 20 m x 20 m x 8 m (perpendicular to strike) was used, with a minimum of eight samples and maximum of 36 samples used to interpolate grade into any one block.

A minimum of seven samples per drillhole was used for grade interpolation. Search radii were increased, and the minimum number of minimum samples reduced in subsequent sample searches if cells were not interpolated in the first pass. Octant searches were not used. The interpolated grades were validated by way of review of cross sections (block model and drill samples presented with same colour legend); swath plots, and comparison of mean grades from drillhole data with block model grades.

The following density values (t/m^3) were applied, based upon density measurements taken from diamond core billets:

- Oxide Zone = 2.4
- Transitional Zone; Zn zone = 3.1, Cu Zone = 3.3
- Primary zone; Zn Zone = 3.1, Cu Zone = 3.3
- Mixed Cu and Zn zones in Primary = 3.1.

The Mineral Resource model is classified based upon drillhole spacing, quality of sampling and sample analyses, quantity of density measurements, and the relative confidence in the geological interpretation. This Mineral Resource is supported by a high level of confidence in the geological interpretations, sufficient to assume geological and grade continuity to satisfy an Indicated classification in places. The Sandiego Mineral Resource is classified as a combination of Indicated and Inferred.

"Table 1" commentary on the criteria specified by the JORC Code for the Sandiego deposit are provided in Appendix B.

2.8 Metallurgy and Mining Studies

At Koongie Park, the primary mineralisation at depth consists of unoxidised sulphides that have been found to be amenable to conventional flotation. However, deep weathering, which has resulted in variable oxidation to depths of 200–250 m, has produced a complex mixture of sulphide and oxide minerals in the transition zone. Such material does not usually respond well to simple conventional flotation techniques and represents a demanding metallurgical challenge for the Koongie Park project.

Significant metallurgical testwork has been undertaken for the deposit by various explorers since the 1970s. Several desktop mining studies were also undertaken by early explorers. Early work was effectively superseded by a major metallurgical testwork campaign and mining studies undertaken by AAR from 2006. The most recent testwork was conducted by AMMTEC Laboratories under the guidance of METS. The metallurgical testwork has established that saleable copper and zinc concentrates could be produced from the sulphide mineralisation at Sandiego and Onedin but obtaining concentrates from the transitional material (using conventional flotation techniques) was challenging. The 2007 testwork included 96 metallurgical sample tests on different ore types from Onedin and Sandiego to underpin a mineral processing flowsheet for economic study work.

In 2007, Holly Mining & Associates and Brian Speechley were commissioned by AAR to undertake a preliminary mining assessment of the Sandiego and Onedin deposits. This study established two potential

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mining operations: underground only at both Sandiego and Onedin; and an open pit operation at Onedin. No major mining problems were identified in this study; however, further work was subject to metallurgical recoveries.

In 2008, internal mining study work by AAR focused on underground mining of the sulphide and transition zones at Sandiego, with construction of a 500 tpa processing plant (using flotation technologies) with a 4–5 year operating life, with Onedin development having the capacity to extend project life to eight years mining Sandiego transition and sulphide ore. A conceptual study was also completed on open pit mining of Onedin base on conceptual metallurgical recoveries.

In 2009, AAR engaged Noel O'Brien of Trinol Pty Ltd to review the more than 300 metallurgical tests that had then been completed over the various ore-types at Sandiego and Onedin, with a focus on the application of flotation recovery techniques. This study concluded that the metallurgy of the Sandiego transition and primary zones, whilst complex, is amenable to established flotation technology. The Onedin primary zone is amenable to the same flotation technology and can be processed through the same plant with minor modifications. The Onedin transition zone contains most of its value in the form of zinc oxide minerals and is not amenable to conventional flotation recovery, but extraction by hydrometallurgy is possible. The Onedin oxide zone contains copper in the form of malachite which may be amenable to hydrometallurgy. Conventional flotation flowsheets were designed for processing the Onedin and Sandiego sulphide mineralisation. Project economics are very sensitive to metal recoveries and the grade of concentrate achieved. The O'Brien study recommended further testwork focused on being as near to actual plant operating conditions as possible, and that further testwork should encompass a continuous pilot-scale test facility.

During the period 2009 to 2010, AAR engaged a number of metallurgical/mineral processing specialists to review the possibilities of implementing novel treatment processes to treat the problematic transitional and oxide ores of Koongie Park including Controlled Potential Sulphidisation, Galvanox and Albion (O'Brien, 2010). Meaningful trials recommended were not implemented. No metallurgical testwork has been undertaken from 2012 to the present.

In 2010, AAR engaged Coffey Mining to undertake a review of the Koongie Park project which recommended additional diamond drilling, re-estimation of the Sandiego deposit resource and geotechnical work (Slater and Hastings, 2010).

Subsequently, Dempers and Seymour (D&S) was engaged to complete a preliminary geotechnical model for Sandiego based on geotechnical diamond drilling results. The geotechnical assessment involved construction of a three-dimensional (3D) Mining Rock Mass Model for the prospect and determination of preliminary geotechnical parameters for use in mine design studies. Raw data for the project comprised geotechnical and structural logging by D&S of 23 diamond holes. For the underground project, the rock mass has been classified into three geotechnical domains based on estimated Q^3 values. Preliminary inter ramp slope angles (excluding ramps) for the prospect were developed for use in pit design studies (Dempers and Seymour, 2010).

In 2011, Minesure undertook a scoping study on mining the Sandiego deposit based on the Coffey Resource model (Slater, 2010). It concluded that exploitation of the Koongie Park Sandiego deposit by open pit and underground mining methods using an on-site concentrator and off-site smelting is potentially viable. Copper concentrates and zinc concentrated produced would be trucked to a suitable port facility such as Wyndham and stored until shipped to overseas smelters. A prefeasibility-level study was recommended (Spicer, 2011).

No further mining studies have been undertaken since 2011.

³ The Q-system for rock mass classification expresses the quality of the rock mass in the so-called Q-value, on which are based design and support recommendations for underground excavations.

2.9 Exploration History

As gold only deposits are excluded from the Koongie Park mineral assets of AuKing, gold-focused exploration is not discussed in this section of the Report, which concentrates on historical base metal exploration. Previous exploration work over the area of the Koongie Park property is recorded in GSWA open file reports, which have been compiled and summarised by AAR (Ward, 2017), cataloguing exploration activity for all metals in the project area since the early 1960s. Earlier summaries of exploration work were written by Berg (2002), Mattinson (2003), and Komyshan (2011).

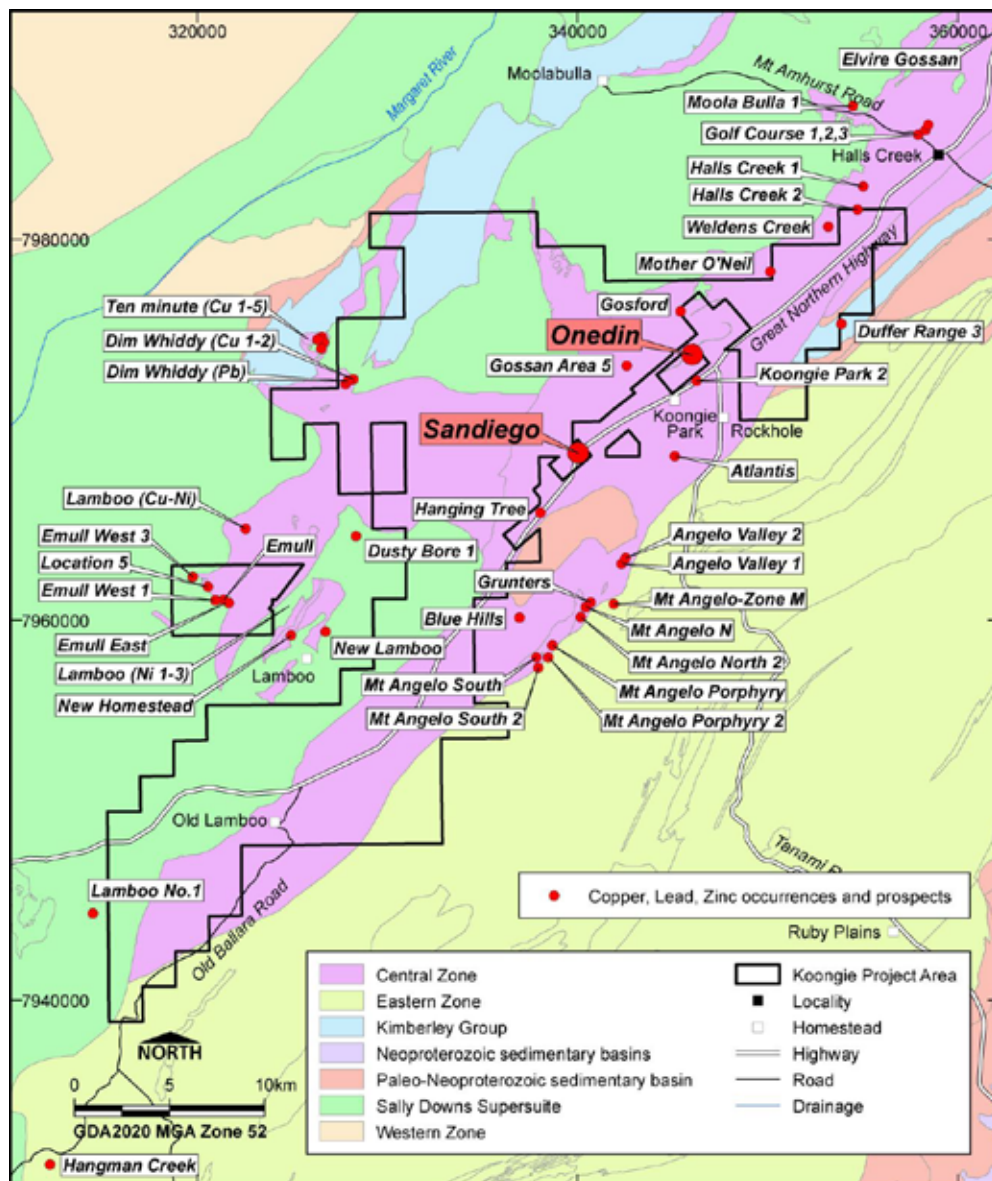


Figure 14: Geological map of the Koongie Park area showing basemetal occurrences, prospects and anomalies
Note: Names and locations of occurrences sourced from DMIRS MINEDEX database.

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The following summary of key historical base metal exploration work over the property is based on Milner (2018) and divided into three geographical areas. Locations and names of all base metal occurrences, prospects and anomalies recorded in the Department of Mines, Industry Regulation and Safety (DMIRS) MINEDAT database are shown on Figure 14.

2.9.1 Onedin and Sandiego Area

Mapping by the GSWA in 1962 identified the gossan outcrops which are now known as the Onedin and Sandiego prospects. Pickands Mather explored for base metals over the area south of Halls Creek from 1963 to 1972. Between 1972 and 1977, Kennecott pegged tenements over known copper-lead-zinc-silver gossans at Koongie Park, around the Onedin and Sandiego areas, and undertook geological and structural mapping, rock chip and soil sampling, diamond and percussion drilling. From 1978 until 1979, Newmont continued to drill test known mineralisation and magnetic anomalies coincident with electromagnetic (EM) conductors along strike of known mineralisation. Extensive trenching, percussion and diamond drilling, detailed EM, ground magnetic surveys, and low-level aeromagnetic surveys failed to locate significant extensions to base metal prospects. In 1980, North Broken Hill concentrated on testing the supergene enriched zone of the base metal mineralisation at the Sandiego prospect. From 1983 to 1988, Asarco carried out RAB drilling, including limited work on supergene gold potential at Sandiego. From 1988 to 1989, RTZ Mining/BP Minerals in JV with Asarco continued testing for gold potential by re-assaying split core samples for gold. This work located several low-order gold anomalies in the Sandiego area.

A group of six tenements were initially purchased by AAR from RTZ Mining in 1989, with three additional mining leases pegged and granted in 1994. The six originally granted mining leases were explored by AAR in JV with Billiton Australia (now Anglo Gold) from 1989 to 1994. Billiton earned its equity but was forced to sell its interest to AAR under a pre-emptive rights clause, when Acacia Resources purchased all of Billiton's assets in Australia in 1994. Billiton undertook aeromagnetic and radiometric surveys. Minor geochemical sampling done during this time produced modest gold-bearing results. In 1995, Lachlan (a subsidiary of Barrick Gold) signed a JV agreement over the area and continued exploration until 2002. During 1996 and 1997, Lachlan and AAR carried out extensive resource-definition type drilling and developed geological and structural interpretations for both Onedin and Sandiego base metal deposits. AAR obtained 100% ownership of the project due to the withdrawal of Lachlan from the JV in 2002.

In 2006, following a substantial improvement in base metal commodity prices, AAR commenced its first drilling program in its own right. AAR then established maiden Mineral Resource estimates for the Sandiego and Onedin deposits reported in accordance with the JORC Code (2004). In October 2008, AAR completed a study on the economics of underground mining of the Sandiego deposit. Further drilling occurred in 2007 to 2009, with subsequent resource updates reported in accordance with the JORC Code (2004).

Some 245 RC and diamond drillholes encompassing 50,417 m have been drilled on the project by AAR. This effort focused on resource, metallurgical and geotechnical drilling at the Sandiego and Onedin base metal deposits. Since 2011, AAR has focused on gold exploration, with little exploration for base metals occurring on the property.

2.9.2 Emull Area and Associated Lamboo Complex

West Coast Holdings Ltd explored for gold, copper, silver, and zinc between 1985 and 1990. They described a mineral resource for the Emull zinc deposit in 1990, but this was not reported in accordance with current codes. Exploration included ground magnetic surveys, induced polarisation (IP) surveys, rock chip sampling, and RAB and percussion drilling. Rock chip results in the main area of Emull returned some anomalous base metal values, with several anomalous intersections encountered in follow-up drilling. In the far northwest of the area, chip sampling returned some anomalous base metal values. However, this area was assumed to have already been explored and was not followed up.

Hunter Resources was active in the area from Emull southwards to Loadstone Hill between 1986 and 1989, exploring for chrome, copper, platinum, palladium, and platinum group elements (PGEs). In 1986, soil sampling defined a copper-chromium-nickel-platinum-palladium anomaly, as well as stream sediment



sampling yielding anomalous copper-chromium-platinum results. A RC hole in 1988 returned elevated gold-platinum-palladium-copper-nickel-chromium results. In 1989, RAB drilling of the previously generated soil anomalies led to several intersections anomalous in gold-platinum-palladium-copper-nickel.

Between 1994 and 1996, a small tenement area was held by a Mr Macdonald, who explored the area using shallow auger sampling and gold panning, with minimal gold returned.

Northern Star Resources undertook a comprehensive multi-element stream sediment sampling program over an area extending southwest from the Emull prospect in 2006. The results were subject to detailed geochemical analysis by IO Global (Sugden, 2007) but this work could not extract any significant anomalism from the data and no follow-up was required.

2.9.3 Mount Angelo Area

Reported in 1962 and 1963, Peko Mines NL conducted copper exploration in the vicinity of Mount Angelo. The company undertook preliminary geophysical surveys and interpretations, along with supporting field reconnaissance. Approximately seven follow-up drillholes were drilled at Mount Angelo.

In 1979, Uranerz Australia Pty Ltd explored for uranium from Mount Angelo to the westward Lamboo Ultramafics. Reconnaissance mapping and scintillometry exploration was completed. The tenement was relinquished due to downgrading the prospectivity of the tenement.

Between 1990 and 1992, Hunter Resources undertook rock chip and soil sampling, mainly for gold. South of the Lamboo homestead, rock chip results produced samples with anomalous gold-palladium-nickel-copper. Soil sampling defined an area of gold-copper anomalism. Sampling efforts the following year were disappointing.

Panorama Resources completed work from 1994 until relinquishment of several tenements in 1999. RAB drilling results during the time yielded low gold assays.

2.9.4 Geophysical Surveys

In 2014, AAR commissioned Newexco to undertake a review of the geophysical interpretation for the Koongie Park project with the objective of identifying untested opportunities and suggesting improved or new geophysical methods to explore this area (Amann, 2014). This built on three earlier comprehensive studies undertaken by SGS (Craven, 2004; Hunt and Craven, 2007; Speyers, 2009). The following list of previous geophysics was compiled from available reports.

The north-eastern Sandiego area has been surveyed with the following methods:

- Lachlan: Moving loop transient electromagnetic (TEM); 1996
- Billiton: Fixed loop TEM and moving loop TEM; 1990
- Newmont: Fixed loop TEM; 1978 EMP survey.

The Puseye and Atlantis prospects have been surveyed with the following methods:

- Billiton: Moving loop TEM; 1990
- Billiton: Fixed loop TEM; 1992
- Lachlan: Downhole TEM 1996
- AAR: Downhole TEM; 2008.

The Onedin South prospect has been surveyed with the following methods:

- Newmont: Fixed loop TEM; 1979
- Billiton: Moving loop TEM; 1990
- Billiton: Fixed loop TEM and airborne EM; 1992
- Billiton: Downhole TEM; 1993
- Lachlan: Moving loop TEM; 1996.

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The existing EM and IP data clearly show that the Sandiego and Onedin alteration systems are distinctly conductive and polarisable. The mineralised zones are also quite magnetic locally, with both magnetite and pyrrhotite present within the alteration assemblage. The bulk of the conductivity within the stronger sulphide zones is likely to be related to the pyrrhotite and chalcopyrite contents, with lesser contributions from pyrite and magnetite. In general, the properties of the Koongie Park mineralisation are consistent with typical VMS deposits; i.e. ranging from highly conductive (pyrrhotite \pm chalcopyrite rich) to low conductivity (sphalerite rich); and variably magnetic, ranging from non-magnetic to quite strongly magnetic, depending on the pyrrhotite and/or magnetite content (Craven, 2004).

2.9.5 Assessment of Historical Exploration

In 2017, AAR engaged a consultant firm (Map to Mine) to complete a historical data compilation and review over the project area. A total of 393 historical reports were reviewed, summarised and compiled into a central database. This included digitising maps to locate data points, as well as typing relevant locational, geochemical and geological data. The resulting database contains 1,710 drillholes, including 20,074 downhole assays and 17,642 geochemical samples with associated assay data. The data has been converted to GIS-compatible files. In addition to the Map to Mine work, AAR engaged Terra Resources to merge open-file aeromagnetic datasets and produce a series of images over the project. This detailed data was used by AAR to validate a structural overview undertaken in 2015 by Gold Vector.

This compilation was not available to CSA Global at the time of report preparation, with AAR personnel still trying to locate the missing files on their computer backup systems. AAR's annual report to the DMIRS (Milner, 2018) summarised the findings of the 2017 data compilation project and described a number of anomalous areas and gaps in previous exploration. CSA Global has not been able to confirm these observations. However, based on the documents available, CSA Global considers that historical exploration has been of sound quality and forms a strong basis for continued exploration.

2.10 Recent Exploration

AuKing has only recently entered the JV agreement with AAR and has not yet undertaken any exploration. No recent base metal exploration had been undertaken on the project by AAR.

As gold-only deposits are excluded from the Koongie Park mineral assets of AuKing, recent gold-focused exploration activities by AAR are not discussed in this section of the report.

2.11 Exploration Potential

2.11.1 Onedin – Exploration Potential

At the Onedin deposit, the copper and zinc mineralisation plunge steeply to the south, with extensions possible beyond diamond drillholes KPD36 and DDH22. The current copper Mineral Resource is confined to the north, and up-plunge of KPD36; however, a review of the geological and structural logs for this and surrounding holes may provide guidance as to possible extensions to copper mineralisation.

Zinc mineralisation is recorded in KPD36 and the zinc Mineral Resource extends 20 m along strike and down plunge to the south of this hole. Drillhole DDH22, drilled by Kennecott in the early 1970s, cuts off all mineralisation along strike to the south; however, potential exists for mineralisation to occur below the toe of this hole.

CSA Global recommend the geological logs and sample assays for these historical holes be reviewed to confirm the limits for extending the Mineral Resource down plunge to the south.

2.11.2 Sandiego – Exploration Potential

At the Sandiego deposit, the primary copper and zinc mineralisation plunge to the south, with potential targeting for copper and zinc mineralisation down plunge and below 50 m RL and to the south of northing 7,968,100.



Drillhole DDH28B limits the down plunge extent of the copper Mineral Resource; however, there exists potential for the mineralisation to continue pending careful targeting based upon a review of the structural and geological logging for that hole and holes up-plunge.

The strike extents of supergene copper mineralisation have largely been confined by current drilling with limited opportunity to significantly increase tonnages.

There exists potential to extend the strike extent for zinc mineralisation in the supergene profile to the south and north, and a review of existing drill data will help to target potential zinc mineralisation.

2.11.3 Regional Prospectivity

CSA Global considers the Koongie Park project area to be underexplored at depth and highly prospective for the discovery of further VMS base metal mineralisation below approximately 150 m. The surface and shallow potential of the property has been effectively explored by a number of different companies over many decades using a broad variety of approaches and techniques. CSA Global has concluded that the surface and shallow potential have been thoroughly tested.

Several factors about the Koongie Park property make it attractive for VMS exploration. Importantly:

- Favourable regional geologic setting
- Presence of proximal felsic volcanic facies and bimodal volcanism
- Abundant mineralisation identified at numerous locations throughout a specific stratigraphic sequence
- The presence of at least two sizable VMS deposits
- The extent and intensity of the alteration indicative of a high heat flow system with high fluid to rock ratios.

CSA Global considers our recommendations of our previous study (Elliott et al., 2006) are still valid – that regional exploration should focus on the following vectors:

- Identify similar tectonic settings – extensional regimes in possible arc-related settings.
- Identify similar geological settings – volcano-sedimentary sequences close to major felsic volcanic centres – particularly in Paleoproterozoic rocks of 1.6–1.8Ga – as lead isotopic data show that mineralisation and host rocks are also of that age. Also, isotopic data suggest that massive sulphide mineralisation at Koongie Park is part of a regional event.
- Geological mapping – in particular, it is recommended to target gossans exhalative rocks, skarns and calc-silicate rocks, thick sequences of felsic volcanics, zoned, semi-conformable hydrothermal alteration assemblages such as chlorite-talc-carbonate.
- Trace-element geochemistry may help to identify class “A” (crustal source) felsic volcanic suites which, according to Lentz (1998), are more prospective for base metal mineralisation. Orth (2002) has shown that the felsic volcanics at Koongie Park all fall into this category as defined on yttrium-niobium-cerium triplot diagrams.
- The presence of exhalites and their associated magnetic anomalies at Sandiego and Onedin support the use of airborne and ground magnetic surveys.
- The downhole responses from downhole electromagnetic (DHEM) should be followed up and also be used as a calibration tool for surface EM surveys.

2.11.4 Geochemistry

Majority of historical exploration has been strongly focused on geochemical exploration resulting in an extensive and comprehensive coverage of the prospective formations by numerous different geochemical techniques. Further surface geochemical surveys are not recommended. The numerous gossans and anomalous surface outcroppings which occur across the tenements have been thoroughly followed up with detailed exploration including significant drilling. Anomalous geochemical results in various soil and RAB programs have been effectively followed up with detailed exploration including drilling. Therefore,

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CSA Global do not recommend focusing further exploration drilling on geochemical targets. Nevertheless, the extensive and high quality geochemical database should not be ignored in evaluating and refining exploration programs.

It has been noted by previous workers that shallow drilling across the Koongie Park project is considered ineffectual due to the substantial depletion of base metals in the regolith which has occurred. CSA Global concur with this view and recommend that future drilling needs to intersect target zones at least 100 m below surface.

Litho-geochemistry using suitable pathfinder elements of fresh (unoxidised) drillhole samples would be an effective exploration tool, as it can significantly enlarge the ore target. Litho-geochemistry could uncover significant geochemical haloes associated with mineralisation and be used to vector towards major deposits.

2.11.5 Geophysics

CSA Global endorses AuKing's strategy of using geophysical methods to drive future exploration endeavours.

Newexco (Amann, 2014) reviewed the geophysical interpretation for the Koongie Park project and concluded that the 50 km of strike of the project was incompletely explored by appropriate geophysical methods and that it was not unreasonable to expect that further VMS deposits could be discovered along the interpreted strike extent using geophysical methods. Newexco made these observations:

- Koongie mineralisation is highly conductive
- Koongie and other mineralisation are lenses
- Country rock is highly resistive
- Depth of weathering on sulphides is greater than elsewhere
- Koongie mineralisation (or part thereof) responds to EM methods
- Mineralisation tends to follow a main trend.

2.11.6 GSWA Prospectivity Analysis of the Halls Creek Region

The GSWA recently undertook a comprehensive multicommodity prospectivity analysis of the Halls Creek Orogen (Occhipinti et al., 2016). This multi-author study used a GIS driven, minerals system approach and developed a comprehensive set of prospectivity maps and images. The lead-zinc-copper-silver prospectivity map (Figure 15) generated by the GSWA highlighted the area of AuKing's tenements as the most prospective for these metals in the region, while the report stated:

"The prospectivity analysis outlined that areas of volcano-sedimentary rocks of the Koongie Park Formation that are adjacent to deep crustal-scale structures are most prospective for Pb–Zn–Cu–Ag deposits, particularly adjacent to the Central–Eastern zone boundary, and in the southern part of the Central zone." "The Cu–Pb–Zn–Ag occurrences and deposits in the Koongie Park Formation formed as volcanogenic massive sulphides."

Figure 15 highlights those areas assigned the highest prospectivity ranking in "warmer" colours, with the Koongie Park area, just south of Halls Creek, clearly coloured orange and red. Known base metal occurrences and deposits are mapped with square symbols.

This independent government sponsored study has identified AuKing's tenement holdings as being located in the most prospective area within the Orogen for lead-zinc-copper-silver deposits.

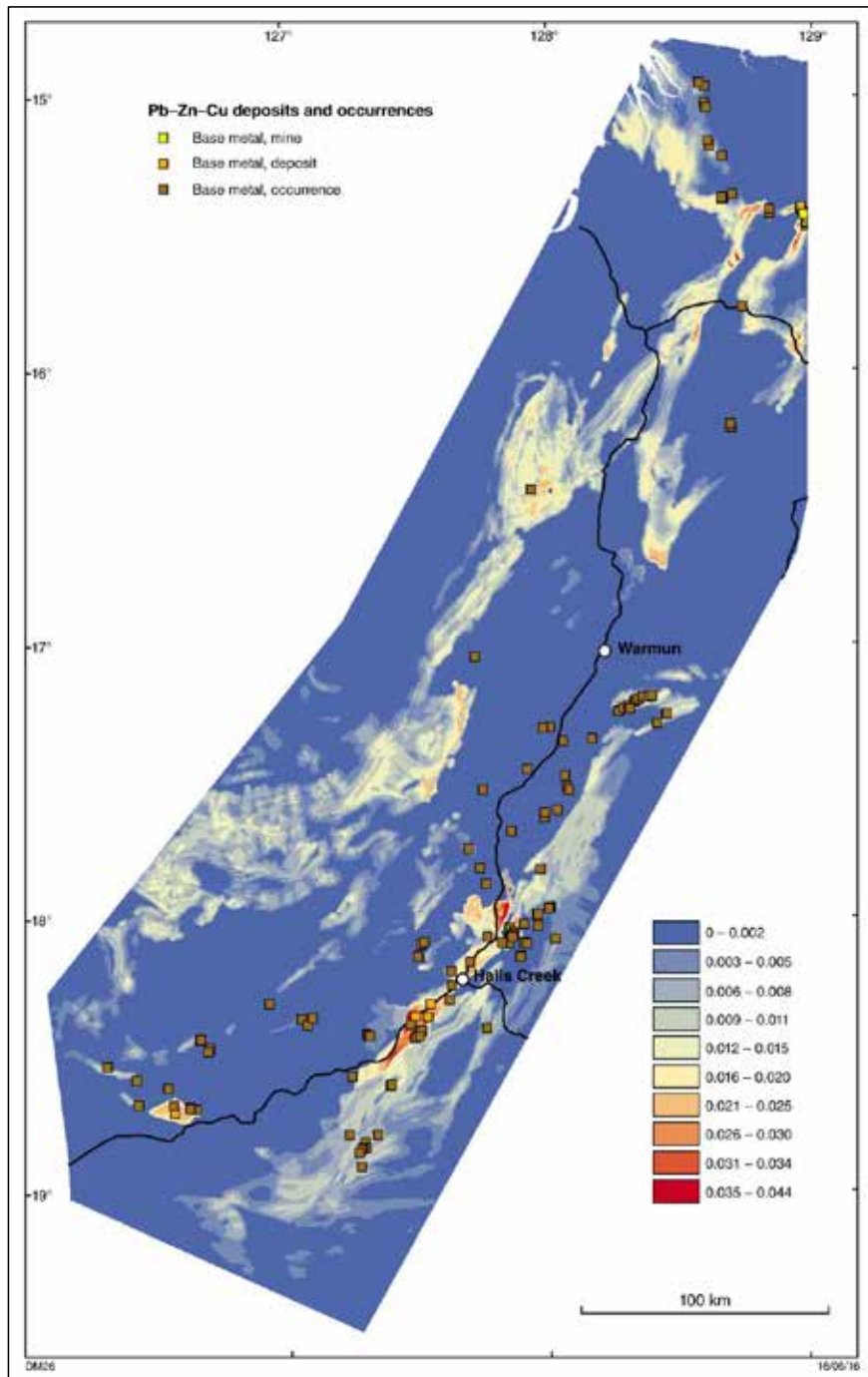


Figure 15: Pb-Zn-Cu-Ag prospectivity image of the Halls Creek region developed using mineral systems analysis
Coloured by GSWA prospectivity ranking with higher numbers indicating enhanced prospectivity.
Source: GSWA Report 159 (Occhipinti et al., 2016)

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3 Exploration Strategy

The Koongie Park property has demonstrated potential for VMS copper-zinc-lead-gold-silver mineralisation. The property has two advanced copper-zinc-lead-gold-silver projects (Onedin and Sandiego) and a number of prospective targets which were defined by previous operators.

There also exists potential for other styles of mineralisation including nickel-cobalt-PGE and gold. Gold and PGE exploration rights are retained by AAR under the JV agreement and exploration for pure gold and PGE plays will not be pursued on the Koongie Park project.

An exploration and development strategy has been developed for the project. Development studies will be undertaken on the advanced projects, while in parallel a regional target assessment will involve modern geophysical, geochemical and geological analysis using existing data.

AuKing has advised CSA Global that as it has been several years since detailed exploration activities have been conducted at Koongie Park, that upon completion of the ASX listing and commencement of new earn-in activities, they intend to meet with DMIRS officials (together with AAR) to present AuKing's proposed activities for the project.

3.1 Development Strategy

AuKing has informed CSA Global that it will undertake scoping study work on the Onedin and Sandiego deposits to examine potential for economic development and pathways to development. This may include updated Mineral Resource estimation, metallurgical testwork, mining studies, processing studies, environmental studies, and economic assessments. Where study work indicates the need for additional raw data, further drilling may be necessary. An outcome of the scoping study is envisioned to be detailed planning and costing for a prefeasibility study, leading to the potential delineation of Ore Reserves.

An early component of the scoping study will be a detailed assessment of the existing metallurgical testwork results, geometallurgical analysis of the drill core data and desktop review of potential mineral processing pathways. This work will cover both the primary sulphide mineralisation and the secondary mineralisation of the transitional and oxide zones. The appropriate metallurgical testwork will be designed and commissioned, with a campaign of diamond drilling implemented to provide the fresh core sample vital for reliable and meaningful testwork results. The drillholes will be purpose designed to develop a set of composite samples representative of the geometallurgical mineralisation types and grades within the deposits.

It is important to note that AuKing has identified a number of alternative mineral processing technologies which show promise for effective concentration of the metallurgically challenging mineralisation types of Koongie Park. These technologies have not been applied during historical metallurgical testwork. A small portion of the funds raised will be used to further investigate the viability of applying these methods commercially.

Subsequent study phases will be planned around the results of the early metallurgical phase.

3.2 Brownfields Exploration

During the resource modelling work, CSA Global has identified a drill target close to the existing Mineral Resources defined at Sandiego where copper and zinc mineralisation down plunge and below 50 m RL and to the south of northing 7,968,100. This should be tested with a diamond drilling program.

At the Onedin deposit potential exists for mineralisation to occur below the toe of drillhole DDH22. CSA Global recommend the geological logs and sample assays for these historical holes be reviewed to confirm the limits for extending the Mineral Resource down plunge to the south. A positive outcome from the review would lead to a target suitable for testing with diamond drilling.



3.3 Regional Exploration

AuKing propose using EM geophysical methods to drive future exploration for new discoveries. CSA Global endorse this strategy as Koongie mineralisation is highly conductive, the country rock is highly resistive, known mineralisation has responded to EM surveys and many VMS deposits have been detected with EM surveys globally.

CSA Global consider the geophysical approach to exploration recommended by Newexco in 2014 remains broadly appropriate (Amann, 2014). Newexco recommended as the most effective path to discovery of new VMS deposits to comprise:

- A regional airborne EM survey with ground follow-up and use of some innovative experimental exploration geophysics
- Follow up of unexplained EM anomalies with interpreted bedrock conductive sources
- Revisit unexplained conductive sources in the modelling of downhole TEM at both Sandiego and Onedin and design transmitters to better couple with the unexplained and down plunge extents of the mineralisation
- Develop a rigorous 3D model using complete survey information of all drillholes and geophysical interpretation for ease of discussion and targeting.

AuKing propose to engage an experienced geophysicist to design deep penetrating EM geophysical surveys, based on an assessment of available technology and the results of historical surveys, across the most geologically prospective parts of the Mimosa Member of the KPF. The highest-ranking conductors detected would be tested by diamond drilling intersecting targets at least 150 m below surface. Regardless of lithologies intersected, drillholes would be surveyed with DHEM and the cores analysed for multi-elements with litho-geochemical analysis methods applied, effectively increasing the “search area” tested by each drillhole. CSA Global consider this strategy appropriate.

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4 Risks

4.1 Exploration and Geology Risks

A key risk, common to all exploration companies, is that expected mineralisation may not be present or that it may be too small to warrant commercial exploitation. The projects comprise a range of stages of advancement from early exploration through to advanced prospect. Risk is reduced at each stage. Exploration is an intrinsically risky process, particularly at an early stage.

The Competent Person considers the property-specific risks at a low to moderate potential to reasonably affect the reliability or confidence in exploration information obtained to date or exploration programs proposed in this Report.

The interpretations and conclusions reached in this report are based on current scientific understanding and the best evidence available at the time of writing.

4.2 Mineral Resources Risks

A number of opportunities for improvement were identified with the current Mineral Resources by CSA Global's review, which can all be readily incorporated in future model updates.

- The Mineral Resource models were created in 2009 and 2010, and the mineralisation domains are based upon lower cut-off grades for copper and zinc supported by economic considerations of that time. The resource models should be reviewed and revised if alternative lower cut-off grades for the domains are warranted. Alternative cut-off grades for mineralisation located within potential open pit and underground locations should be considered.
- A comprehensive review of sampling and associated quality assurance/quality control (QAQC) monitoring programs should be instigated. Limited supporting documentation related to RC drilling and sampling, and QAQC results has been located.
- Further drilling should adopt a comprehensive QAQC monitoring program, including the use of field duplicates for RC drilling, a representative suite of standards to be used, laboratory duplicates and umpire analyses.
- An audit of the drillhole database should be carried out to ensure the integrity of the database (including but not limited to database security, and correct populating of tables with data) is sufficient to support the Mineral Resource and future mining studies.

4.3 Land Access Risks

Native title claims exist over all AuKing's tenement areas. All exploration activities are required to be undertaken in line with relevant legislation, thus involving negotiations with Traditional Owners through the Kimberley Land Council. This process has hindered exploration in the past and there is risk that future exploration and development activities may encounter delays. In mitigation of this risk, AuKing has informed CSA Global that all granted titles have exploration deeds in place which ensures access to the tenure and defines the terms of any subsequent mining agreement.

4.4 Development and Operation Risks

Risks common to all mineral projects also apply – environmental, permitting, legal, title, taxation, socio-economic, marketing, and political issues.



5 Proposed Exploration Budget and Use of Funds

AuKing provided CSA Global with a copy of their planned expenditure for its projects for an initial two-year period following the planned capital raising. This was based on the exploration strategy and is discussed in Section 3. A proposed exploration budget for a two-year period is presented in Table 6.

Table 6: Proposed two-year exploration activity summary

Exploration activity Item	Year 1 (A\$)	Year 2 (A\$)	TOTAL (A\$)
Salaries and wages	100,000	100,000	200,000
Contract labour	25,000	25,000	50,000
Travel and accommodation	40,000	30,000	70,000
Communications	4,000	4,000	8,000
Freight	10,000	5,000	15,000
Tenure rents	47,000	47,000	94,000
Tenure rates	44,000	44,000	88,000
Contractors/consultants	55,000	55,000	110,000
Tenement administration	35,000	35,000	70,000
Geophysical surveys	130,000	20,000	150,000
Site preparation	10,000	10,000	20,000
Environmental monitoring	2,500	2,500	5,000
Project studies	25,000	100,000	125,000
Drilling (RC)	-	150,000	150,000
Drilling (diamond)	375,000	225,000	600,000
Assays	25,000	25,000	50,000
Native Title/Land compensation	10,000	10,000	20,000
Metallurgical testwork (Phase Ia)	70,000	-	70,000
Metallurgical testwork (Phase Ib)	-	80,000	80,000
Vehicles	20,000	20,000	40,000
Total expenditure	1,027,500	987,500	2,015,000

The proposed budgets are considered consistent with the exploration potential of AuKing's projects and considered adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the tenements.

The mineral properties held by AuKing are considered to be "exploration projects" that are intrinsically speculative in nature. The Onedin and Sandiego deposits are at the "advanced exploration" stage where Mineral Resources have been defined, while the remainder of the Koongie Park project area is at the "exploration" stage but with a number of prospects with significant mineralisation intersected in multiple drillholes. CSA Global considers the projects to have sound technical merit and to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programs.

At least half of the liquid assets held, or funds proposed to be raised by AuKing, are understood to be committed to the exploration, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). CSA Global also understands that AuKing has sufficient working capital; to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

AuKing has prepared staged exploration and evaluation programs, specific to the potential of the projects, which are consistent with the budget allocations, and warranted by the exploration potential of the projects. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

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7 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia (www.wikipedia.org).

aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the Earth's magnetic field.
anomaly	An area where exploration has revealed results higher than the local background level.
assay	The testing and quantification metals of interest within a sample.
carbonate	Rock or mineral dominated by the carbonate ion (CO_3^{2-}), of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and carbon and oxygen. Essential component of limestones and marbles.
craton	An old and stable part of the continental lithosphere.
diamond drilling	Drilling method employing a (industrial) diamond encrusted drill bit for retrieving a cylindrical core of rock.
domain	Geological zone of rock with similar geostatistical properties; typically a zone of mineralisation.
dyke	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
fault	A wide zone of structural dislocation and faulting.
geochemical survey	Exploration methods involving sampling regolith materials and analysing for trace element concentrations of metals and pathfinder elements.
geophysical survey	Exploration methods involving the remote detection of geological structures and mineral deposits by physical measurements of forces or fields (e.g. magnetic, gravity, electrical).
granite	A coarse-grained igneous rock containing mainly quartz, feldspars and micas.
ground magnetic	Geophysical survey method using a hand-held magnetometer to record the strength of the earth's magnetic field usually along a grid.
intrusive	Any igneous rock formed by intrusion and cooling of hot liquid rock below the earth's surface.
lithology	The description of a rock unit's physical characteristics visible in hand or core samples, such as colour texture grain-size and composition.
lode	A deposit of metalliferous ore formed in a fissure or vein.
mafic	Igneous rock composed dominantly of dark coloured minerals such as amphibole pyroxene and olivine, generally rich in magnesium and iron.
magnetite	Iron oxide mineral with chemical formula Fe_3O_4 , hard, dense, black to grey, noted for ferrimagnetic properties – can be magnetised to become a magnet.
magnetic anomaly	Zone where the magnitude and orientation of the earth's magnetic field differs from adjacent areas, typically caused by magnetic properties of basement rocks.
metamorphic	A rock that has been altered by metamorphism from a pre-existing igneous or sedimentary rock type.
Monzogranite	Biotite granite rocks that are considered to be the final fractionation product of magma.
outcrop	A visible exposure of bedrock or ancient superficial deposits on the surface of the Earth.
porphyritic	Igneous rock texture in which large crystals (phenocrysts) are set in finer ground mass.
Proterozoic	The second oldest Eon (geologic time period), pertaining to rocks older than 541 Ma (million years) and younger than about 2,500 Ma.



RC drilling	Reverse circulation. A percussion drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
schist	A metamorphic rock dominated by fibrous or platey minerals, with a strongly foliated fabric (schistose cleavage).
sedimentary	A term describing a rock formed from sediment.
shear	A deformation resulting from stresses that cause rock bodies to slide relatively to each other in a direction parallel to their plane of contact.
strata	Sedimentary rock layers.
stratigraphic	Pertaining to the composition, sequence and correlation of stratified rocks.
strike	Horizontal direction or trend of a geological strata or structure.
structural	Pertaining to rock deformation or to features that result from it.
volcanics	Rocks formed or derived from volcanic activity.

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8 Abbreviations

°C	degrees Celsius
3D	three-dimensional
A\$	Australian dollars
AAR	Anglo Australian Resources NL
AAS	atomic absorption spectroscopy
Ag	silver
AIG	Australian Institute of Geoscientists
ASX	Australian Securities Exchange
ASIC	Australian Securities and Investments Commission
Au	gold
AuKing	AuKing Mining Limited
AusIMM	Australasian Institute of Mining and Metallurgy
BOCO	base of complete oxidation
cm	centimetre(s)
Cr	chromium
CSA Global	CSA Global Pty Ltd
Cu	copper
D&S	Dempers and Seymour
DHEM	downhole electromagnetic (geophysical survey)
DMIRS	Department of Mines, Industry Regulation and Safety (WA)
EM	Electromagnetic (geophysical survey)
Ga	billion years ago
GSWA	Geological Survey of Western Australia
g/t	grams per tonne
ha	hectare(s)
IDS	inverse distance squared
IP	induced polarisation (geophysical survey)
ITAR	Independent Technical Assessment Report
JORC	Joint Ore Reserves Committee
JORC Code	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JV	joint venture
k	thousand(s)
km	kilometre(s)
km ²	square kilometre(s)
KPF	Koongie Park Formation
kt	thousand tonnes
L	litre
Lachlan	Lachlan Resources
M	million(s)
Ma	million years ago
MAIG	Member of the Australian Institute of Geoscientists
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
METS	METS Engineering Group



MGA	Map Grid of Australia
mm	millimetres
Mt	million tonnes
Ni	nickel
OES	optical emission spectroscopy
OK	ordinary kriging
Pb	lead
Pd	palladium
PGE	platinum group element
ppm	parts per million; a measure of concentration
Pt	platinum
QAQC	quality assurance and quality control (for sampling and assaying)
RC	reverse circulation (drillhole)
RL	reduced level
t	tonne(s)
t/m ³	tonnes per metres cubed
tpa	tonnes per annum (per year)
TEM	transient electromagnetic (geophysical survey)
VALMIN	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
VMS	volcanogenic massive sulphide
WA	Western Australia
Zn	zinc

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Appendix A JORC Code Table 1 – Onedin Deposit Mineral Resource Estimates

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	Commentary																					
Sampling techniques	<p>NQ diamond core samples were half cored prior to submission to the analytical laboratory.</p> <p>Reverse circulation (RC) drilling was used to obtain 1 m samples, which were reduced in size to produce a sample of approximately 1–2 kg in weight, which were ticketed prior to dispatch to the analytical laboratory.</p> <p>No further discussions surrounding RC drilling were documented by the previous operators of the Koongie Park project.</p> <p>The Competent Person considers the diamond core and RC sampling methods to be appropriate for the style of mineralisation.</p>																					
Drilling techniques	<p>Drilling conducted at Onedin is as per the table below.</p> <p>Diamond drillholes are either HQ or NQ diameter. HQ holes were used for metallurgical testwork and NQ holes were used to support the Mineral Resource estimate.</p> <p>The rotary air blast (RAB) drillholes were not used in the Mineral Resource estimate.</p> <p>The Competent Person considers the diamond core and RC drilling techniques to be appropriate for the style of mineralisation.</p> <table><tr><th>Hole type</th><th>No. of holes</th><th>Drill metres</th></tr><tr><td>Diamond</td><td>28</td><td>7,682.5</td></tr><tr><td>Percussion</td><td>17</td><td>1,018</td></tr><tr><td>RAB</td><td>39</td><td>326</td></tr><tr><td>RC</td><td>32</td><td>3,993</td></tr><tr><td>RC with diamond tail</td><td>22</td><td>5,790.3</td></tr><tr><td>Total</td><td>138</td><td>18,809.9</td></tr></table>	Hole type	No. of holes	Drill metres	Diamond	28	7,682.5	Percussion	17	1,018	RAB	39	326	RC	32	3,993	RC with diamond tail	22	5,790.3	Total	138	18,809.9
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Drill sample recovery	<p>RC samples were visually assessed, and an assessment made according to the sample recovery, usually 100%.</p> <p>Diamond core recovery was generally excellent.</p> <p>With high recovery, the relationship between recovery and grade was not an issue.</p> <p>The Competent Person considers the level of sample recoveries to be appropriate for supporting the Mineral Resource estimate.</p>																					
Logging	<p>RC chip samples were geologically logged to a level of detail sufficient to support the Mineral Resource estimate.</p> <p>All diamond drill core sampled up to 2006 was relogged by a single, experienced geologist to ensure consistency in the geological logging. The same geological logging template was used for subsequent diamond drilling up until the preparation of the 2009 Mineral Resource estimate.</p> <p>Photographs of all core were taken.</p> <p>The Competent Person considers the geological logging procedures to be appropriate for the style of mineralisation.</p>																					
Subsampling techniques and sample preparation	<p>Diamond core was cut in half using a diamond saw, with one half of the sample bagged for transportation to the analytical laboratory.</p> <p>No documentation is available regarding the sampling of RC drillholes. It is assumed that procedures adopted were to industry standard at the time of drilling.</p> <p>The sampling techniques are considered appropriate such that the samples could be used to support the Mineral Resource estimate.</p> <p>Field duplicates were not utilised for the RC drilling.</p> <p>The Competent Person considers the sampling preparation techniques and sample sizes are considered appropriate to the grain size of the material being sampled.</p>																					

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Criteria	Commentary
Quality of assay data and laboratory tests	<p>Diamond drill core and RC chip samples were submitted to Genalysis Laboratory Services in Perth, Western Australia (WA). Each sample was analysed for gold, silver, copper, lead, zinc, barium, arsenic, bismuth, antimony, nickel, cobalt, iron, and magnesium.</p> <p>Ore grade samples were subjected to a modified four-acid (HF, HNO₃, HClO₃, HCl) digest followed by optical emission spectroscopy (OES) analysis for all elements excluding gold. Gold was analysed by Fire Assay with atomic absorption spectroscopy finish (AAS) using a 50 g charge. This technique is considered total.</p> <p>Samples without visible mineralisation were treated by a normal four-acid (HF, HNO₃, HClO₃, HCl) digest followed by OES analysis for all elements excluding gold. These samples were analysed for gold by aqua regia digest of a 50 g charge followed by solvent extraction and flame AAS (Code B5/SAAS).</p> <p>Quality control (QC) procedures utilised included certified reference materials (CRMs, or "standards"), blanks and umpire analyses of sample pulps.</p> <p>Standards for the 2006 drilling program were supplied by Geostat and comprised two "low grade oxide" and two "high grade sulphide" samples. Results for copper and lead mostly fall within 2 standard deviations (SDs) and all within 3 SDs. Results for zinc were considered to be poor quality, and erratic over time, with two results falling outside 3 SDs. However, the average result falls within 1 SD. The poor and erratic results were attributed to a function of the high-grade nature of the standard, with a high degree of scatter also observed on the umpire analyses results.</p> <p>The blank standard submitted during the 2006 drilling showed good results for lead and zinc, but poor for copper, which was attributed to possible sample contamination during sample preparation. The amount of contamination was not considered to be significant.</p> <p>A total of 210 umpire check samples were submitted to Ultratrace laboratory at the completion of the 2006 drill program, with strong correlation between the original and umpire results.</p> <p>An additional six RC drillholes were drilled subsequent to the 2006 program and completion of the 2009 Mineral Resource estimate. No QC was independently submitted by the property owner at the time. The 2009 Mineral Resource relied upon the internal laboratory QC results for those holes.</p> <p>The Competent Person considers the analytical techniques used and the QC protocols and results to be appropriate for the style of mineralisation and support the reporting of the Mineral Resource.</p>
Verification of sampling and assaying	<p>Significant intercepts were verified by independent geologists from CSA Global Pty Ltd (CSA Global) during the 2006 drilling and relogging program, and by senior Anglo Australian Resources NL (AAR) geological personnel.</p> <p>Twin drilling was not used.</p> <p>CSA Global managed the drillhole database during the 2006 drilling and relogging program and imported all assays into a secure relational database. CSA Global procedures were followed regarding data entry and storage.</p> <p>No adjustments were made to assay data.</p> <p>The Competent Person considers the data verification work carried out was sufficient to support the reporting of the Mineral Resource.</p>
Location of data points	<p>Drillhole collars were surveyed by licensed surveyors using a differential global positioning system (GPS).</p> <p>Historical holes were surveyed in Australian Map Grid (AMG) and these collars were later translated to GDA. All holes were translated to a local mine grid using a two-point transformation.</p> <p>A topographic digital terrain model (DTM) was constructed using contour data derived from aerial photography flown in November 2007, with a horizontal spatial accuracy of 4 cm and vertical accuracy of 3 cm. The DTM is considered of adequate quality to support the Mineral Resource estimate.</p> <p>The Competent Person considers the data survey work carried out was sufficient to support the reporting of the Mineral Resource.</p>
Data spacing and distribution	<p>Drillholes are mostly orientated along an east-west line, with holes spaced between 25 m and 50 m along strike (north-south) and spaced 25 m along the drill line.</p> <p>Drillhole spacing is considered sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation procedures and classifications applied.</p> <p>Drillholes were not composited prior to geological modelling or Mineral Resource estimation.</p>

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Criteria	Commentary
Orientation of data in relation to geological structure	The orientation of the drillholes is orthogonal to the strike of mineralisation and limits the amount of bias in drill sampling as much as possible. The Competent Person considers the orientation of drillholes with respect to the attitude of the lithologies and/or structures hosting mineralisation was sufficient to support the reporting of the Mineral Resource.
Sample security	Following the sampling procedures carried out at the drill site, the samples were transported by company personnel to the project sample yard in Halls Creek, where the diamond core samples were prepared, and all samples bagged and ticketed. All samples were placed in large poly-weave bags for road transportation to the analytical laboratory in Perth by a local courier service. The Competent Person considers the security of sample data through the sampling and analytical processes was sufficient to support the reporting of the Mineral Resource.
Audits or reviews	All historical drill samples were geologically relogged in 2006 by CSA Global personnel, to remove inconsistencies in logging as had been noted by AAR personnel. No reviews are known to have been carried out for sampling procedures. The Competent Person was provided a level of comfort following a review of reports compiled during the time of drilling and sample analyses.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	Commentary
Mineral tenement and land tenure status	The Koongie Park tenure package comprises 10 tenements with two mining leases and eight exploration licences. The total tenement area is approximately 507 km ² . AuKing Mining Limited (AuKing) has purchased the rights to base metal for these tenements from the holders AAR. The rights to gold deposits is retained by AAR, with the rights to gold associated with predominantly base metal deposits with AuKing. The primary mineral assets, the Onedin and Sandiego copper-zinc-gold-silver deposits, lie within the granted mining leases M80/277 and M80/276, which expire in 2031.
Exploration done by other parties	The Koongie Park project area has been explored for base and precious metals on an intermittent basis since 1972. In 1972–1977, Kennecott pegged tenements over known copper-lead-zinc-silver gossans as part of its Gordon Downs 3 project. Work included geological and structural mapping, rock chip and soil sampling, diamond and percussion drilling. This work outlined significant base metal mineralisation hosted by chert, banded iron formations and carbonate-rich assemblages at Onedin, Sandiego, Hanging Tree and Gosford. Drilling immediately followed at these four prospects, with 29 RC holes with diamond tails, with the most significant deposit defined from this work at Sandiego. During 1978–1979, Newmont continued testing the known mineralisation, using extensive trenching, percussion and diamond drilling, detailed geophysics including ground magnetic surveys and low level aeromagnetic surveys, which failed to locate significant extensions of the mineralisation in the known prospects. In 1980, North Broken Hill concentrated on testing the supergene enriched zone at the base at the Sandiego prospect. In 1983–1988, Asarco Australia Ltd carried out RAB drilling in the Mimosa sub-member, along strike of the known mineralisation, locating several significant geochemical anomalies, although not of sufficient grade to support a Mineral Resource estimate. The drilling was to fixed depth and only the bottom of the hole was sampled. Asarco also completed limited work on the supergene gold and base metal potential at Sandiego. This work indicated a resource at Sandiego of 0.33 Mt of supergene ore at 6.7% Cu and 288 g/t Ag and 4.3 Mt of primary ore grading 0.5% Cu, 0.8% Pb, 7.9% Zn and 31 g/t Ag. Limited testing was undertaken for gold in the sulphide deposits. In 1988–1989, BP Minerals and RTZ Mining went into a joint venture (JV) with Asarco and continued testing the gold potential by re-assaying split core samples for gold, which did not identify any significant base metal mineralisation. RTZ Mining sold the property to AAR in 1989. In 1989–1994, Billiton Australia and AAR identified extensions of known mineralisation at Onedin. Billiton carried out a broad-based exploration program including limited RC and diamond drilling. A grade-tonnage estimate for the Onedin prospect was prepared, for 1 Mt @ 11% Zn, 1% Cu and 1% Pb.

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Criteria	Commentary
	<p>In 1995–2002, Lachlan Resources and AAR concentrated on identifying shallow resources at Sandiego and Onedin with percussion and diamond drilling programs. Two polygonal Mineral Resources were estimated for Sandiego in 1996 and 1997.</p> <p>AAR was sole tenure holder of the properties between 2002 and 2020. AAR drilled 245 RC and diamond drillholes encompassing 50,417 m, focusing on Mineral Resource, metallurgical and geotechnical drilling at the Sandiego and Onedin base metal deposits. Since 2011, AAR has focused on gold exploration, with little exploration for base metals occurring on the property.</p> <p>AAR reported Mineral Resources for Onedin in 2006, 2008 and 2009, the latter of which is reported in the body of this report and detailed in Section 3 of this table.</p> <p>The Competent Person considers the historical work incrementally over time built up an understanding of the geological characteristics of the deposit, and all historical work provides useful information.</p>
Geology	<p>Rocks of the Koongie Park property are assigned to the Lamboo Province, of Palaeoproterozoic age (1910–1805 Ma), which formed within the northwest trending Halls Creek Orogen.</p> <p>The Central Zone of the Lamboo Province comprises turbiditic metasedimentary and mafic volcanic and volcanoclastic rocks of the Tickalara Metamorphics, deposited by 1865 Ma. These rocks were intruded by tonalitic sheets and deformed and metamorphosed between 1865–1856 Ma and 1850–1845 Ma. A younger succession of rocks comprising the sedimentary rocks and mafic and felsic volcanic rocks of the Koongie Park Formation (KPF) were deposited in a possible rifted arc setting at around 1843 Ma. Layered mafic-ultramafic bodies were intruded into the Central Zone at 1856 Ma, 1845 Ma and 1830 Ma. Large volumes of granite and gabbro of the Sally Downs Supersuite intruded the Central Zone during the Halls Creek Orogeny at 1835–1805 Ma. Researchers interpret the Central Zone to be an arc-like domain developed on a continental fragment.</p> <p>The KPF within the Koongie Park property is broadly characterised as metamorphosed low-grade composed of mafic and felsic volcanic and associated sedimentary facies including sandstone, mudstone, carbonate, chert and ironstone intruded by rhyolitic to rhyodacitic sills, dolerite bodies and basalt dykes. The KPF hosts numerous base metal occurrences and two significant base metal deposits.</p> <p>The upper unit of the KPF composes felsic volcanic units, carbonate, ironstone, chert, mudstone, quartz-bearing volcanoclastic beds and lithic sandstone. Currently known base metal prospects are concentrated in the upper KPF at Koongie Park (i.e. the trend which includes Sandiego and Onedin deposits).</p> <p>Both, the Sandiego and Onedin deposits are situated within the limbs of intensely folded, higher order, double-plunging anticlinal structures that have been interpreted from magnetic images. The axial planes of the fold structures appear to be upright to south-southeast dipping. They trend northeast, sub-parallel to the regional transcurrent and anastomosing fault systems that dominate the Halls Creek Orogen.</p> <p>The massive sulphide deposits of Koongie Park have been traditionally classified as volcanogenic massive sulphide (VMS) deposits. A PhD study concluded in 2002 proposed that the best model for the base metal occurrence is as a sub-horizontal basin floor replacement VMS. CSA Global concurs and considers the weight of evidence supports their interpretation as VMS deposits. Thus, the deposits are interpreted to have been formed around the time of deposition of the host volcanic and sedimentary strata in which they are bound and generally in bedding parallel lenses. Hydrothermal fluids associated with volcanic activity is interpreted to have been the source of the metals and other constituents of the mineralisation.</p> <p>Sphalerite is the main sulphide in the primary mineralisation at Onedin with subordinate pyrrhotite-pyrite-chalcocopyrite-galena. Sphalerite chiefly occurs as fine-grained masses. In general, the sulphides exhibit replacement textures and show evidence of mobilisation, which is a result of deformation and metamorphism subsequent to initial formation.</p> <p>The KPF exhibits a deep weathered profile at Sandiego and particularly Onedin, resulting in three weathering domains – oxidised zone at surface, primary zone at depth, and the transition zone in between. Each zone has very different mineral assemblages and consequently very different metallurgical properties.</p> <p>The oxidised zone consists of completely oxidised material, above the base of complete oxidation (BOCO) surface. This surface is on average about 100 m below ground level. It is undulating and deepens significantly in the vicinity of steeply dipping faults. The transition zone consists of partially oxidised material and is located between BOCO and the top of fresh rock (TOFR). Supergene mineralisation is comprised of secondary mineralisation hosted in the oxidised and transition zones. Gossans are developed at surface above the mineral deposits.</p>

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Criteria	Commentary
	<p>Supergene mineralisation at Onedin is well developed with the bulk of the deposit located in the oxidised and transition zones. Significant supergene enrichment of copper has occurred with a range of secondary copper minerals present: malachite, chrysocolla, bornite, covellite, chalcocite, cuprite, digenite and native copper. Moreover, a major sub-horizontal torpedo-shaped lens of supergene copper 200 m in length straddles the oxide and transition zone. Lead is also relatively enriched in gossans above the TOFR surface where it occurs as the minerals pyromorphite and cerussite. Localised occurrences of secondary zinc are also present in the form of smithsonite; however, zinc is generally depleted in the oxide zone.</p> <p>Alteration of the rock assemblages is recognised at Onedin but owing to the structural complexity and strong deep oxidation, it is not possible to identify clear alteration zoning.</p>
Drillhole information	<p>Drillhole information is not included here because all RC and diamond core drillholes were used to support the Mineral Resource estimate.</p> <p>The distribution of zinc, lead, copper, silver and gold grades through the Mineral Resource block model fairly reflects the downhole location and tenor of mineralisation in the drillholes.</p>
Data aggregation methods	<p>Exploration results are not reported here, with all RC and diamond core drillholes used to support the Mineral Resource estimate.</p> <p>Compositing of sample data as carried out in support of the Mineral Resource estimate is discussed in Section 3 of this Table.</p>
Relationship between mineralisation widths and intersection lengths	<p>The geometry of mineralisation was interpreted from drillhole results and incorporated into the Mineral Resource estimate.</p> <p>The orientation of the drillholes is orthogonal to the strike of mineralisation and limits the amount of bias in drill sampling as much as possible.</p> <p>The Competent Person considers the orientation of drillholes with respect to the attitude of the lithologies and/or structures hosting mineralisation was sufficient to support the reporting of the Mineral Resource.</p>
Diagrams	<p>Maps and cross sections of the Onedin deposit are presented in the body of this report.</p>
Balanced reporting	<p>Drillhole information is not included here because all RC and diamond core drillholes were used to support the Mineral Resource estimate.</p> <p>The distribution of zinc, lead, copper, silver and gold grades through the Mineral Resource block model fairly reflects the downhole location and tenor of mineralisation in the drillholes.</p>
Other substantive exploration data	<p>In 2006, AAR drilled one HQ diameter diamond drillhole for metallurgical testwork purposes. The drill core penetrated oxide, transitional and fresh rock zones, and the core half cored with the sample placed into a refrigerated container and subsequently transported to AMMTEC laboratories in Perth by refrigerated container for metallurgical testing.</p> <p>Downhole electromagnetic (DHEM) surveys were carried out on three holes at Koongie Park by Outer Rim Exploration/Southern Geoscience Consultants Pty Ltd. Holes SRCD21 and SRCD24 (Sandiego) and ORCD45 (Onedin) were logged.</p> <p>Density measurements were taken from 479 diamond core billets, sourced from five diamond drillholes. Samples were selected from every 1 m or 5 m downhole. Density measurements were carried out by AAR field staff at the Halls Creek sample yard. The core billets were initially wrapped in cling film, and density was determined using a conventional sample weight in air and then water. Samples with measured density values of >5 were discarded from the density database as these were considered too high for the style of mineralisation.</p>
Further work	<p>The Mineral Resource models were created in 2009 and 2010 and the mineralisation domains are based upon lower cut-off grades for copper and zinc supported by economic considerations of that time. The resource models should be reviewed and revised to alternative lower cut-off grades for the domains are warranted.</p> <p>A comprehensive review of sampling and associated QAQC monitoring programs should be instigated. Limited supporting documentation related to RC drilling and sampling, and QAQC results has been located.</p> <p>Further drilling should adopt a comprehensive QAQC monitoring program. Including the use of filed duplicates for RC drilling, a representative suite of standards to be used, laboratory duplicates and umpire analyses.</p> <p>An audit of the drillhole database should be carried out to ensure the integrity of the database (including but not limited to database security, correct populating of tables with data) is sufficient to support the Mineral Resource and future mining studies.</p>

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Section 3: Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

Criteria	Commentary
Database integrity	<p>Drillhole data is captured in a relational database "AARMAIN.mdb", prepared and maintained by AAR, which contains relevant information for drillhole collars, drill samples, assays, down hole surveys and density data. Other information also provided relates to soil sampling, termite mound sampling, structural geology and magnetic susceptibility.</p> <p>No records are available regarding procedures followed by AAR in the preparation and maintenance of the database.</p> <p>Drillhole data tables were imported into Datamine software by CSA Global during the preparation of the Mineral Resource estimates between 2006 and 2009, with many database issues noted which were reported to AAR for resolution. All issues were resolved by AAR prior to CSA Global progressing with the Mineral Resource estimates.</p> <p>The Competent Person considers the database integrity to be appropriate to support the reporting of a Mineral Resource.</p>
Site visits	<p>The Competent Person (Mineral Resources) has not visited the Koongie Park project.</p> <p>Alternate personnel from CSA Global visited site during 2006 as part of managing the drilling programme. The CSA Global geologists carried out daily inspections of the drilling rig and associated sampling equipment, supervised the sampling programs, geologically logged all RC chips and diamond core, including relogging of historical drill samples, and geologically mapped the project area.</p> <p>All work conducted was to industry standards and the Competent Person is satisfied all geological work carried out can be used to support the Mineral Resource.</p>
Geological Interpretation	<p>The Competent Person regards the geological understanding of the Onedin deposit to be of a high standard, with regards to the quantity and quality of drill sampling and geophysics supporting the geological interpretations.</p> <p>Surface geological mapping and geological logs of diamond drill core, and RC chips, along with sample assays were all used to assist with the geological interpretation.</p> <p>Alternative interpretations were not considered, with the interpretation as used considered to best represent the geological knowledge of the deposit.</p> <p>The geological models control the interpolation of the grades into the resource model to prevent smearing of grades into the country rock.</p> <p>Mineralisation is hosted within both the weathered and fresh rock profiles, and the continuity is determined by the proto-mineralogy within the supergene profile, and lithology and structural controls within the primary rock profile.</p> <p>Supergene mineralisation at Onedin is well developed as the bulk of former primary mineralisation is located in the oxidised and transition zones. In particular, copper seems especially prone to supergene enrichment as reflected by the range of secondary copper minerals recorded at Onedin. Lead is also relatively enriched in gossans above the TOFR surface.</p> <p>The bulk of primary mineralisation is associated with the carbonate zone. There is also a strong structural control on mineralisation, and it appears to be concentrated in the core and limbs of the fold structure with some degree of remobilisation.</p> <p>The geological interpretation was guided firstly by geology, and secondly by grade envelopes to constrain mineralisation. Zinc domains were based upon a lower cut-off grade of 1% Zn, and below the TOFR interface; copper domains were based upon a lower cut-off of 0.5% Cu. Up to 2 m of internal dilution was permitted during the interpretation of the mineralisation domains. Some overlap of the zinc and copper zones occurs.</p>
Dimensions	<p>The Mineral Resource extends along strike 260 m, across strike by 210 m and has a depth extent below surface of 450 m.</p>
Estimation and modelling techniques	<p>Datamine Studio was used for the geological modelling, block model construction, grade interpolation and validation. GeoAccess Professional software was used for geostatistical analyses.</p> <p>A block model with block sizes 5 m (X) x 10 m (Y) x 10 m (Z) was constructed. Sub-celling was used. The block sizes are approximately half the tightest drill spacing. Blocks were flagged according to the weathering and mineralisation envelopes.</p> <p>Drill sample data were flagged by the mineralisation, lithological and weathering domain envelopes, with variables MZONE, LITH and WEATH used. Drillholes were sampled at 1 m intervals and the drill</p>

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Criteria	Commentary
	<p>samples were accordingly composited to 1 m lengths. Composited sample data were statistically reviewed to determine appropriate top cuts, with top cuts applied for zinc, copper, lead, silver, and gold where required. Log probability plots were used to determine the top cuts, and the very high-grade samples were reviewed in Datamine by the Competent Person to determine if they were clustered with other high-grade samples.</p> <p>Sample populations were split by the copper and zinc mineralisation domains, as supported by a statistical analysis of assay data.</p> <p>The composited drill samples were input into variogram modelling. Downhole and directional variograms were modelled for zinc and copper within the combined mineralisation domains and by weathering profile. Moderate relative nugget effects were modelled, with short ranges approximately 50 m for zinc and copper. The “best” directional variogram in the oxide domain plunges 40° south in the plane of mineralisation (striking north-south).</p> <p>Grade interpolation used ordinary kriging (OK) for the zinc, copper and lead grade variables and inverse distance squared (IDS) for the silver and gold grade variables. The IDS estimation was also used as a check estimate to ensure the OK estimates were valid. All sub-blocks were assigned the grade of their parent block. Cell discretisation was used in each estimate. A sample search ellipse of 100 m x 100 m x 30 m (perpendicular to strike) was used, with a minimum of four samples and maximum of 12 samples used to interpolate grade into any one block. A minimum of five samples per drillhole was used for grade interpolation. Search radii were increased, and the minimum number of minimum samples reduced in subsequent sample searches if cells were not interpolated in the first pass. Octant searches were not used.</p> <p>Grades were estimated into the waste domains using IDS.</p> <p>The Mineral Resource was an update of the 2008 Mineral Resource estimate, with additional drillholes incorporated.</p> <p>The interpolated grades were validated by way of review of cross sections (block model and drill samples presented with same colour legend); swath plots, and comparison of mean grades from drillhole data with block model grades.</p> <p>The Competent Person considers the procedures used to construct the block model and interpolate grades are appropriate for the style of mineralisation and reflect industry accepted practices.</p>
Moisture	Tonnages are estimated on a dry basis.
Cut-off parameters	The Onedin Mineral Resource is reported above a cut-off grade of 3% Zn for the zinc and mixed zinc-copper zones; and above a cut-off of 0.8% Cu for the copper zone.
Mining factors or assumptions	<p>In 2007, Holly Mining & Associates and Brian Speechley were commissioned by AAR to undertake a preliminary mining assessment of the Sandiego and Onedin deposits. This study established two potential mining operations: underground only at both Sandiego and Onedin; and an open pit operation at Onedin. No major mining problems were identified in this study; however, further work was subject to metallurgical recoveries.</p> <p>In 2008, internal mining study work by AAR focused on underground mining of the sulphide and transition zones at Sandiego, with construction of a 500 tpa processing plant (using flotation technologies) with a 4–5 year operating life with Onedin development having the capacity to extend project life to eight years mining Sandiego transition and sulphide ore. A conceptual study was also completed on open pit mining of Onedin based on conceptual metallurgical recoveries.</p>



Criteria	Commentary
Metallurgical factors or assumptions	<p>Significant metallurgical testwork has been undertaken on the Koongie Park deposits by various explorers since the 1970s. Early work was effectively superseded by a major metallurgical testwork campaign undertaken by AAR from 2006. The metallurgical testwork established that saleable copper and zinc concentrates could be produced from the sulphide mineralisation at Sandiego and Onedin but work on the transitional material (using conventional flotation techniques) was challenging. The 2007 testwork included 96 metallurgical sample tests on different ore types from Onedin and Sandiego to underpin a mineral processing flowsheet for economic study work.</p> <p>In 2009, AAR engaged Noel O'Brien of Trinol Pty Ltd to review the more than 300 metallurgical tests that had then been completed over the various ore types at Sandiego and Onedin, with a focus on the application of flotation recovery techniques. This study concluded: The metallurgy of the Sandiego transition and primary zones, whilst complex, is amenable to established flotation technology. The Onedin primary zone is amenable to the same flotation technology and can be processed through the same plant with minor modifications. The Onedin transition zone contains most of its value in the form of zinc oxide minerals and is not amenable to conventional flotation recovery but extraction by hydrometallurgy is possible. The Onedin oxide zone contains copper in the form of malachite which may be amenable to hydrometallurgy. Conventional flotation flowsheets were designed for processing the Onedin and Sandiego sulphide mineralisation. Project economics are very sensitive to metal recoveries and the grade of concentrate achieved. The O'Brien study recommended further testwork focused on being as near to actual plant operating conditions as possible. Further testwork should encompass a continuous pilot-scale test facility.</p> <p>AAR engaged a number of metallurgical/mineral processing specialists to review the possibilities of implementing novel treatment processes to treat the problematic transitional and oxide ores of Koongie Park during period 2009 to 2012 (Galvanox, Albion). Meaningful trials recommended were not implemented. No metallurgical work has been undertaken from 2012 to the present.</p>
Environmental factors or assumptions	<p>The project is not located in an environmentally sensitive area. Several scoping studies have been undertaken, with no major environmental or other factors identified which would prevent the project from proceeding.</p> <p>It has been assumed that environmental factors can be effectively managed to allow the project to be brought into production.</p> <p>Anthropological, ethnographic surveys and environmental surveys have been undertaken prior to surface disturbance associated with exploration activities, with clearance being achieved over the majority of the deposit footprints. Identified sites have been placed in the public record.</p>
Bulk density	<p>The method for density measurements is discussed in Section 2 "Reporting of Exploration Results".</p> <p>Diamond core billets were wrapped in cling film prior to immersion in water to prevent filling of cavities with water.</p> <p>A drillhole file was generated in Datamine capturing the density data, and this drill file was flagged by weathering and mineralisation domain in the same manner as the drillhole assays. The flagged density population was statistically analysed, with average density values determined for each mineralisation zone within each weathering zone. The following density values were applied per combination of domain:</p> <ul style="list-style-type: none"> • Oxide Zone (Cu domain only) = 2.38 • Transitional Zone; Zn zone = 2.56, Cu Zone = 3.26, Zn+Cu zone=2.75 • Primary zone; Zn Zone = 3.14, Cu Zone = 3.21, Zn + Cu Zone = 3.16. <p>The Competent Person considers the procedures used to measure sample bulk density, and the density values assigned to the Mineral Resource, are appropriate for the style of mineralisation.</p>
Classification	<p>The Mineral Resource has been classified following due consideration of all criteria contained in Section 1, Section 2 and Section 3 of JORC 2012 Table 1.</p> <p>The Mineral Resources were classified based upon drillhole spacing, quality of sampling and sample analyses, quantity of density measurements, and the relative confidence in the geological interpretation. This Mineral Resource is supported by a high level of confidence in the geological interpretations, sufficient to assume geological and grade continuity to satisfy an Indicated classification.</p> <p>All blocks within the Onedin Mineral Resource are classified as Indicated (CLASS = 2).</p> <p>Waste blocks are recorded as unclassified (CLASS=4).</p> <p>The final classification strategy and results appropriately reflect the Competent Person's view of the deposit.</p>

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Criteria	Commentary
Audits or reviews	<p>The Mineral Resource estimate was internally peer reviewed by CSA Global prior to release of results to AAR in 2009. CSA Global reviewed the data collection, QAQC, geological modelling, statistical analyses, grade interpolation, density measurements and resource classification strategies. The Competent Person relies upon the opinions of the peer reviewers when classifying the Mineral Resource and is satisfied that the reviews were impartial and provided useful critique where necessary.</p> <p>No other audits or reviews are known to have occurred since 2009.</p>
Discussion of relative accuracy/confidence	<p>Relevant tonnages and grade above nominated cut-off grades for copper and zinc are provided in this report. Tonnages were calculated by filtering all blocks above the cut-off grade and sub-setting the resultant data into bins by mineralisation domain. The volumes of all the collated blocks were multiplied by the dry density value to derive the tonnages.</p> <p>The Mineral Resource is a local estimate, whereby the drillhole data was geologically domained above nominated cut-off grades.</p> <p>The Mineral Resource does not provide a calculated tonnage and grade, rather it provides the reader with estimated "median" values about which can be inferred a range based upon the resource classification. The Indicated volumes are interpreted to have a tighter range of tonnage and grade than the Inferred Resource volumes.</p>



Appendix B JORC Code Table 1 – Sandiego Deposit Mineral Resource Estimates

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	Commentary																		
Sampling techniques	<p>NQ diamond core samples were half cored prior to submission to the analytical laboratory.</p> <p>Reverse circulation (RC) drilling was used to obtain 1 m samples, which were reduced in size to produce a sample of approximately 1–2 kg in weight, which were ticketed prior to dispatch to the analytical laboratory.</p> <p>No further discussions surrounding RC drilling were documented by the previous operators of the Koongie Park project. It is assumed RC drilling and sampling were carried out in accordance with industry standards at the time of drilling.</p> <p>The Competent Person considers the diamond core and RC sampling methods to be appropriate for the style of mineralisation.</p>																		
Drilling techniques	<p>Drilling conducted at Sandiego is as per the table below.</p> <p>Diamond drillholes are either HQ or NQ diameter. HQ holes were used for metallurgical testwork and NQ holes were used to support the Mineral Resource estimate.</p> <p>The percussion drillholes are shallow holes and do not penetrate the mineralisation envelopes.</p> <p>62 diamond and RC holes have been drilled since 2008, the remaining holes during 1995–1996 at a time with no date of drilling recorded.</p> <p>The Competent Person considers the diamond core and RC drilling techniques to be appropriate for the style of mineralisation.</p> <table><tr><th>Hole type</th><th>No. of holes</th><th>Drill metres</th></tr><tr><td>Diamond</td><td>29</td><td>6,802.4</td></tr><tr><td>RC with diamond tail</td><td>37</td><td>11,528</td></tr><tr><td>RC</td><td>50</td><td>7,198</td></tr><tr><td>Percussion</td><td>5</td><td>321</td></tr><tr><td>Total</td><td>121</td><td>25,849.4</td></tr></table>	Hole type	No. of holes	Drill metres	Diamond	29	6,802.4	RC with diamond tail	37	11,528	RC	50	7,198	Percussion	5	321	Total	121	25,849.4
Hole type	No. of holes	Drill metres																	
Diamond	29	6,802.4																	
RC with diamond tail	37	11,528																	
RC	50	7,198																	
Percussion	5	321																	
Total	121	25,849.4																	
Drill sample recovery	<p>No documentation has been located regarding sample recoveries for the RC drilling.</p> <p>Diamond core recovery was generally excellent.</p> <p>With high recovery, the relationship between recovery and grade was not an issue.</p> <p>The Competent Person considers the level of sample recoveries to be appropriate for supporting the Mineral Resource estimate.</p>																		
Logging	<p>It is assumed by the Competent Person that RC chip samples were geologically logged to a level of detail sufficient to support the Mineral Resource estimate.</p> <p>All diamond drill core sampled up to 2006 was relogged by a single, experienced geologist to ensure consistency in the geological logging. The same geological logging template was used for subsequent diamond drilling up until the preparation of the 2009 Mineral Resource estimate.</p> <p>Photographs of all core were taken.</p> <p>The Competent Person considers the geological logging procedures to be appropriate for the style of mineralisation.</p>																		

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Criteria	Commentary
Subsampling techniques and sample preparation	<p>Diamond core was cut in half using a diamond saw, with one half of the sample bagged for transportation to the analytical laboratory.</p> <p>No documentation is available regarding the sampling of RC drillholes. It is assumed that procedures adopted were to industry standard at the time of drilling.</p> <p>The sampling techniques are considered to be appropriate such that the samples could be used to support the Mineral Resource estimate.</p> <p>Field duplicates were not utilised for the RC drilling. Sample sizes are considered appropriate to the grain size of the material being sampled.</p> <p>The Competent Person considers the sampling preparation techniques and sample sizes are considered appropriate to the grain size of the material being sampled.</p>
Quality of assay data and laboratory tests	<p>Diamond drill core and RC chip samples were submitted to Genalysis Laboratory Services in Perth, Western Australia. Each sample was analysed for gold, silver, copper, lead, zinc, barium, arsenic, bismuth, antimony, nickel, cobalt, iron and magnesium.</p> <p>Ore grade samples were subjected to a modified four-acid (HF, HNO₃, HClO₃, HCl) digest followed by optical emission spectroscopy (OES) analysis for all elements excluding gold. Gold was analysed by Fire Assay with atomic absorption spectroscopy finish (AAS) using a 50 g charge. This technique is considered total.</p> <p>Samples without visible mineralisation were treated by a normal four-acid (HF, HNO₃, HClO₃, HCl) digest followed by OES analysis for all elements excluding gold. These samples were analysed for gold by aqua regia digest of a 50 g charge followed by solvent extraction and flame AAS (Code BS/SAAS).</p> <p>Quality control (QC) procedures utilised included certified reference materials (CRMs, or "standards") and blanks. Field duplicates were not taken during the sampling programs.</p> <p>The standards have performed well over time, providing a good indication of laboratory precision and accuracy during the analyses of the Sandiego samples.</p> <p>The Competent Person considers the analytical techniques used and the QC protocols and results to be appropriate for the style of mineralisation and support the reporting of the Mineral Resource.</p>
Verification of sampling and assaying	<p>Significant intercepts were verified by independent geologists from CSA Global during the 2006 drilling and relogging program, and by senior Anglo Australian Resources NL (AAR) geological personnel.</p> <p>Twin drilling was not used.</p> <p>CSA Global managed the drillhole database during the 2006 drilling and relogging program and imported all assays into a secure relational database. CSA Global procedures were followed regarding data entry and storage.</p> <p>No adjustments were made to assay data.</p> <p>The Competent Person considers the data verification work carried out was sufficient to support the reporting of the Mineral Resource.</p>
Location of data points	<p>Drillhole collars were surveyed by licensed surveyors using a differential global positioning system (GPS).</p> <p>Historical holes were surveyed in Australian Map Grid (AMG) and these collars were later translated to GDA. All holes were translated to a local mine grid using a two-point transformation.</p> <p>A topographic digital terrain model (DTM) was constructed using contour data derived from aerial photography flown in November 2007, with a horizontal spatial accuracy of 4 cm and vertical accuracy of 3 cm. The DTM is considered of adequate quality to support the Mineral Resource estimate.</p> <p>The Competent Person considers the data survey work carried out was sufficient to support the reporting of the Mineral Resource.</p>
Data spacing and distribution	<p>Drillholes are mostly orientated along an east-west line, with holes spaced between 25 m and 50 m along strike (north-south) and spaced 25 m along the drill line.</p> <p>Drillhole spacing is considered sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation procedures and classifications applied.</p> <p>Drillholes were not composited prior to geological modelling or Mineral Resource estimation.</p>

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Criteria	Commentary
Orientation of data in relation to geological structure	The orientation of the drillholes is orthogonal to the strike of mineralisation and limits the amount of bias in drill sampling as much as possible. The Competent Person considers the orientation of drillholes with respect to the attitude of the lithologies and/or structures hosting mineralisation was sufficient to support the reporting of the Mineral Resource.
Sample security	Following the sampling procedures carried out at the drill site, the samples were transported by company personnel to the project sample yard in Halls Creek, where the diamond core samples were prepared, and all samples bagged and ticketed. All samples were placed in large poly-weave bags for road transportation to the analytical laboratory in Perth by a local courier service. The Competent Person considers the security of sample data through the sampling and analytical processes was sufficient to support the reporting of the Mineral Resource.
Audits or reviews	All historical drill samples were geologically relogged in 2006 by CSA Global personnel, to remove inconsistencies in logging as had been noted by AAR personnel. No reviews are known to have been carried out for sampling procedures. The Competent Person was provided a level of comfort following a review of reports compiled during the time of drilling and sample analyses.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	Commentary
Mineral tenement and land tenure status	The Koongie Park tenure package comprises 10 tenements with two mining leases and eight exploration licences. The total tenement area is approximately 507 km ² . AuKing Mining Limited (AuKing) has purchased the rights to base metal for these tenements from the holder AAR. The rights to gold deposits is retained by AAR, with the rights to gold associated with predominantly base metal deposits with AuKing. The primary mineral assets, the Onedin and Sandiego copper-zinc-gold-silver deposits, lie within the granted mining leases M80/277 and M80/276, which expire in 2031.
Exploration done by other parties	The Koongie Park project area has been explored for base and precious metals on an intermittent basis since 1972. In 1972–1977, Kennecott pegged tenements over known copper-lead-zinc gossans as part of its Gordon Downs 3 project. Work included geological and structural mapping, rock chip and soil sampling, diamond and percussion drilling. This work outlined significant base metal mineralisation hosted by chert, banded iron formations and carbonate rich assemblages at Onedin, Sandiego, Hanging Tree and Gosford. Drilling immediately followed at these four prospects, with 29 RC holes with diamond tails, with the most significant deposit defined from this work at Sandiego. During 1978–1979, Newmont continued testing the known mineralisation, using extensive trenching, percussion and diamond drilling, detailed geophysics including ground magnetic surveys and low level aeromagnetic surveys, which failed to locate significant extensions of the mineralisation in the known prospects. In 1980, North Broken Hill concentrated on testing the supergene enriched zone at the base at the Sandiego prospect. In 1983–1988, Asarco Australia Ltd carried out rotary air blast (RAB) drilling in the Mimosa sub-member, along strike of the known mineralisation, locating several significant geochemical anomalies, although not of sufficient grade to support a Mineral Resource estimate. The drilling was to fixed depth and only the bottom of the hole was sampled. Asarco also completed limited work on the supergene gold and base metal potential at Sandiego. This work indicated a resource at Sandiego of 0.33 Mt of supergene ore at 6.7% Cu and 288 g/t Ag and 4.3 Mt of primary ore grading 0.5% Cu, 0.8% Pb, 7.9% Zn and 31 g/t Ag. Limited testing was undertaken for gold in the sulphide deposits. In 1988–1989, BP Minerals and RTZ Mining went into a joint venture (JV) with Asarco and continued testing the gold potential by re-assaying split core samples for gold, which did not identify any significant base metal mineralisation. RTZ Mining sold the property to AAR in 1989. In 1989–1994, Billiton Australia and AAR identified extensions of known mineralisation at Onedin. Billiton carried out a broad-based exploration program including limited RC and diamond drilling. A grade-tonnage estimate for the Onedin prospect was prepared, for 1 Mt @ 11% Zn, 1% Cu and 1% Pb.

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Criteria	Commentary
	<p>In 1995–2002, Lachlan Resources and AAR concentrated on identifying shallow resources at Sandiego and Onedin with percussion and diamond drilling programmes. Two polygonal Mineral Resources were estimated for Sandiego in 1996 and 1997.</p> <p>AAR was sole tenure holder of the properties between 2002 and 2020. AAR drilled 245 RC and diamond drillholes encompassing 50,417 m, focusing on Mineral Resource, metallurgical and geotechnical drilling at the Sandiego and Onedin base metal deposits. Since 2011, AAR has focused on gold exploration, with little exploration for base metals occurring on the property.</p> <p>The Competent Person considers the historical work incrementally over time built up an understanding of the geological characteristics of the deposit, and all historical work provides useful information.</p>
Geology	<p>Rocks of the Koongie Park property are assigned to the Lamboo Province, of Palaeoproterozoic age (1910–1805 Ma), which formed within the northwest trending Halls Creek Orogen.</p> <p>The Central Zone of the Lamboo Province comprises turbiditic metasedimentary and mafic volcanic and volcanoclastic rocks of the Tickalara Metamorphics, deposited by 1865 Ma. These rocks were intruded by tonalitic sheets and deformed and metamorphosed between 1865–1856 Ma and 1850–1845 Ma. A younger succession of rocks comprising the sedimentary rocks and mafic and felsic volcanic rocks of the Koongie Park Formation (KPF) were deposited in a possible rifted arc setting at around 1843 Ma. Layered mafic–ultramafic bodies were intruded into the Central Zone at 1856 Ma, 1845 Ma and 1830 Ma. Large volumes of granite and gabbro of the Sally Downs Supersuite intruded the Central Zone during the Halls Creek Orogeny at 1835–1805 Ma. Researchers interpret the Central Zone to be an arc-like domain developed on a continental fragment.</p> <p>The KPF within the Koongie Park property is broadly characterised as metamorphosed low-grade composed of mafic and felsic volcanic and associated sedimentary facies including sandstone, mudstone, carbonate, chert and ironstone intruded by rhyolitic to rhyodacitic sills, dolerite bodies and basalt dykes. The KPF hosts numerous base metal occurrences and two significant base metal deposits.</p> <p>The upper unit of the KPF composes felsic volcanic units, carbonate, ironstone, chert, mudstone, quartz-bearing volcanoclastic beds and lithic sandstone. Currently known base metal prospects are concentrated in the upper KPF at Koongie Park (i.e. the trend which includes Sandiego and Onedin deposits).</p> <p>Both, the Sandiego and Onedin deposits are situated within the limbs of intensely folded, higher order, double-plunging anticlinal structures that have been interpreted from magnetic images. The axial planes of the fold structures appear to be upright to south-southeast dipping. They trend northeast, sub-parallel to the regional transcurrent and anastomosing fault systems that dominate the Halls Creek Orogen.</p> <p>The massive sulphide deposits of Koongie Park have been traditionally classified as volcanogenic massive sulphide (VMS) deposits. A PhD study concluded in 2002 proposed that the best model for the base metal occurrence is as a sub-horizontal basin floor replacement VMS. CSA Global concurs and considers the weight of evidence supports their interpretation as VMS deposits. Thus, the deposits are interpreted to have been formed around the time of deposition of the host volcanic and sedimentary strata in which they are bound and generally in bedding parallel lenses. Hydrothermal fluids associated with volcanic activity is interpreted to have been the source of the metals and other constituents of the mineralisation.</p> <p>The mineralogy of the primary mineralisation at Sandiego is pyrite-sphalerite-pyrrhotite-chalcocite ± galena which is largely hosted in the magnetite-rich exhalative suite of rocks where it occurs as a massive conformable wedge-shaped lens 200 m in length with a maximum thickness of 75 m. Weak to moderate sulphide vein and stringer mineralisation occur at the base of the exhalite package in the underlying tuffs. Mineralisation is relatively rare in the carbonate zone but may extend into the talc-chlorite schists. Overall, there is poor spatial correlation between copper and zinc mineralisation at Sandiego. Moreover, discrete zinc-rich and copper-rich zones have been identified from core logging and assay results in the vertical dimension (Elliott et al., 2006). Supergene mineralisation at Sandiego is poorly developed although a supergene copper Mineral Resource is reported.</p> <p>The KPF exhibits a deep weathered profile at Sandiego, resulting in three weathering domains – oxidised zone at surface, primary zone at depth, and the transition zone in between. Each zone has very different mineral assemblages and consequently very different metallurgical properties.</p> <p>Supergene mineralisation at Sandiego is well developed although the bulk of the deposit located in the transition and primary zones. Significant supergene enrichment of copper has occurred with a range of secondary copper minerals present: malachite, chrysocolla, bornite, covellite, chalcocite,</p>

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Criteria	Commentary
	cuprite, digenite and native copper. Localised occurrences of secondary zinc are also present in the form of smithsonite; however, zinc is generally depleted in the oxide zone.
Drillhole information	Drillhole information is not included here because all RC and diamond core drillholes used to support the Mineral Resource estimate. The distribution of zinc, copper, silver and gold grades through the Mineral Resource block model fairly reflects the downhole location and tenor of mineralisation in the drillholes.
Data aggregation methods	Exploration results are not reported here, with all RC and diamond core drillholes were used to support the Mineral Resource estimate. Compositing of sample data as carried out in support of the Mineral Resource estimate is discussed in Section 3 of this Table.
Relationship between mineralisation widths and intersection lengths	The geometry of mineralisation was interpreted from drillhole results and incorporated into the Mineral Resource estimate. The orientation of the drillholes is orthogonal to the strike of mineralisation and limits the amount of bias in drill sampling as much as possible. The Competent Person considers the orientation of drillholes with respect to the attitude of the lithologies and/or structures hosting mineralisation was sufficient to support the reporting of the Mineral Resource.
Diagrams	Maps and cross sections of the Sandiego deposit are presented in the body of this report.
Balanced reporting	Drillhole information is not included here because all RC and diamond core drillholes were used to support the Mineral Resource estimate. The distribution of zinc, copper, silver and gold grades through the Mineral Resource block model fairly reflects the downhole location and tenor of mineralisation in the drillholes.
Other substantive exploration data	In 2008, AAR drilled four diamond drillholes for metallurgical testwork purposes. The drill core penetrated oxide, transitional and fresh rock zones, and the core half cored with the sample placed into a refrigerated container and subsequently transported to AMMTEC laboratories in Perth by refrigerated container for metallurgical testing. In 2010, seven diamond drillholes were drilled for geotechnical assessment. Downhole electromagnetic (DHEM) surveys were carried out on three holes at Koongie Park by Outer Rim Exploration/Southern Geoscience Consultants Pty. Ltd. Holes SRCD21 and SRCD24 (Sandiego) and ORCD45 (Onedin) were logged. Density measurements were taken from 1,251 diamond core billets, sourced from 12 diamond drillholes. Samples were selected from every 1 m or 5 m downhole. Density measurements were carried out by AAR field staff at the Halls Creek sample yard. The core billets were initially wrapped in cling film, and density was determined using a conventional sample weight in air and then water. Samples with measured density values of >5 were discarded from the density database as these were considered too high for the style of mineralisation.
Further work	The Mineral Resource models were created in 2009 and 2010 and the mineralisation domains are based upon lower cut-off grades for copper and zinc supported by economic considerations of that time. The resource models should be reviewed and revised if alternative lower cut-off grades for the domains are warranted. A comprehensive review of sampling and associated quality assurance/quality control (QAQC) monitoring programs should be instigated. Limited supporting documentation related to RC drilling and sampling, and QAQC results has been located. Further drilling should adopt a comprehensive QAQC monitoring program. Including the use of filed duplicates for RC drilling, a representative suite of standards to be used, laboratory duplicates and umpire analyses. An audit of the drillhole database should be carried out to ensure the integrity of the database (including but not limited to database security, correct populating of tables with data) is sufficient to support the Mineral Resource and future mining studies.

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Section 3: Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

Criteria	Commentary
Database integrity	<p>Drillhole data is captured in a relational database "ARMAIN.mdb", prepared and maintained by AAR, which contains relevant information for drillhole collars, drill samples, assays, downhole surveys and density data. Other information also provided relates to soil sampling, termite mound sampling, structural geology, and magnetic susceptibility.</p> <p>No records are available regarding procedures followed by AAR in the preparation and maintenance of the database.</p> <p>Drillhole data tables were imported into Datamine software by CSA Global during the preparation of the Mineral Resource estimates between 2006 and 2009, with many database issues noted which were reported to AAR for resolution. All issues were resolved by AAR prior to CSA Global progressing with the Mineral Resource estimates.</p> <p>Coffey Mining (Coffey) updated the Mineral Resource estimate in 2010 and imported drill data from the database at the time. Coffey noted a few issues, but all were readily resolved prior to the Mineral Resource estimate.</p> <p>The Competent Person considers the database integrity to be appropriate to support the reporting of a Mineral Resource.</p>
Site visits	<p>The Competent Person (Mineral Resources) has not visited the Koongie Park project.</p> <p>Alternate personnel from CSA Global visited site during 2006 as part of managing the drilling program. The CSA Global geologists carried out daily inspections of the drilling rig and associated sampling equipment, supervised the sampling programs, geologically logged all RC chips and diamond core, including relogging of historical drill samples, and geologically mapped the project area.</p> <p>All work conducted was to industry standards and the Competent Person is satisfied all geological work carried out can be used to support the Mineral Resource.</p>
Geological interpretation	<p>The Competent Person regards the geological understanding of the Sandiego deposit to be of a high standard, with regards to the quantity and quality of drill sampling and geophysics supporting the geological interpretations.</p> <p>Surface geological mapping and geological logs of diamond drill core, and RC chips, along with sample assays were all used to assist with the geological interpretation.</p> <p>Alternative interpretations were not considered, with the interpretation as used considered to best represent the geological knowledge of the deposit.</p> <p>The geological models control the interpolation of the grades into the resource model to prevent smearing of grades into the country rock.</p> <p>Mineralisation is hosted within both the weathered and fresh rock profiles, and the continuity is determined by the proto-mineralogy within the supergene profile, and lithology and structural controls within the primary rock profile.</p> <p>Supergene mineralisation at Sandiego is well developed as the bulk of former primary mineralisation is located in the oxidised and transition zones. In particular, copper seems especially prone to supergene enrichment as reflected by the range of secondary copper minerals recorded at Sandiego.</p> <p>The bulk of primary mineralisation is associated with the carbonate zone. There is also a strong structural control on mineralisation, and it appears to be concentrated in the core and limbs of the fold structure with some degree of remobilisation.</p> <p>The geological interpretation was guided firstly by geology, and secondly by grade envelopes to constrain mineralisation. Zinc domains were based upon a lower cut-off grade of 1% Zn, and below the top of fresh rock (TOFR) interface; copper domains were based upon a lower cut-off of 0.4% Cu. Up to 2 m of internal dilution was permitted during the interpretation of the mineralisation domains. Some overlap of the zinc and copper zones occur.</p> <p>Six zones of copper mineralisation were modelled within the primary rock zone, and two within the supergene zone, straddling the transitional and oxide weathering zones. Five zinc domains were modelled within the primary zone.</p> <p>Geological interpretations were provided by AAR prior to preparation of the Mineral Resource.</p>
Dimensions	<p>The Mineral Resource extends along strike 350 m, across strike by 70 m and has a depth extent below surface of 650 m.</p>

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Criteria	Commentary
Estimation and modelling techniques	<p>Coffey updated the Mineral Resource in 2010 and authored a Mineral Resource report discussing all relevant sampling, geological, and statistical aspects supporting the Mineral Resource, along with discussion on grade interpolation and classification. Coffey reported a Mineral Resource which AAR reported to the market in 2010.</p> <p>Vulcan was used for the geological modelling, block model construction, grade interpolation and validation. Isatis was used for variography.</p> <p>A block model with block sizes 5 m (X) x 10 m (Y) x 10 m (Z) was constructed. Sub-celling was used. The block sizes are approximately half the tightest drill spacing. Blocks were flagged according to the weathering and mineralisation envelopes.</p> <p>Drill sample data were flagged by the mineralisation, lithological and weathering domain envelopes. Drillholes were sampled at 1 m intervals and the drill samples were composited to 2 m lengths. Composited sample data were statistically reviewed to determine appropriate top-cuts, with top-cuts applied for zinc, copper, silver, and gold where required. Log probability plots were used to determine the top cuts, and the very high-grade samples were reviewed in Datamine by the Competent Person to determine if they were clustered with other high-grade samples.</p> <p>Sample populations were split by the copper and zinc mineralisation domains, as supported by a statistical analysis of assay data.</p> <p>The composited drill samples were input into variogram modelling. Downhole and directional variograms were modelled for zinc and copper within the combined mineralisation domains and by weathering profile. Low relative nugget effects were modelled, with short ranges approximately 25 m for zinc and copper.</p> <p>Grade interpolation used ordinary kriging (OK) for the zinc, copper and lead grade variables and inverse distance squared (IDS) for the silver and gold grade variables. All sub-blocks were assigned the grade of their parent block. Cell discretisation was used in each estimate. A sample search ellipse of 20 m x 20 m x 8 m (perpendicular to strike) was used, with a minimum of eight samples and maximum of 36 samples used to interpolate grade into any one block. A minimum of seven samples per drillhole was used for grade interpolation. Search radii were increased, and the minimum number of minimum samples reduced in subsequent sample searches if cells were not interpolated in the first pass. Octant searches were not used.</p> <p>Grades were not estimated into the waste domains.</p> <p>The interpolated grades were validated by way of review of cross sections (block model and drill samples presented with same colour legend); swath plots, and comparison of mean grades from drillhole data with block model grades.</p> <p>The Competent Person considers the procedures used to construct the block model and interpolate grades are appropriate for the style of mineralisation and reflect industry accepted practices.</p>
Moisture	Tonnages are estimated on a dry basis.
Cut-off parameters	The Sandiego Mineral Resource is reported above a cut-off grade of 3% Zn for the zinc and mixed zinc-copper zones; and above a cut-off of 0.8% Cu for the copper zone.
Mining factors or assumptions	<p>In 2007, Holly Mining & Associates and Brian Speechley were commissioned by AAR to undertake a preliminary mining assessment of the Sandiego and Onedin deposits. This study established two potential mining operations: underground only at both Sandiego and Onedin; and an open pit operation at Onedin. No major mining problems were identified in this study; however, further work was subject to metallurgical recoveries.</p> <p>In 2008, internal mining study work by AAR focused on underground mining of the sulphide and transition zones at Sandiego, with construction of a 500 tpa processing plant (using flotation technologies) with a 4–5 year operating life with Onedin development having the capacity to extend project life to eight years mining Sandiego transition and sulphide ore. A conceptual study was also completed on open pit mining of Onedin base on conceptual metallurgical recoveries.</p> <p>In 2010, AAR engaged Dempers and Seymour (D&S) to complete a preliminary geotechnical model for Sandiego based on geotechnical diamond drilling results. The geotechnical assessment involved construction of a 3D Mining Rock Mass Model for the prospect and determination of preliminary geotechnical parameters for use in mine design studies. Raw data for the project comprised geotechnical and structural logging by D&S of 23 diamond holes. For the underground project, the rock mass has been classified into three geotechnical domains based on estimated Q' values. Preliminary inter-ramp slope angles (excluding ramps) for the prospect were developed for use in pit design studies.</p> <p>In 2011, Minesure undertook a scoping study on mining the Sandiego deposit. It concluded that exploitation of the Koongie Park Sandiego deposit by open pit and underground mining methods</p>

6. Independent Technical Report

continued

AUKING MINING LIMITED

INDEPENDENT TECHNICAL ASSESSMENT REPORT – WESTERN AUSTRALIAN MINERAL ASSETS



Criteria	Commentary
	using an on-site concentrator and off-site smelting is potentially viable. Copper concentrates and zinc concentrated produced would be trucked to a suitable port facility such as Wyndham and stored until shipped to overseas smelters. A prefeasibility-level study was recommended.
Metallurgical factors or assumptions	<p>Significant metallurgical testwork has been undertaken for the deposit by various explorers since the 1970s. Early work was effectively superseded by a major metallurgical testwork campaign undertaken by AAR from 2006. The metallurgical testwork established that saleable copper and zinc concentrates could be produced from the sulphide mineralisation at Sandiego and Onedin but work on the transitional material (using conventional flotation techniques) was challenging. The 2007 testwork included 96 metallurgical sample tests on different ore types from Onedin and Sandiego to underpin a mineral processing flowsheet for economic study work.</p> <p>In 2009, AAR engaged Noel O'Brien of Trinol Pty Ltd to review the more than 300 metallurgical tests that had then been completed over the various ore types at Sandiego and Onedin, with a focus on the application of flotation recovery techniques. This study concluded that the metallurgy of the Sandiego transition and primary zones, whilst complex, is amenable to established flotation technology. The Onedin primary zone is amenable to the same flotation technology and can be processed through the same plant with minor modifications. The Onedin transition zone contains most of its value in the form of zinc oxide minerals and is not amenable to conventional flotation recovery but extraction by hydrometallurgy is possible. The Onedin oxide zone contains copper in the form of malachite which may be amenable to hydrometallurgy. Conventional flotation flowsheets were designed for processing the Onedin and Sandiego sulphide mineralisation. Project economics are very sensitive to metal recoveries and the grade of concentrate achieved. The O'Brien study recommended that further testwork focused on being as near to actual plant operating conditions as possible. Further testwork should encompass a continuous pilot-scale test facility.</p> <p>AAR engaged a number of metallurgical/mineral processing specialists to review the possibilities of implementing novel treatment processes to treat the problematic transitional and oxide ores of Koongie Park during period 2009 to 2012 (Galvanox, Albion). Meaningful trials recommended were not implemented. No metallurgical work has been undertaken from 2012 to the present.</p>
Environmental factors or assumptions	<p>The project is not located in an environmentally sensitive area. Several scoping studies have been undertaken, with no major environmental or other factors identified which would prevent the project from proceeding.</p> <p>It has been assumed that environmental factors can be effectively managed to allow the project to be brought into production.</p> <p>Anthropological, ethnographic surveys and environmental surveys have been undertaken prior to surface disturbance associated with exploration activities, with clearance being achieved over the majority of the deposit footprints. Identified sites have been placed in the public record.</p>
Bulk density	<p>The method for density measurements is discussed in Section 2 "Reporting of Exploration Results". Diamond core billets were wrapped in cling film prior to immersion in water to prevent filling of cavities with water.</p> <p>The following density values were applied per combination of domain, as discussed in the Coffey 2010 report:</p> <ul style="list-style-type: none"> • Oxide Zone = 2.4 • Transitional Zone; Zn zone = 3.1, Cu Zone = 3.3 • Primary zone; Zn Zone = 3.1, Cu Zone = 3.3 • Mixed Cu and Zn zones in Primary were assigned a density of 3.1. <p>The Competent Person considers the procedures used to measure sample bulk density, and the density values assigned to the Mineral Resource, are appropriate for the style of mineralisation.</p>
Classification	<p>The Mineral Resource has been classified following due consideration of all criteria contained in Section 1, Section 2 and Section 3 of JORC 2012 Table 1.</p> <p>The Mineral Resources were classified based upon drillhole spacing, quality of sampling and sample analyses, quantity of density measurements, and the relative confidence in the geological interpretation. This Mineral Resource is supported by a high level of confidence in the geological interpretations, sufficient to assume geological and grade continuity to satisfy an Indicated classification.</p> <p>The Sandiego Mineral Resource is classified as a combination of Indicated and Inferred.</p> <p>Polygons were digitised in the longitudinal section of the mineralisation to define the classification envelopes.</p> <p>Waste blocks are recorded as unclassified.</p>

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Criteria	Commentary
	The final classification strategy and results appropriately reflect the Competent Person's view of the deposit.
Audits or reviews	<p>The Mineral Resource estimate was peer reviewed in 2010 by Coffey as part of their internal procedures.</p> <p>The Mineral Resource was reviewed by CSA Global in 2020 for the purposes of reporting to support this Technical Assessment. All original (2010) model files were available for review with the exception of the block model. CSA Global constructed a new block model, carried out basic statistical assessment of the data, interpolated grades into the block model and classified the Mineral Resource. All estimation parameters as documented by Coffey were used, including variogram models and sample search parameters. All efforts were made by CSA Global to honour Coffey's modelling and grade interpolation approach, although some ambiguity in the Coffey report (2010) required CSA Global to exercise several judgement calls during the process. CSA Global's model reports within 10% of the tonnage and grades as reported by Coffey. Therefore, the Competent Person felt comfortable with continuing to report the 2010 Mineral Resource estimate.</p> <p>No other audits or reviews are known to have occurred since 2010.</p>
Discussion of relative accuracy/confidence	<p>Relevant tonnages and grade above nominated cut-off grades for copper and zinc are provided in this report. Tonnages were calculated by filtering all blocks above the cut-off grade and sub-setting the resultant data into bins by mineralisation domain. The volumes of all the collated blocks were multiplied by the dry density value to derive the tonnages.</p> <p>The Mineral Resource is a local estimate, whereby the drillhole data was geologically dominated above nominated cut-off grades.</p> <p>The Mineral Resource does not provide a calculated tonnage and grade, rather it provides the reader with estimated "median" values about which can be inferred a range based upon the resource classification. The Indicated volumes are interpreted to have a tighter range of tonnage and grade than the Inferred Resource volumes.</p>

6. Independent Technical Report

continued



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Section 7

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Historical and Pro Forma Financial Information

7. Historical and Pro Forma Financial Information

continued

Section 7 - Historical and Pro-forma Financial Information

7.1 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.

7.2 Historical Financial Information

The historical financial information set out below comprises the reviewed consolidated Balance Sheet as at 30 June 2020.

7.3 Pro-Forma Financial Information

The pro-forma financial information set out below comprises the reviewed Pro-Forma consolidated Balance Sheet as at 30 June 2020 showing the impact of the proposed Public Offer and Koongie Park KP Transaction.

7.4 Pro-forma Balance Sheet

The Pro-Forma Balance Sheet have been derived from the reviewed consolidated Balance Sheet as at 30 June 2020 adjusted for the following transactions as if they had occurred at 30 June 2020 (pro-forma transactions):

- (a) the consolidation of the Company's existing 932,584,461 shares on a 200:1 basis down to 4,662,923.
- (b) the issue of 30,000,000 Ordinary Shares at an issue price of \$0.20 per share through the Public Offer.
- (c) estimated costs of the Offer of \$1,000,000, which includes the issue of 187,500 Broker Success fee Shares at an issue price of \$0.20 per share. Costs are allocated between the cost of raising additional share capital and the cost of re-quotation of the existing shares. As such, \$812,169 have been accounted for as capital raising costs through equity and \$187,831 have been expensed to profit or loss.
- (d) the issue of 7,500,000 Ordinary Shares to the JCHX Group at an issue price of \$0.20 per share in full and final satisfaction of all loan monies and accrued interest.
- (e) the issue of 2,519,930 Ordinary Shares to AKN Directors at an issue price of \$0.20 per share in full satisfaction of unpaid directors' fees and salaries, and the issue of 615,690 Ordinary Shares to AKN Employees at an issue price of \$0.20 per share in full satisfaction of unpaid fees and salaries.
- (f) Material transactions occurring since 30 June 2020 which comprise:
 - the recognition of Convertible Note and Tighe Loan monies received after 30 June 2020;
 - the recognition of interest accruing on all Convertible Note and loan amounts since 30 June 2020 to the expected transaction date of 30 April 2020;
 - the recognition of unpaid directors and AKN employee's fees and salaries;
 - Reversal of the foreign currency translation reserve on the wind up of the Chilean subsidiary China Yunnan Copper Australia Chile Limitada.
- (g) the issue of 3,553,333 Ordinary Shares to the Long Term Convertible Note holders at an issue price of \$0.15 per share in full and final satisfaction of all Long Term Convertible Note principal amounts, and the issue of 6,250,000 Ordinary Shares to the Short Term Convertible Note holders at an issue price of \$0.12 per share in full and final satisfaction of all Short Term Convertible Note principal amounts.

- (h) the payment of accrued interest on all Convertible Note amounts and the Tighe Loan up to the expected transaction date of 30 April 2020.
- (i) The full repayment of the Tighe Loan principal amount of \$150,000.
- (j) Payment of \$1,000,000 to AAR for the Koongie Park KP Transaction.

7. Historical and Pro Forma Financial Information

continued

Historical and Pro-Forma Financial Information

	Notes	Historical Balance Sheet 30 June 2020	Material Transactions Subsequent to 30 June 2020	Public Offering Capital Raise	Repayment and Conversion of Liabilities	Koongie Park Initial Investment	Consolidated Pro- Forma Balance Sheet
		A	B	C	D	E	F
		\$	\$	\$	\$	\$	\$
CURRENT ASSETS							
Cash and cash equivalents	6	156,574	908,000	5,037,500	(272,566)	(1,000,000)	4,829,508
Trade and other receivables		9,161	-	-	-	-	9,161
TOTAL CURRENT ASSETS		165,735	908,000	5,037,500	(272,566)	(1,000,000)	4,838,669
NON-CURRENT ASSETS							
Other receivables		12,470	-	-	-	-	12,470
Exploration expenditure	2	-	-	-	-	1,000,000	1,000,000
Other non-current assets	2	100,000	-	-	-	(100,000)	-
Plant and equipment		910	-	-	-	-	910
TOTAL NON-CURRENT ASSETS		113,380	-	-	-	900,000	1,013,380
TOTAL ASSETS		279,115	908,000	5,037,500	(272,566)	(100,000)	5,852,049
CURRENT LIABILITIES							
Trade and other payables	3	752,766	55,841	-	(627,132)	(100,000)	81,475
Borrowings	4	2,176,241	974,201	-	(3,150,442)	-	-
Employee benefit provisions		77,412	-	-	-	-	77,412
TOTAL CURRENT LIABILITIES		3,006,419	1,030,042	-	(3,777,574)	(100,000)	158,887
TOTAL LIABILITIES		3,006,419	1,030,042	-	(3,777,574)	(100,000)	158,887
NET ASSETS		(2,727,304)	(122,042)	5,037,500	3,505,008	-	5,693,162
EQUITY							
Share capital	1	42,630,609	-	5,225,331	3,410,132	-	51,266,072
Reserves	5	(170,446)	170,446	-	-	-	-
Accumulated losses		(45,187,467)	(292,488)	(187,831)	94,876	-	(45,572,910)
TOTAL EQUITY		(2,727,304)	(122,042)	5,037,500	3,505,008	-	5,693,162

7.5 Notes to the Pro-forma Consolidated Balance Sheet

Note 1

Assumes the consolidation of the Ordinary Shares on issue at 30 June 2020 on a 200 to 1 basis.

Assumes the issue of 30,000,000 Ordinary Shares at an issue price of \$0.20 per share through the Public Offer.

Assumes estimated costs of the Offer and Acquisition of \$1,000,000, which includes the issue of 187,500 Broker Success fee Shares at an issue price of \$0.20 per share.

Assumes the issue of 7,500,000 Ordinary Shares to the JCHX Group at an issue price of \$0.20 per share in full and final satisfaction of all loan monies and accrued interest.

Assumes the issue of 2,519,930 Ordinary Shares to AKN Directors at an issue price of \$0.20 per share in full satisfaction unpaid directors' fees and salaries, and the issue of 615,690 Ordinary Shares to AKN Employees at an issue price of \$0.20 per share in full satisfaction unpaid fees and salaries.

Assumes the issue of 3,553,333 Ordinary Shares to the Long Term Convertible Note holders at an issue price of \$0.15 per share in full and final satisfaction of all Long Term Convertible Note principal amounts, and the issue of 6,250,000 Ordinary Shares to the Short Term Convertible Note holders at an issue price of \$0.12 per share in full and final satisfaction of all Short Term Convertible Note principal amounts.

Reconciliation of movements in Pro-forma Share Capital

	Number of shares #	Share Capital \$
Reviewed Balance Sheet 30 June 2020 (A)	932,584,461	42,630,609
Share consolidation (200:1)	(927,921,538)	-
Issue of shares via the Public Offering (C)	30,000,000	6,000,000
Total costs expected to be incurred in connection with the offer (C) to be offset against share capital	-	(812,169)
Issue of Broker Success Fee Shares (C)	187,500	37,500
Conversion of JCHX Loan (D)	7,500,000	1,500,000
Conversion of unpaid directors and employee's unpaid fee and salaries (D)	3,135,620	627,132
Conversion of Long Term Convertible Note principal amounts (D)	3,553,333	533,000
Conversion of Short Term Convertible Note principal amounts (D)	6,250,000	750,000
Pro-forma Balance Sheet 30 June 2020	55,289,376	51,266,072

Note 2

The Company has entered into an Earn-in and Joint Venture Agreement with AAR with respect to the Koongie Park Project.

Under the agreement, the Company is required to make a total initial payment of \$1,000,000 to AAR, in the following tranches:

- \$100,000 as a non-refundable deposit within 5 business days of the parties signing the Agreement; and
- \$900,000 immediately after satisfaction of the KP Transaction Conditions.

Upon payment of the \$900,000 due on satisfaction of the KP Transaction Conditions, the Company will secure a 25% project joint venture interest in the Koongie Park Exploration Tenements.

The \$100,000 non-refundable deposit was recognised as non-current asset as at 30 June 2020. This amount was paid to ARR in early July 2020. Upon final payment of the \$900,000 the Company will recognise the total initial payment of \$1,000,000 as Exploration expenditure on the balance sheet.

7. Historical and Pro Forma Financial Information

continued

Note 3

Reconciliation of movements in Pro-forma Trade and Other Payables

	Trade and other payables \$
Reviewed Balance Sheet 30 June 2020 (A)	752,766
Recognition of unpaid directors and AKN employee's fees and salaries incurred subsequent to 30 June 2020 (B)	55,841
Conversion of unpaid directors and employee's unpaid fee and salaries (D)	(627,132)
Payment of Koongie Park non-refundable deposit in early July (E)	(100,000)
Pro-forma Balance Sheet 30 June 2020 (F)	81,475

Note 4

Reconciliation of movements in Pro-forma Borrowings

	Borrowings \$
Reviewed Balance Sheet 30 June 2020 (A)	2,176,241
Recognition of interest accruing on all Convertible Note and loan amounts since 30 June 2020 to the expected transaction date of 30 April 2020 (B)	178,515
Recognition of Convertible Note and Tighe Loan monies received after 30 June 2020 (B)	908,000
Conversion of JCHX Loan (D)	(1,500,000)
Gain on adjustment to JCHX loan arising from final settlement amount being capped at 7,500,000 ordinary shares (deemed value of \$1,500,000) (B)	(112,314)
Conversion of Long Term Convertible Note principal amounts (D)	(533,000)
Conversion of Short Term Convertible Note principal amounts (D)	(750,000)
Fair value gain on reversal of derivative financial liability (D)	(131,250)
Repayment of Tighe Loan (D)	(150,000)
Repayment of accrued interest on Convertible Notes and Loans (D)	(86,192)
Pro-forma Balance Sheet 30 June 2020 (F)	-

Note 5

Reconciliation of movements in Pro-forma Reserves

	Reserves \$
Reviewed Balance Sheet 30 June 2020 (A)	(170,446)
Derecognition of foreign currency translation reserve on wind up of Chilean subsidiary (D)	170,446
Pro-forma Balance Sheet 30 June 2020 (F)	-

Note 6

Reconciliation of movements in Pro-forma Cash and Cash equivalents

	Cash and cash equivalents
	\$
Reviewed Balance Sheet 30 June 2020 (A)	156,574
Recognition of Convertible Note and Tighe Loan monies received after 30 June 2020 (B)	908,000
Issue of shares via the Public Offering (C)	6,000,000
Total cash settled costs expected to be incurred in connection with the offer (C)	(962,500)
Repayment of Tighe Loan (D)	(150,000)
Repayment of accrued interest on Convertible Notes and Loans (D)	(86,192)
Payment of superannuation applicable to employee share issued (D)	(36,374)
Koongie Park Project total initial payment (E)	(1,000,000)
Pro-forma Balance Sheet 30 June 2020 (F)	4,829,508

7. Historical and Pro Forma Financial Information

continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Historical and Pro-forma Financial Information covers the Consolidated Entity of AuKing Mining Limited (the "Company") and its controlled entities (together referred to as the "Consolidated Entity"). AuKing Mining Limited is a listed public company, incorporated and domiciled in Australia. The Consolidated Entity is a for-profit entity.

Operations and principal activities

The principal activity of the Consolidated Entity is mineral exploration.

Currency

The financial report is presented in Australian dollars, which is the functional currency of the Company, and is rounded to the nearest one dollar.

Basis of preparation

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting policies

(a) Going Concern

The Historical and Pro-forma Financial Information has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The ability of the Company to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Company to successfully raise capital, as and when necessary; and
- the ability to complete successful exploration and subsequent exploitation of the areas of interest.

The directors believe that the going concern basis of preparation is appropriate due to the planned capital raising during which is planned to raise approximately \$6,000,000 before costs.

Should AuKing be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the Historical and Pro-forma Financial Information. The Historical and Pro-forma Financial Information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should AuKing be unable to continue as a going concern.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

(c) Impairment of Non-Financial Assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(d) Financial Instruments

(i) Financial assets

The Consolidated Entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The Consolidated Entity has cash and cash equivalents and trade and other receivables as financial assets. Consequently, the measurement category most relevant to the group is as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Impairment

The Consolidated Entity assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Consolidated Entity applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liabilities

The Consolidated Entity's financial liabilities are measured at amortised cost. The group has trade payables as financial liabilities.

Fair Values

The fair values of Consolidated Entity's financial assets and financial liabilities approximate their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the balance sheet.

7. Historical and Pro Forma Financial Information

continued

(f) Exploration Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest.

Exploration costs are capitalised only when the Consolidated Entity has either a granted tenement in its name or an interest through a joint venture arrangement.

Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or sale of the respective area of interest or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

(g) Trade and Other Payables

Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current.

Accrued expenses generally arise from normal transactions within the usual operating activities of the group and comprise items such as employee taxes, employee on costs, GST and other recurring items.

(h) Provisions

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on commercial bonds with terms to maturity that match the expected timing of cash flows.

(i) Share Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(j) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, (except for a business combination) where there is no effect on accounting or taxable profit or loss.

(k) Foreign Exchange

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedges. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Subsidiary companies

The financial results and position of foreign operations whose functional currency is different from the Consolidated Entity's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Section 8

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Investigating Accountant's Report

8. Investigating Accountant's Report



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Brisbane QLD 4000
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Australia

The Directors
AuKing Mining Limited
Level 28, Waterfront Place
1 Eagle St
BRISBANE QLD 4000

8 March 2021

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT

Introduction

BDO Audit Pty Ltd ('BDO') has been engaged by AuKing Mining Limited ('the Company' or 'AuKing') to prepare this Independent Limited Assurance Report ('this Report') for inclusion in a prospectus proposed to be issued, in relation to the initial public offering of shares in the Company, on or about 8 March 2021 ('Prospectus') and listing on the Australian Securities Exchange ('ASX') ('the Offer').

Unless stated otherwise in this Report, expressions defined in the Prospectus have the same meaning in this Report.

Our limited assurance engagement has been carried out in accordance with auditing or other standards and practices generally accepted within Australia. This Report cannot be assumed to have been compiled with practices or standards applicable in other jurisdictions.

Scope

Statutory Historical Financial Information

BDO has been engaged to review the following statutory historical financial information ('the Statutory Historical Financial Information') included in the Prospectus, being:

- ▶ The statutory historical statement of financial position as at 30 June 2020.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and AuKing's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the financial report of AuKing for HY20, which was audited by BDO Audit Pty Ltd. The audits were conducted in accordance with Australian Auditing Standards.

The Statutory Historical Financial Information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

8. Investigating Accountant's Report

continued



Pro Forma Historical Financial Information

BDO has been engaged to review the following pro forma historical financial information ('the Pro Forma Historical Financial Information') included in the Prospectus, being:

- ▶ The pro forma historical statement of financial position as at 30 June 2020.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of AuKing, after adjusting for the effects of pro forma adjustments described in Section 7.4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and AuKing's adopted accounting policies, applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 7.4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

Directors' Responsibility

The directors of AuKing are responsible for:

- ▶ The preparation and presentation of the Statutory Historical Financial Information and the Pro forma Historical Financial Information, including the selection and determination of the pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro forma Historical Financial Information; and
- ▶ The information contained within the Prospectus.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information to be free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that the Statutory Historical Financial Information and Pro Forma Historical Financial Information, based on the procedures performed, and AuKing has not properly compiled the evidence we have obtained, in all material respects, in accordance with the stated basis of preparation.

We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, issued by the Auditing and Assurance Standards Board.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of supporting documentation and agreeing or reconciling with underlying records and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Our engagement did not involve updating or re-issuing any previously issued audit on any financial information used as a source of the Financial Information.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in Section 7 of the Prospectus, and comprising the statutory historical statement of financial position as at 30 June 2020, are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 7 of the Prospectus, and comprising the pro forma historical statement of financial position as at 30 June 2020, is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 7 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 7 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose. We disclaim any liability for use of this Report, or reliance on the Financial Information by any other persons or for any other purpose than that set out in Section 7 of the Prospectus.

Consent

We have consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, our consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. BDO makes no representation regarding, or responsibility for, any other statements, material in (or omissions from) the Prospectus.

Liability

The liability of BDO is limited to the inclusion of this Report in the Prospectus. BDO makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General Advice Warning

This Report has been prepared, and included the document to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on information contained in this Report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

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8. Investigating Accountant's Report

continued



Declaration of Interest

BDO does not have any interest in the outcome of proposed listing, or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. BDO will receive normal professional fees for the preparation of this Report.

If you require any additional information and/or clarification on any matter please contact us.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'R M Swaby', is written over a faint, larger 'BDO' logo.

R M Swaby

Director

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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Section 9

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Solicitor's Report on Koongie Park Tenements

9. Solicitor's Report on Koongie Park Tenements

AuKing Mining Limited
Solicitor's Report on Tenements



5 March 2021

The Directors
AuKing Mining Limited
C/- HopgoodGanim Lawyers
Level 8
Waterfront Place
1 Eagle Street
Brisbane QLD 4000

Our ref: 2003259

Dear Directors

Solicitor's Report on Tenements

This Solicitor's Report is prepared for inclusion in a prospectus for issue as part of a Chapter 11 Change of Activities transaction by AuKing Mining Limited ACN 070 859 522 (**Company**) which includes an offer of 30,000,000 ordinary shares in the Company at an issue price of \$0.20 per share in order to raise \$6,000,000.00, with provision to accept further subscriptions for an additional 5,000,000 shares to raise a further \$1,000,000.00 together with free-attaching options exercisable at \$0.25 on or before 30 June 2023 to be issued on the basis of one option for every two ordinary shares applied for.

On 24 June 2020, the Company entered into a Term Sheet with Anglo Australian Resources NL ACN 009 159 077 (**AAR**) with respect to the Company earning an interest in a package of Koongie Park Project tenements held by AAR, which was varied by a Side Deed between the Company and AAR dated 4 November 2020 and a Side Deed No. 2 dated 17 February 2021 between the Company, AAR, Koongie Park Pty Ltd ACN 644 953 551 (**AAR Sub**) and Koongie Park Gold Pty Ltd (ACN 636 600 872) (**PM Holder**) (together, the **Term Sheet**).

Based on Australian Securities and Investment Commission (**ASIC**) searches carried out on 18 and 23 February 2021, AAR Sub and PM Holder are wholly owned subsidiaries of AAR and AKN Sub is a wholly owned subsidiary of the Company.

On 8 February 2021, the Company entered into a formal Earn-in and Joint Venture Agreement (**Earn-in Agreement**) and a Precious Metals Rights Agreement (**Precious Metals Rights Agreement**) with AAR, AAR Sub, PM Holder and AKN (Koongie Park) Pty Ltd (ACN 646 675 774) (**AKN Sub**) as contemplated under the Term Sheet.

Under the terms of the Earn-in Agreement, the Company's wholly owned subsidiary, AKN Sub, is granted the right to earn up to a 75% interest in a package of tenements (**Koongie Park Project**) by funding exploration activities and other related expenses.

This Solicitor's Report relates to the tenements listed in the Earn-in Agreement which comprise the Koongie Park Project, namely Exploration Licences 80/4389, 80/4766, 80/4957, 80/4960, 80/5076, 80/5087, 80/5127 and 80/5263, Mining Leases 80/276 and 80/277 and Prospecting Licences 80/1802, 80/1803, 80/1832 and 80/1837 (together the **Tenements**) granted under the *Mining Act 1978* (WA) (**Mining Act**), which are located in Western Australia.

The Earn-in Agreement groups the Tenements as the Precious Metals Tenements (being Exploration Licences 80/4389, 80/4766, 80/4957, 80/4960, 80/5076, 80/5087, 80/5127 and 80/5263 and Prospecting Licences 80/1802, 80/1803, 80/1832 and 80/1837) (**Precious Metals Tenements**) and the Balance Tenements (being Mining Leases 80/276 and 80/277) (**Balance Tenements**).

AuKing Mining Limited

Solicitor's Report on Tenements



1. Searches

The legal due diligence enquiries undertaken by HopgoodGanim Lawyers in relation to the Tenements located in Western Australia involved reviewing:

- (a) searches of the register of mining tenements maintained by the Department of Mines, Industry Regulation and Safety (including its previous names such as Department of Mines and Petroleum) (**DMIRS**) through extracts obtained by LandTrack Systems, conducted on 16 February 2021 (**Tenement Searches**);
 - (b) quick appraisal searches of the TENGGRAPH system maintained by DMIRS (**Quick Appraisals**) showing the key tenure overlapped by the Tenements, conducted on 16 February 2021;
 - (c) searches of the Aboriginal Heritage Inquiry System (**AHIS**) maintained by the Department of Planning, Lands and Heritage (**DPLH**) conducted on 17 February 2021; and
 - (d) searches of the Native Title Determination Application register, Register of Native Title Claims, National Native Title Determinations, Register of Indigenous Land Use Agreements, Notified Indigenous Land Use Agreements maintained by the National Native Title Tribunal (**NNTT**) conducted on 17 February 2021,
- (together the **Searches**).

2. Opinions

Based on the Searches, subject to our assumptions, qualifications and exceptions set out in this Solicitor's Report (including in paragraph 8.5), we are satisfied that as at the date of the relevant Searches the Solicitor's Report provides an accurate statement as to the:

- (a) status of the Tenements and the Company's interest in the Tenements;
- (b) validity and standing of the Tenements;
- (c) non-standard conditions which apply to the Tenements; and
- (d) third party interests, including encumbrances, in relation to the Tenements.

3. Summary of the Solicitor's Report

Subject to the comments and qualifications set out in this Solicitor's Report, as at the date of this Solicitor's Report, we make the comments set out below.

For further detail, the legislation governing the Tenements is set out in general terms in paragraph 4 below.

Existence of Tenements

- 3.1 The Tenements are all live except for P80/1832 and P80/1837.
- 3.2 P80/1832 and P80/1837 are listed as Tenements in the Earn-in Agreement but were both surrendered on 20 January 2021 and are now dead. Applications to amalgamate the ground the subject of P80/1832 and P80/1837 into E80/5127 (also listed in the Earn-in Agreement) have been lodged (prior to P80/1832 and P80/1837 being surrendered) and are currently

9. Solicitor's Report on Koongie Park Tenements

continued

AuKing Mining Limited Solicitor's Report on Tenements



progressing through the *Native Title Act 1993* (Cth) (**NT Act**) expedited procedure. Accordingly, this Solicitor's Report does not report on P80/1832 and P80/1837.

- 3.3 Applications to amalgamate the ground the subject of P80/1802 and P80/1803 into E80/5127 have also been lodged (which is listed in the Earn-in Agreement, as noted above) and are progressing through the NT Act expedited procedure however, P80/1802 and P80/1803 are still live. P80/1802 and P80/1803 are covered in this Solicitor's Report.
- 3.4 If the Minister grants the amalgamation applications referred to above, P80/1802 and P80/1803 will fall away and the ground formerly the subject of P80/1832, P80/1837, P80/1802 and P80/1803 will be included in E80/5127 and subject to the Earn-in Agreement (clause 12.11).

Ownership

- 3.5 As set out in the Tenement Schedule in Schedule 1 (**Tenement Schedule**), AAR currently holds 100% of the registered right, title and interest in the Tenements.
- 3.6 The Earn-in Agreement provides that AAR agrees to transfer and AAR Sub agrees to accept a transfer of a 100% legal and beneficial interest in the Tenements, effective on the Joint Venture Commencement Date (which is defined as the later of the date on which all conditions precedent to the Earn-in Agreement are satisfied in accordance with the Term Sheet (which must be by 31 March 2021) and the Company makes payment of \$900,000 to AAR) (**Joint Venture Commencement Date**). We are instructed that the Joint Venture Commencement Date has not yet occurred. The Earn-in Agreement provides that AAR Sub will become the registered holder of the Tenements as soon as practicable following the Joint Venture Commencement Date.
- 3.7 AKN Sub may call for the transfer of legal title to its participating interest in the Tenements when AKN Sub earns its First Earn-In interest (at which point AKN Sub will hold a 50% participating interest) or its Second Earn-In Interest (at which point AKN Sub will hold a 75% participating interest), in order to become registered holder of its participating interest. AAR Sub will hold the remaining percentage participating interest in the Tenements at the relevant time.

Third party interests in Tenements

- 3.8 There are no current caveats or mortgages registered against the Tenements which would indicate that there are any third party interests in the Tenements, other than those interests we are aware of from the contracts referred to below. There were formerly agreements registered against M80/276 and M80/277 but they have been withdrawn.
- 3.9 We have not been provided with, and are not aware of any contracts relating to any third party interests in the Tenements (other than the Earn-in Agreement and the Precious Metals Rights Agreement and the Native Title and Heritage Agreements referred to in paragraph 8).
- 3.10 Under the Earn-in Agreement, AAR has agreed to grant to AKN Sub a 25% beneficial interest in the Tenements and other rights and obligations with respect to Joint Venture property on the Joint Venture Commencement Date (defined above) and the exclusive right to acquire up to a 75% beneficial interest in the Tenements and other Joint Venture property, subject to the satisfaction of the conditions precedent.
- 3.11 Under the Precious Metals Rights Agreement, AAR's wholly owned subsidiary, PM Holder, currently holds rights conferred by the Precious Metals Tenements (including exploration activities and mining and production if the Precious Metals Tenements are converted to mining leases) insofar as they relate to Precious Metals (defined as gold and platinum group elements (**PGEs**)). PM Holder is also entitled to extract any other minerals occurring in conjunction with Precious Metals which are not economical to recover separately and construction materials for

AuKing Mining Limited

Solicitor's Report on Tenements



the purpose of exploration or mining activities on the tenement area. PM Holder has the right to lodge a consent caveat against each of the Precious Metals Tenements after AAR Sub becomes registered holder of the Precious Metals Tenements.

Rent

- 3.12 All of the rental payments which are due for the current tenement year for each Tenement have been paid in full. Please refer to the Tenement Schedule for the dates rent is due for each Tenement.
- 3.13 Under the Earn-in Agreement, AKN Sub is solely responsible for payment of rent during:
- (a) the First Earn-in period (being 24 months from the Joint Venture Commencement Date); and
 - (b) if AKN Sub elects to earn the Second Earn-In interest (for a total 75% beneficial interest in the Tenements) during the Second Earn-In period (being 12 months after electing to proceed with the Second Earn-In), the Second Earn-in period,
- as part of AKN's sole funding obligations. After the Sole Funding Period (as defined in the Earn-in Agreement) the Joint Venture participants will become responsible for rent as part of Joint Venture expenditure in proportion to their respective percentage participating interests in the Joint Venture.
- 3.14 As part of its sole funding obligations, AKN Sub must reimburse AAR for all rent (and other outgoings) prepaid by AAR in respect of the period commencing on 22 November 2020 (notwithstanding that the Joint Venture Commencement Date has not occurred).
- 3.15 See below at paragraph 4.47 in relation to rent requirements on tenements generally.

Expenditure

- 3.16 AAR has met the minimum expenditure conditions in the 2020 tenement year for the Balance Tenements (M80/276 and M80/277) and E80/4960 (one of the Precious Metals Tenements).
- 3.17 There are current expenditure issues for the Precious Metals Tenements as set out in paragraph 3.20 below, except for E80/4960.
- 3.18 If the expenditure condition (also known as the minimum expenditure commitment) has not been complied with, a tenement holder can seek exemption from the expenditure requirement. Refusal of an exemption application may lead to Ministerial forfeiture proceedings or forfeiture proceedings brought by a third party, which may result in a fine being imposed or, if the non-compliance is of sufficient gravity, forfeiture of the tenement. Refer to paragraphs 4.34 to 4.39 below for further detail of expenditure conditions and consequences of under-expenditure.
- 3.19 The consequences of under-expenditure of the Precious Metals Tenements are dealt with in the Earn-In Agreement, as follows:
- (a) The party responsible for payment of fines relating to non-compliance with the expenditure conditions on the Precious Metals Tenements, depends on whether the fines relate to the Commencement Tenement Year (being the tenement year during which 22 November 2020 falls) (**Commencement Tenement Year**) or the Prior Tenement Year (the tenement year immediately prior to the Commencement Tenement Year) (**Prior Tenement Year**). AAR will be solely responsible for paying fines in relation to non-compliance with expenditure obligations relating to a Prior Tenement Year. If there are fines in relation to non-compliance with expenditure obligations relating to a Commencement Tenement Year, then AKN Sub will be responsible for paying the fine on behalf of the Joint Venture as part of its sole funding

9. Solicitor's Report on Koongie Park Tenements

continued

AuKing Mining Limited Solicitor's Report on Tenements



obligations and may seek a pro-rata reimbursement of the fine from AAR based on the number of days in the Commencement Tenement Year that elapsed prior to 22 November 2020. Amounts reimbursed by AAR will not count towards AKN Sub's earn-in expenditure.

- (b) AAR will not be liable to AKN or AKN Sub if a Precious Metals Tenement is forfeited due to non-compliance with the expenditure condition applicable to the Commencement Tenement Year or the Prior Tenement Year.

3.20 In respect of the 2020 expenditure year:

- (a) AAR has under-expended on the following Precious Metals Tenements and applied for exemptions from the expenditure conditions, which have not yet been determined.
 - (1) E80/4957 was under-expended by \$21,100 for the year ending 10 November 2020. AAR applied for an exemption on 8 January 2021 and the exemption application is pending. The timeframe for third parties to object to the exemption application closed on 19 February 2021 and there are no third party objections to the exemption application. If the exemption application is refused and a fine is issued, AAR will be responsible for payment of the fine this non-compliance relates to the Prior Tenement Year under the Earn-in Agreement.
 - (2) E80/5076 was under-expended by \$14,457 for the year ending 26 November 2020. AAR applied for an exemption on 22 January 2021 and the exemption application is pending. There are no third party objections to the exemption application. The timeframe for third parties to object closes on 5 March 2021.
 - (3) E80/5087 was under-expended by \$12,747 for the year ending 27 November 2020. AAR applied for an exemption on 22 January 2021 and the exemption application is pending. There are no third party objections to the exemption application. The timeframe for third parties to object closes on 5 March 2021.
 - (4) E80/5127 was under-expended by \$42,780 for the year ending 26 November 2020. AAR applied for an exemption on 22 January 2021 and the exemption application is pending. There are no third party objections to the exemption application. The timeframe for third parties to object closes on 5 March 2021.
 - (5) E80/5263 was under-expended by \$25,329 for the year ending 3 December 2020. AAR applied for an exemption on 1 February 2021 and the exemption application is pending. There are third party objections to the exemption application. The timeframe for third parties to object closes on 15 March 2021.
 - (6) With respect to paragraphs 3.20(a)(2) to 3.20(a)(5) above, if an exemption application is refused and a fine is issued, then AKN Sub will be responsible for payment of that fine (as the relevant non-compliance relates to the Commencement Tenement Year for the purpose of the Earn-in Agreement) but may seek a pro rata reimbursement from AAR under the Earn-in Agreement.
- (b) E80/4389 was under-expended for the year ending 16 September 2020. AAR applied for exemption from the expenditure condition for the year ending 16 September 2020 but it was refused on 22 February 2021. There are currently no Ministerial or third party forfeiture proceedings on foot. Ministerial forfeiture proceedings will likely commence soon. Under the Earn-in Agreement, AAR will be responsible for payment of any fine issued as this non-compliance relates to the Prior Tenement Year.
- (c) P80/1802 and P80/1803 were under-expended for the year ending 27 June 2020. AAR applied for exemptions from expenditure conditions for the year ending 27 June 2020 but the applications were refused. Ministerial forfeiture applications were commenced

AuKing Mining Limited

Solicitor's Report on Tenements



in relation to P80/1802 and P80/1803 and are scheduled for hearing on 18 March 2021. P80/1802 and P80/1803 are also subject to amalgamation applications (see paragraph 3.3) but the forfeiture applications will likely be determined before the amalgamation applications are determined. Under the Earn-in Agreement, AAR will be responsible for payment of any fine issued as this non-compliance relates to the Prior Tenement Year.

- (d) E80/4766 was under-expended for the year ending 12 June 2020. AAR applied for exemption from the expenditure condition for the year ending 12 June 2020 but the application was refused. Ministerial forfeiture applications were commenced in relation to E80/4766, resulting in a fine which has been paid by AAR.
- 3.21 The Tenements are not currently subject to any third party forfeiture proceedings. As per paragraph 4.37, an application by a third party for forfeiture against a tenement holder may be made during the expenditure year in relation to which the requirement is not complied with or within eight months thereafter. If a third party lodged a forfeiture application it may result in a fine or, if the non-compliance determined by the Warden to be of sufficient gravity, forfeiture of the tenement.
- 3.22 In determining whether the non-compliance with the expenditure condition is of sufficient gravity to justify forfeiture, the Warden will consider the facts bearing upon the non-compliance, the events leading up to the non-compliance, the conduct of the parties and the actual and potential consequences of the non-compliance and the forfeiture sought, including future plans for the tenement, past refusals of exemption applications and aggregate expenditure on the tenement. Certain Precious Metals Tenements have had one or two refusals of exemption applications. If a third party lodges a forfeiture application against a Precious Metals Tenement where there has been non-compliance with the expenditure condition (e.g. refusal of an exemption application), there is a risk that the applicable Precious Metals Tenement will be forfeited. That risk is likely to be greater where the expenditure condition has not been complied with in more than one tenement year.
- 3.23 Under the Earn-in Agreement, AKN Sub will be solely responsible for expenditure incurred in connection with Joint Venture activities during:
 - (a) the First Earn-in period (being 24 months from the Joint Venture Commencement Date); and
 - (b) if AKN Sub elects to earn the Second Earn-In interest (for a total 75% beneficial interest in the Tenements) during the Second Earn-In period (being 12 months after electing to proceed with the Second Earn-In), during the Second Earn-in period,as part of AKN's sole funding obligations.
- 3.24 After the Sole Funding Period (as defined in the Earn-in Agreement) AKN Sub and AAR Sub will become responsible for Joint Venture expenditure in proportion to their respective percentage participating interests in the Joint Venture.
- 3.25 By Side Deed No. 2 dated 17 February 2021, the Company has agreed to meet the unsatisfied portion of the expenditure commitments for E80/4960 and E80/4766 for the years ending 23 March 2021 and 11 August 2021 respectively and fund an exploration program sufficient to satisfy the expenditure condition for each of those Tenements, which will be a deduction from the First Earn-In expenditure amount under the Earn-in Agreement. If the expenditure conditions for E80/4960 and E80/4766 for the years ending 23 March 2021 and 11 August 2021 respectively are not satisfied, the Company has agreed to pay any fine issued.
- 3.26 All Tenements are part of the Koongie Park combined reporting group (C166/2006).

9. Solicitor's Report on Koongie Park Tenements

continued

AuKing Mining Limited Solicitor's Report on Tenements



Expiry and Extension of Term of Tenements

3.27 The Tenement Schedule sets out the expiry dates of the Tenements. In particular, we note that:

- (a) E80/4957 is due to expire in 2021; and
- (b) E80/4960 is due to expire in 2022.

3.28 See below at 4.14, 4.3 and 4.25 in relation to extensions of the term of an exploration licence, prospecting licence and mining lease.

Conditions and Programmes of Work

3.29 The Tenements are subject to the standard conditions and endorsements imposed by DMIRS.

3.30 Non-standard conditions (ie those not listed in the DMIRS standard conditions and endorsements list) applicable to each Tenement are set out in the Non-Standard Conditions Schedule at Schedule 2.

3.31 There was no indication from the Tenement Searches that any of the standard or non-standard conditions of the Tenements have been breached by the holders of the Tenements, to the extent that the Searches reveal such information.

3.32 Various Tenements which overlap pastoral leases are subject to standard conditions that require the notification of the pastoral lessee prior to undertaking any airborne surveys or ground disturbing activities. It is also a condition that the tenement holder must notify the pastoral lessee of any transfer of these Tenements. The specific pastoral leases overlapping the Tenements are further discussed at paragraph 3.40.

3.33 See below at 4.34, 4.64 and 4.69 in relation to conditions and programmes of work.

Overlapping Tenements

3.34 The Quick Appraisals show that there are various third party tenements and tenement applications which overlap the Tenements, as set out in the table below.

	AAR Tenement	Overlapping Tenements
1.	E80/5263 (granted 4 December 2019)	<p>Halls Creek Mining Pty Ltd E80/2601 (0.46%) (granted 29 July 2002) (as exploration licences cannot overlap with exploration licences, this appears to be a mapping error)</p> <p>Halls Creek Pty Ltd L80/71 (0.19%) (granted 30 August 2012) – we have not been provided with an access agreement for the overlapping area</p> <p>Halls Creek Mining Pty Ltd P80/1843 (<0.01%) (granted 8 March 2017) (as prospecting licences cannot overlap with exploration licences, this appears to be a mapping error)</p>
2.	E80/4389 (granted 17 September 2010)	<p>Halls Creek Mining Pty Ltd L80/71 (0.24%) (granted 30 August 2012) – we have not been provided with an access agreement for the overlapping area</p>

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	AAR Tenement	Overlapping Tenements
3.	M80/277	Morning Star Mining Pty Ltd application for E80/5542 (pending) (mining leases and exploration licence are unable to overlap. If E80/5542 is granted, it will only be granted over the areas which do not overlap M80/277. That is, the overlapping area will be excised from E80/5542 on grant).

- 3.35 Paragraphs 4.86 to 4.87 set out the legislation regarding situations where there is an overlap between the Company's Tenements and a third party tenement.

Land Access

- 3.36 Details of the key overlapping interests in land are listed in the table below (in addition to the interests listed in paragraphs 3.40 and 3.34).

	Tenements	Overlapping Land
1.	E80/4389 E80/4766 E80/5076 E80/5127 M80/276 M80/277 E80/5263	Great Northern Highway Road Reserve
2.	E80/5127	Unallocated Crown Land File Notation Area 14196 "C" Class Reserve Recreation (R 1595)
3.	E80/4766	"C" Class Reserve Repeater Station Site (R 40320)
4.	E80/4960 E80/5127	"C" Class Reserve Watering Place (R 1594)
5.	E80/4960 E80/5127	Road Reserves (No 296)

- 3.37 The Tenements are subject to the standard conditions and endorsements imposed by DMIRS and non-standard conditions as set out in the Non-Standard Conditions Schedule, which include conditions preventing access to, or the commencement of activities on, certain areas without the consent of the Minister, restrictions on activities in relation to reserves including water reserves, conservation of flora and fauna reserves and mining reserves, amongst others.
- 3.38 Paragraphs 5.10 to 5.12 sets out the limitations on exploration and mining activities on Crown Reserves, in addition to specific conditions imposed on a Tenement which relate to the Reserves and other overlapping land features.
- 3.39 Section 24(1)(c) of the Mining Act provides that land reserved under Part 4 of the LAA (which includes reserves such as C Class Reserves) requires written consent from the Minister to mine, unless it is reserved for certain specified purposes. As indicated above, various

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Tenements overlap C Class Reserves (now classified as "other" reserves under the *Land Administration Act 1997* (WA) (**LAA**)) and hence will require ministerial consent.

- 3.40 A File Notation Area (such as File Notation Area 14196 affecting E80/5127) indicates that there is a proposed land transaction, alienation from the Crown, or other proposed change in land use in the FNA. Following the proposed land transaction or change in land use, there may be additional restrictions on the use of the land for exploration or mining activities. We were advised by DMIRS that File Notation Area 14196 affecting E80/5127 is linked to the consideration of land tenure options to address the historical issue of existing Aboriginal camps on the land that are not currently associated with any land tenure rights.

Pastoral Leases

- 3.41 The Tenements overlap various pastoral leases as set out in the table below.

	Tenements	Pastoral Leases
1.	E80/4389 E80/4766 E80/4957 E80/5076 E80/5087 E80/4960 E80/5263	Pastoral Lease N049432 (Lamboo)
2.	E80/4766 E80/4960 E80/5127 M80/276 M80/277 P80/1803 P80/1802	Pastoral Lease N049860 (Koongie Park)
3.	E80/4960 E80/5127	Pastoral Lease N050141 (Moola Bulla)
4.	E80/5127	Pastoral Lease N049650 (Burks Park)

- 3.42 Paragraphs 5.1 to 5.5 set out the limitations on exploration and mining on pastoral leases.

- 3.43 We have not been provided with any pastoral access agreements relating to the Tenements.

Native Title

Native Title Overlaps

- 3.44 The Quick Appraisals and NNTT searches indicate that there are three native title determinations overlapping various Tenements as follows:
- (a) *The Jaru determination of native title in Sturt on behalf of the Jaru Native Title Claim v State of Western Australia* [2018] FCA 1923 (WAD 45 of 2012) (**Jaru Determination**);
 - (b) Ngarrawanji native title determination in *Farrer on behalf of the Ngarrawanji Native Title Claim Group v State of Western Australia* [2019] FCA 655 (**Ngarrawanji Part A Determination**); and
 - (c) Ngarrawanji native title determination in *Farrer on behalf of the Ngarrawanji Native Title Claim Group v State of Western Australia* [2020] FCA 929 (**Ngarrawanji Part B Determination**).

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- 3.45 The Quick Appraisals and NNTT searches indicate that there are three registered native title claims overlapping various Tenements as follows: Jaru Native Title Claim WC2012/003, Koongie-Elvire Native Title Claim WC1999/040 and Ngarrawanji WC1996/075. The Quick Appraisals and NNTT searches indicate that there are two unregistered native title claims overlapping various Tenements as follows: Ngarrawanji #2 WC2019/012 and Ngarrawanji #3 Yarlil Native Title Claim WC2021/002.

Jaru Determination

- 3.46 The Search of the NNTT register indicates that a Native Title claim was filed by the Jaru people on 15 February 2012 over land which overlaps:
- (a) 100% of E80/4389, E80/4957, E80/5076, E80/5087 and E80/5263;
 - (b) 66.54% of E80/4766;
 - (c) 36.02% of E80/4960; and
 - (d) 0.15% of E80/5127.
- 3.47 On 16 March 2012, the NNTT accepted the claim for registration.
- 3.48 On 6 December 2018, the Jaru Native Title claim was the subject of the Jaru Determination which was made by consent and recognised that the Jaru People hold non-exclusive native title rights and interests over some parts of the determination area and exclusive native title rights and interests over some parts of the determination area.
- 3.49 We note that pursuant to the Jaru Determination part of the Jaru Native Title Claim was also dismissed (being the area the subject of Reserve 28538, which does not overlap any of the Tenements) and that pursuant to s 190(4)(e) of the NT Act the application remains on the Register of Native Title Claims only to the extent that it relates to the undetermined area, being Reserve 18124.
- 3.50 Based on our review of the Jaru Determination, all of the above tenements partially overlap areas where exclusive native title rights and interests have been determined to exist.

Koongie-Elvire Native Title Claim WC1999/040

- 3.51 The Search of the NNTT register indicates that a Native Title claim was filed by the Koongie-Elvire people on 23 September 1999 over land which overlaps:
- (a) 100% of M80/276, M80/277, P80/1802, P80/1803;
 - (b) 65.62% of E80/5127;
 - (c) 45.39% of E80/4960; and
 - (d) 33.46% of E80/4766.
- 3.52 On 15 November, the NNTT accepted the claim for registration.
- 3.53 M80/276 and M80/277 were granted before registration of the Koongie-Elvire Native Title Claim WC1999/040 and thus were not subject to the future act provisions under the NT Act at the time of their grant.

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Ngarrawanji Part A Determination

- 3.54 The Search the NNTT register indicates that a native title claim (WC1996/075) was filed by the Ngarrawanji people on 25 June 1996 over land which overlaps:
- (a) 33.83% of E80/5127; and
 - (b) 18.59% of E80/4960.
- 3.55 On 21 May 2019 the Ngarrawanji WC1996/075 claim was the subject of the Ngarrawanji Part A Determination which recognised that the Ngarrawanji People hold exclusive native title rights and interests over some parts of the determination area, non-exclusive native title rights and interests over other parts of the determination area and that native title rights and interests do not exist over a small parcel of unallocated Crown land within the determination area. Once a prescribed body corporate has been determined, the determination of native title will be entered on the National Native Title Register.
- 3.56 Based on our review of the determination map and Tengraph maps, part of E80/5127 appears to partially overlap that part of the determination area in which exclusive native title rights and interests exist.

Ngarrawanji Part B Determination

- 3.57 The Search of the NNTT register indicates that a Native Title claim (WC2019/012) was filed by the Ngarrawanji people on 29 October 2019 over land which overlaps 6.81% of E80/5127. On 20 December 2019, the NNTT decided not to accept the claim for registration. Registration was not accepted because the application did not satisfy all the conditions for registration in sections 190B to 190C of the NT Act.
- 3.58 This claim has been the subject of the Ngarrawanji Part B Determination made on 8 July 2020 which recognised that the Ngarrawanji People hold exclusive native title rights and interests over the determination area. Once a prescribed body corporate has been determined, the determination of native title will be entered on the National Native Title Register.

Ngarrawanji #3 Yarlil Native Title Claim WC2021/002

- 3.59 The Search of the NNTT register indicates that a Native Title claim was filed by the Ngarrawanji people on 27 January 2021 over land which overlaps 0.39% of E80/5127.

Native Title Status

- 3.60 Registered native title claims and determinations of native title attract the procedural processes under the NT Act.
- 3.61 We have set out the native title status of the Tenements below:

Native Title Cleared

- (a) Expedited Procedure applies: E80/4766, E80/4957, E80/4960, E80/5076, E80/5087, E80/5127, E80/5263, P80/1802 and P80/1803.
- (b) Native Title cleared (reason unspecified): E80/4389.

Granted Tenements recorded "Information Not Available"

- (c) M80/276 and M80/277.

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- 3.62 We note that the Searches are not determinative of whether there were registered native title claims in existence at the time the Tenements were granted, or whether there was compliance with the NT Act at that time. This is not an unusual occurrence for mining tenements granted in Western Australia.
- 3.63 For completeness, we note that there may have been a registered native title claim over the area of some of these Tenements at the time of grant.
- 3.64 We assume that where the Tenements have been granted, the relevant processes under the NT Act have been complied with, and that the grants of the Tenements were validly made. Detailed information about native title processes and the NT Act is provided at paragraph 6.
- 3.65 Other than as set out above, we have no information on past claims which may have been registered over the Tenements which may have necessitated compliance with the Right to Negotiate or Expedited Procedure before the grant of the Tenements.

Aboriginal Cultural Heritage

Aboriginal Heritage

- 3.66 Searches of the DPLH AHIS indicated that, there are registered Aboriginal cultural heritage 'sites', identified over the following tenements as set out in the table below.

Tenement	Registered Site ID	Description
E80/4766	ID: 13864 - Laura River Tributary	Artefacts / scatter
E80/5076 E80/5263	ID: 13783 – Tjaura	Mythological
E80/5127	ID: 12455 – Weldens Creek	Artefacts / scatter
	ID: 12456 – Mesa Scatter	Artefacts / scatter
	ID 13873 – Rockhole Creek	Artefacts / scatter, quarry
	ID: 13874 – Halls Creek	Artefacts / scatter, quarry
	ID: 13875 – Weldens Creek	Artefacts / scatter, man-made structure, camp
E80/5263	ID: 13784 – Tawaka	Artefacts / scatter, quarry
	ID: 13861 – Laughers Camp	Artefacts / scatter, quarry
	ID: 13862 – Mineringa / Minayringka	Artefacts / scatter, mythological, quarry, camp
	ID: 13913 – Irintjiya	Artefacts / scatter, ceremonial, mythological, rockshelter
	ID: 13914 - Black Rock	Artefacts / scatter
	ID: 13915 - Black Rock	Artefacts / scatter, quarry

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- 3.67 None of the information reviewed or received indicate that consents under section 18 of the *Aboriginal Heritage Act 1972* (WA) (**AH Act**) have been granted in respect of the areas the subject of Registered Heritage Sites detailed in this Solicitor's Report.
- 3.68 It is important to note that the inclusion or non-inclusion of an area or place on the DPLH Heritage register is not in any way indicative of the existence of Aboriginal cultural heritage.
- 3.69 We are aware of a number of heritage sites overlapping some of the Tenements that are not registered on DPLH's AHIS but have been identified in the results of heritage surveys previously conducted over some of the Tenements.
- 3.70 Detailed information of the laws concerning Aboriginal cultural heritage is provided at paragraph 7.

Native Title, Heritage and Indigenous Land Use Agreements

- 3.71 We have been provided with the following Native Title agreements (described in more detail in paragraph 8):
- (a) Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboo Lands between Kimberley Land Council Aboriginal Corporation (**KLC**) and AAR dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Jaru (formerly Lamboo Lands) between Kimberley Land Council Aboriginal Corporation and AAR dated 5 December 2018;
 - (b) Native Title, Heritage Protection and Mineral Exploration Agreement for Koonjie-Elvire Lands between KLC and AAR dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Koonjie-Elvire Lands between Kimberley Land Council Aboriginal Corporation and AAR dated 5 December 2018;
 - (c) Native Title, Heritage Protection and Mineral Exploration Agreement for Ngarrawanji Lands between KLC and AAR dated 3 December 2018.
- 3.72 Searches of the ILUA register indicate that there are no registered ILUAs covering the areas of the Tenements.

4. Governing Legislation for the Tenements

Overview

- 4.1 The Mining Act governs the exploration for and production of minerals in Western Australia. The Mining Act is supported by the *Mining Regulations 1981* (WA) (**Mining Regulations**) and is administered by the Minister for Mines and Petroleum (**Minister**). Subject to the provisions of the Mining Act, the Crown owns all gold, silver and any other precious minerals existing in their natural condition on or below the surface of any land whether or not the land has been alienated from the Crown (section 9(1) of the Mining Act).

Mining Leases

Grant of mining lease

- 4.2 An application for a mining lease must be made by a 'person', by reference to a written description of the area of land over which the lease is sought and be accompanied by a mining proposal or a 'statement' outlining mining intentions accompanied by either a mineralisation report or a resource report (section 74(1)(ca) of the Mining Act). Where more than one

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application for a tenement is made over the same land, priority will be given to the application who first complied with the 'initial requirement'.

Term of mining lease

- 4.3 A mining lease has a term of 21 years and at the expiration of the first term, the holder has an option to renew the lease for an additional 21 years (section 78(1)(a) and (b) of the Mining Act). At the end of the second term, the Minister has a discretionary power to renew the lease for successive periods of not more than 21 years; this is not a power of the lease holder. An application to renew should be made within the last year of the term, together with one year's rent. The Minister may accept a late application for renewal where they are satisfied the holder of the lease has observed the requirements of the Mining Act during the term of the lease (section 111A(1)(d) of the Mining Act). The Minister may summarily refuse any third party application for a tenement of the land after the term has expired when granting a late application (section 111A(1)(b) of the Mining Act).

Rights under a mining lease

- 4.4 A mining lease permits the holder to mine for and dispose of any minerals on the land in respect of which the lease is granted (section 85(1)(a), (b) of the Mining Act). The holder is entitled to do all acts and things necessary to carry out mining operations on the land (section 85(1)(d) of the Mining Act). This right is an exclusive right in relation to the land the subject of the mining lease and no other mining tenement, except a miscellaneous licence, can be granted over that land. Section 85(1)(c) also grants rights to water which may be used for any purpose in connection with mining for minerals on the land and for domestic purposes. The rights to water are not exclusive; a miscellaneous licence for water can be granted over the same ground.
- 4.5 There are two exceptions to the title to minerals conferred by a mining lease. The first is that specific Ministerial authorisation is required for the mining of iron ore, which if provided, will be endorsed on the lease. Secondly, pursuant to section 110 of the Mining Act, the Minister may grant a mining lease authorising the mining only for one or more specific minerals.

Conditions of a mining lease

- 4.6 Mining leases are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, tenement reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on accessing certain Crown lands or waters or Government sites).
- 4.7 Where an application for a mining lease was accompanied by a statement and a mineralisation report, it will be a condition on the lease to then lodge and obtain approval of a mining proposal prior to carrying out mining operations (section 82A(2) of the Mining Act).

Transfer of a mining lease

- 4.8 No legal estate in the land can be transferred or otherwise dealt with without the prior written consent of the Minister (section 82(1)(d) of the Mining Act). Failure to obtain consent is a breach of contract on the part of the lessee and is a ground for forfeiture of the lease by reason of a breach of covenant (section 82(1)(g) of the Mining Act). It does not however render the transfer or mortgage void. A holder can agree to sell a lease however without the prior consent of the Minister.

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Exploration Licences

Grant of exploration licences

- 4.9 Section 57 of the Mining Act provides that the Minister may, upon application by any person, grant to that person an 'exploration licence' on such terms and conditions as the Minister may determine. The applicant must provide a statement specifying the proposed method of exploration, details of a proposed work programme, the estimated amount of expenditure on exploration if the exploration licence is granted and the technical and financial resources of the applicant (section 58(1) of the Mining Act). An applicant must provide such further information or evidence in support of the application as the mining warden or mining registrar may require (excluding any prior test results or samples) (section 58(3) of the Mining Act). The applicant must serve the application on owners and occupiers of land subject to the application (section 58(4) of the Mining Act).
- 4.10 Before granting the exploration licence, the Minister will receive and consider a tenement report from the mining registrar (where there are no objections to the application) or the mining warden (where objections are lodged and heard by the warden) about whether to grant or refuse the application, however the Minister is not beholden to such tenement reports in making its decision (section 59(1)-(6) of the Mining Act). The mining registrar or the warden shall not recommend the grant of an exploration licence unless he or she is satisfied that the applicant is effectively able to explore the land in respect of which the application has been made (section 57(3) of the Mining Act).
- 4.11 An applicant must also adequately address native title prior to the grant of the tenure (refer to paragraph 6).

Rights under exploration licences

- 4.12 While in force and subject to restrictions in respect of protected Crown land, an exploration licence authorises the holder to explore for minerals and carry out such ancillary works and operations (for example, digging pits, trenches and holes) as are necessary for that purpose (section 66(b) of the Mining Act). Furthermore, the holder may enter and re-enter land the subject of the licence with such agents, employees, vehicles, machinery and equipment as may be necessary or expedient to undertake the relevant exploration activities (section 66(a) of the Mining Act). The terms 'explore', 'exploration' or 'exploring' are not defined by the Mining Act and therefore assume their ordinary and natural meanings.
- 4.13 Despite these rights, certain Crown land is protected from mining. For example, the holder of an exploration licence will not be entitled to explore on any Crown land that is (amongst other things) situated within 100m of any land that is in actual occupation and on which a house or other substantial building is erected, without the written consent of the occupier (section 20(5)(c) of the Mining Act). However, other Crown land, such as land within 100m of (amongst other things) a stockyard, orchard, vineyard, airstrip or airfield, or on a pastoral lease and within (amongst other things) 400m of any dam, well or bore, will not require the written consent of the occupier to explore if the mining warden grants permission (section 20(5)(ea) of the Mining Act). The mining warden will not give permission unless he or she is satisfied that the holder has met its compensation obligations to owners or occupiers of land impacted by mining activities (section 20(5) of the Mining Act). The Minister also has the power to exempt from time to time certain land from mining that is not private land or land the subject of a mining tenement or application for a mining tenement (section 19(1) of the Mining Act).

Term of an exploration licence

- 4.14 Section 61 of the Mining Act provides for the term of exploration licences and their periods for extension. Under the relevant version of the Mining Act, an exploration licence which was granted or applied for *before 10 February 2006* remains in force for a period of five (5) years and may, in prescribed circumstances and at the Minister's discretion, be extended over the



whole or a part of the exploration licence by a further period or periods of one (1) or two (2) years. Under the relevant version of the Mining Act, an exploration licence which was granted or applied for *on or after 10 February 2006* has the same term, but the extension period is for five (5) years. In either case, the relevant prescribed circumstances for an extension include where the Minister is satisfied that planned exploration could not be carried out due to delay in obtaining necessary approvals or due to the land being unworkable for at least a considerable part of one year of the term, or where the Minister is satisfied that work carried out justifies further exploration (regulation 23AB of the Mining Regulations).

Conditions of exploration licences

- 4.15 Exploration licences are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on accessing certain Crown lands or waters or Government sites).
- 4.16 The Mining Act also deems certain conditions to be mandatory for an exploration licence. These deemed conditions include (amongst other things) requirements for the holder to report mineral discoveries of 'economic interest' and not to use 'ground disturbing equipment' until a work programme is lodged and approved by the Minister (sections 62 and 63 of the Mining Act).

Amalgamations

- 4.17 Pursuant to section 67A of the Mining Act a secondary tenement in relation to an exploration licence is a tenement, other than a retention licence, situated wholly within the boundaries of the land the subject of the exploration licence.
- 4.18 A person can apply for a secondary tenement, or part thereof, to be amalgamated into the relevant exploration licence. Where the secondary tenement and exploration licence are held by the same person, the secondary tenement can be amalgamated whilst live. Otherwise, the holder of an exploration licence can apply to amalgamate secondary tenements which have expired or have been forfeited or surrendered.
- 4.19 Amalgamation applications are processed through the future act provisions of the NT Act and the relevant procedural rights apply to registered native title claims and determinations.
- 4.20 The Minister may grant or refuse the application (section 67A(4) of the Mining Act).

Transfer of exploration licences

- 4.21 No legal or equitable interest in or affecting an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister (section 64 of the Mining Act). Compliance with an approved work programme during this initial period is likely to be a factor influencing the grant of consent. If consent is provided, the transfer of the legal interest in an exploration licence must be registered under the Mining Act to be legally effectual (section 103C(8) of the Mining Act).

Application for a mining lease

- 4.22 The holder of an exploration licence which is in force has the right to apply for and, subject to the grant requirements of the Mining Act, have granted, one or more mining leases over any part or parts of the land the subject of the licence (section 67(1) of the Mining Act). Where an application for a mining lease is lodged before the expiry date of the exploration licence but the application is not determined by that date, the Mining Act extends the term of the exploration licence until the application for the lease is determined (section 67(2) of the Mining Act).

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Application for retention status

- 4.23 Alternatively, the holder of an exploration licence may apply for 'retention status' for the licence where a mineral resource has been identified but it is impracticable to mine at the present time (because it is uneconomic or unmarketable), but the resource may reasonably be expected to become economic or marketable in the future (section 69B(1)(a),(b)(i) of the Mining Act). The mineral resource must be identified as coming within the classification of the JORC 2004 Code as either an inferred mineral resource, indicated mineral resource or measured mineral resource (regulation 89C of the Mining Regulations). Other bases of retention include that the relevant resource is required to sustain operations for an existing or future operation or there are existing political, environmental or other difficulties in obtaining the requisite approvals (section 69B(1)(b)(ii),(iii) of the Mining Act). The grant of retention status will entitle the holder to improved extension options and reduced expenditure obligations. On approval of the retention status or subsequently, the Minister may require the holder of the exploration licence to comply with a specified work programme (section 69D of the Mining Act) or show cause why a mining lease should not be applied for and to require such application where sufficient reasons are not forthcoming (section 69E of the Mining Act).

Prospecting Licences

Grant of prospecting licence

- 4.24 Section 40 of the Mining Act provides that the mining registrar or mining warden may grant a prospecting licence upon application for an area smaller than 200 hectares. The application must be lodged with a written description of the land and the map of the area where it is proposed that prospecting will take place (section 41 of the Mining Act). An applicant will provide such further information or evidence in support of the application as the mining warden or mining registrar may require (excluding any prior testing results or sampling) (section 54(3) of the Mining Act). The terms 'prospect' and 'prospecting' are not defined under the Mining Act and therefore assume their ordinary and natural meaning.

Term of prospecting licence

- 4.25 A prospecting licence which was applied for after 10 February 2006 will, once granted, remain in force for a period of four (4) years, after which time the Minister may extend the term for one period of four (4) years, and if the licence has retention status, by multiple further periods of four (4) years (section 45 of the Mining Act). The relevant prescribed circumstances for an extension of a prospecting licence include where the Minister is satisfied that planned prospecting could not be carried out due to delay in obtaining necessary approvals or due to the land being inaccessible because of unfavourable climatic conditions for at least a considerable part of one year of the term, or where the Minister is satisfied that work carried out justifies further prospecting (regulation 16A of the Mining Regulations). The transfer of the legal interest in a prospecting licence must also be registered under the Mining Act to be legally effectual (section 103C(8) of the Mining Act).

Rights under a prospecting licence

- 4.26 A prospecting licence entitles the holder to enter and re-enter land with such agents, employees, vehicles, machinery and equipment as may be necessary or expedient for the purpose of prospecting for minerals in, on or under the land (section 48 of the Mining Act). The holder may prospect and carry on such works and excavation as necessary, remove or extract material up to 500 tonnes in total, and take or divert water. However, a prospecting licence is also subject to restrictions in respect of Crown reserves (section 48(b),(c) referring to sections 24, 24A and 25 of the Mining Act), prescribed expenditure conditions (section 50 of the Mining Act) and deemed mandatory conditions (sections 46 and 46A of the Mining Act).

Application for a mining lease



- 4.27 The Mining Act also confers on the holder of a prospecting licence which is in force, the right to apply for and, subject to the Mining Act, have granted, one or more mining leases over any part of the land the subject of that licence (section 49(1) of the Mining Act). The prospecting licence will continue in force beyond its term if the holder has made an application for a mining lease over the area of the licence which is not decided by the expiry date for the licence (section 49(2) of the Mining Act). However, this does not involve an automatic grant, as the Minister may still refuse the application at his or her discretion.

Application for retention status

- 4.28 The holder of a prospecting licence may also apply for retention status for the licence where a mineral resource has been identified but is impracticable to mine at the present time (because it is uneconomic or unmarketable), but the resource may reasonably be expected to become economic or marketable in the future (section 54(1)(a),(b)(i) of the Mining Act). The mineral resource must be identified as coming within the classification of the JORC 2004 Code as either an inferred mineral resource, indicated mineral resource or measured mineral resource (regulation 89C of the Mining Regulations). Other bases of retention include that the relevant resource is required to sustain operations for an existing or future operation or there are existing political, environmental or other difficulties in obtaining the requisite approvals (section 54(1)(b)(ii),(iii) of the Mining Act). The grant of retention status will entitle the holder to improved extension options and reduced expenditure obligations. On approval of the retention status or subsequently at any time, the Minister may require the holder of a prospecting licence to comply with a specified work programme (section 55A of the Mining Act) or show cause why a mining lease should not be applied and to require such application where sufficient reasons are not forthcoming (section 55B of the Mining Act).

Conditions of a prospecting licence

- 4.29 Prospecting licences are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on accessing certain Crown lands or waters or Government sites).

Extension of Term of Tenements

- 4.30 The Mining Act and Mining Regulations provide that the Minister may grant extensions to the terms for the Tenements upon application by the holders in the last year of the relevant term.
- 4.31 See paragraph 4.3 in relation to extensions of the term of a mining lease.
- 4.32 See paragraph 4.14 in relation to extensions of the term of an exploration licence.
- 4.33 See paragraph 4.25 in relation to extension of the term of a prospecting licence.

Mining Tenement Conditions and Forfeiture

- 4.34 Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, tenement reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).
- 4.35 If the holder of a mining lease, exploration licence or prospecting licence fails to comply with the terms and conditions of a tenement, the mining warden or the Minister, as applicable, may impose a fine or order that the tenement be forfeited (sections 63A, 96, 96A and 97 of the Mining Act). In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement.

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- 4.36 In the case of failure to comply with the annual minimum expenditure requirement the tenement holder can apply to the DMIRS for an exemption from that expenditure requirement (section 102 of the Mining Act). Exemption may be granted for a variety of reasons, including that time is required to purchase and erect machinery and that the ground the subject of the tenement is unworkable (section 102(2) of the Mining Act). However, if the tenement holder does not meet the minimum expenditure requirement and either fails to apply for an exemption or an exemption application is refused then a fine may be imposed or the Tenement forfeited due to an application by a third party (section 98(1) Mining Act).
- 4.37 An application by a third party for forfeiture against a tenement holder must be made during the expenditure year in relation to which the requirement is not complied with or within eight months thereafter (section 98(2) of the Mining Act). For the Warden to forfeit or recommend forfeiture of a tenement due to a third party forfeiture application, the forfeiture applicant bears the onus to prove that there has not been compliance with the prescribed expenditure conditions in the relevant year and if there has been non-compliance, the tenement holder bears the onus to satisfy the Warden that the non-compliance is not, in all the circumstances of the case, of sufficient gravity to warrant the forfeiture of the tenement (section 98(5) of the Mining Act). Key factors in determining whether the breach is of sufficient gravity include, works carried out on the tenement (ie the less work done, the more likely the tenement will be forfeited) and whether the tenement holder included false or misleading information on the Form 5 Operations Report.
- 4.38 The Warden may forfeit those tenements which are prospecting licences but may only recommend forfeiture for those tenements which are exploration licences and mining leases to the Minister who will determine if they should be forfeited or, alternatively, if a fine should be imposed (section 98 of the Mining Act). The Warden and Minister may, as an alternative to forfeiture, impose no penalty or impose a fine of no more than \$10,000 per tenement which may be awarded to the forfeiture applicant (section 98(4A) of the Mining Act).
- 4.39 It is noteworthy that the expiry, surrender or forfeiture of a mining tenement does not affect any existing liability to pay rent or penalties, comply with obligations attached to the tenement or for defaults made or done under the tenement (section 114B of the Mining Act).

Offences and Penalties

- 4.40 Anyone acting in contravention of, or failing to comply with the Mining Act is deemed to commit an offence (section 154(1) of the Mining Act).
- 4.41 Where a person has carried on mining (which is defined under section 8(1) to include fossicking, prospecting, and exploring for minerals and mineral operations) on any land without being duly authorised under the Mining Act or any other Act, the penalty is \$300,000.00 and if the offence is a continuing one, a further fine of \$30,000.00 for every day or part of a day during which the offence has continued (section 155 of the Mining Act).
- 4.42 It is important to note that where a body corporate is convicted of an offence, every director and every other officer concerned in the management of the body corporate is guilty of the offence if it is proved that the act or omission that constituted the offence took place with his or her authority, permission or consent (section 154(3) of the Mining Act).
- 4.43 A mining tenement may also be liable for forfeiture if the holder of the licence is convicted of an offence against the Mining Act (section 63A of the Mining Act), and DMIRS is less likely to allow further extensions of the term where this occurs.

Effect of Registration of Title in WA

- 4.44 The Mining Act provides for a register on which grants of and dealing in mining tenements (including exploration and prospecting licences) are recorded (section 103F of the Mining Act).

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An important issue for persons dealing in mining tenements is the extent to which they can rely upon this register as evidence that the holder's title is valid, and therefore 'indefeasible'.

- 4.45 Unlike the Torrens legislation (which enables such persons to rely solely on the register to validate title), the register under the Mining Act provides a 'limited' indefeasibility. Rather than offering full protection, section 116(2) of the Mining Act provides that a person dealing with the registered title holder can rely on the register to take a good title free of any competing, unregistered interests. However, this protection is subject to two (2) important qualifications:
- (a) registration will not of itself validate the transaction by which that person took from the registered title holder (that transaction could still be shown to be invalid and the register rectified); and
 - (b) registration may be prevented by caveat.
- 4.46 Generally, a caveat is a statutory injunction which operates to protect a party's interest in a mining tenement by 'freezing' the register, thereby preventing further dealings in the tenement to the detriment of the protected interest.

Rent

- 4.47 The Mining Act and Mining Regulations provide that rent must be paid by the holders to hold the Tenements. The rate of rent depends upon the type of mining tenement. Rent is payable yearly in advance and is due on the anniversary date after the commencement of the term of the Tenement and must be paid not later than one month after that date.
- 4.48 Rent is payable for each of the Tenements pursuant to section 108 of the Mining Act and regulation 109 of the Mining Regulations (as prescribed by Schedule 2 of the Mining Regulations).
- 4.49 The rent paid and payable for the Tenements in the current and previous year is detailed in the Tenement Table.
- 4.50 If the holder of a mining lease or an exploration licence has failed to pay the rent owing by the due date, the tenement is liable for forfeiture under section 97(1) or 63A of the Mining Act respectively upon declaration by the Minister in the government gazette that the mining lease or exploration licence is forfeited. Alternative options available to the Minister, however, include imposing a fine of up to \$150,000.00 (for a company) or imposing no penalty at all (sections 97 and 96A of the Mining Act).
- 4.51 If the holder of a prospecting licence has failed to pay the rent owing by the due date the tenement is liable for forfeiture under section 96 of the Mining Act upon the application to the mining warden by the Minister or any other person. Where the mining warden is satisfied that the non-payment justifies forfeiture, the mining warden may order that the tenement be forfeited (section 96(2) of the Mining Act), or alternatively impose a penalty of up to \$150,000.00 or impose no penalty at all (section 96(3) of the Mining Act).

Expenditure Requirements

- 4.52 The holder of an exploration licence, mining lease or prospecting licence must comply with the prescribed expenditure conditions for the licence unless an exemption is granted under the Mining Act. A tenement will be liable to forfeiture by the Minister or a third party if the expenditure obligations are not complied with (see further detailed information at paragraphs 4.36 to 4.38).

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Combined Reporting Groups

- 4.53 Combined reporting groups allow the holder to apply for a "project exemption" from expenditure requirements under section 102(2)(h) of the Mining Act, if it can be established that the aggregate expenditure for the combined reporting tenements would satisfy the requirements for a particular tenement, had the aggregate expenditure been apportioned between each tenement in the respective Combined Reporting Group.

Forrest Decision

- 4.54 In the recent High Court decision in *Forrest & Forrest Pty Ltd v Wilson & Others* [2017] HCA 30 (**Forrest Decision**), the High Court held that where a mineralisation report has been submitted after (and not at) the time of an application for a mining lease, the Warden has no jurisdiction to recommend grant and the Minister has no jurisdiction to subsequently grant a mining lease.
- 4.55 An application for a mining lease must be accompanied by either a mining proposal or a mineralisation report (section 74(1)(ca)(ii) of the Mining Act). This provision was inserted through the *Mining Amendment Act 2004* (WA) which commenced on 10 February 2006. Accordingly, the Forrest Decision only impacts the validity of mining leases granted on or after 10 February 2006 which did not comply with section 74(1)(ca)(ii) of the Mining Act.
- 4.56 The Minister announced in a media statement on 5 September 2017 that the Government is examining legislative solutions to provide assurance to the State's mining industry following the High Court decision. The Western Australian State Government introduced a draft *Mining Amendment (Procedures and Validation) Bill 2018* to provide a legislative fix to validate mining leases which were invalidly granted following the Forrest Decision. The draft bill was tabled before the Legislative Assembly on 26 June 2018 but it has not been enacted.

Security and Bonds

- 4.57 Each of the Tenements is subject to the Mining Rehabilitation Fund (**MRF**).
- 4.58 The Mining Act requires that for mining tenements security is lodged with DMIRS to protect against the holder not complying with the tenement conditions and the requirements of the Mining Act and the Mining Regulations.
- 4.59 As of 1 July 2013, the majority of environmental bonds in Western Australia have been retired due to the operation of the MRF. The new system requires tenement holders to pay an annual levy on their tenements into a fund, which can later be used to rehabilitate mining sites. The levy is calculated based on the area of disturbed land, the kind of disturbance and the relevant environmental impact.
- 4.60 The MRF requires disturbance data (describing the number of hectares disturbed and the type of disturbance) to be collated and submitted online to the DMP annually. The data is used to calculate a levy which the tenement holder must pay. Tenements with a liability estimate below \$50,000 must report disturbance data but will not be required to pay a levy to the MRF.
- 4.61 Disturbance data for the Western Australian Tenements must be submitted by 30 June of a given year for the reporting period 1 July of the previous year to 30 June of the current year and if applicable the levy paid for that year.
- 4.62 The obligation to report disturbance data and pay the levy for a given year, and any penalties for non-payment, are borne by the holder recorded in DMIRS' Mineral Titles Online system who holds the relevant mining tenement on the due date. This liability remains with that holder even if the tenement is transferred to a third party after the due date.



- 4.63 DMIRS also retains the discretion to impose bonds in addition to the MRF on a case by case basis. There are some bonds on certain projects in Western Australia. DMIRS will generally impose a bond in addition to MRF where they consider there is "high risk of rehabilitation liability reverting to the state".

Conditions and Programmes of Work

Standard Conditions

- 4.64 The Mining Act provides that exploration licences, prospecting licences and mining leases are held subject to standard conditions and any specific conditions that may be imposed by the Minister. Standard conditions concern issues such as tenement reporting, reporting economic discoveries, not using ground disturbing equipment without an approved work programme, rehabilitating the land and removing waste and rubbish. The specific conditions are mainly concerned with the holders not accessing certain Crown reserves or sites without the permission of the responsible Minister.
- 4.65 Sections 46 and 63 of the Mining Act provide that all exploration licences and prospecting licences are granted with certain deemed or standard conditions. These standard conditions include that the holder will explore or prospect (whichever is applicable) for minerals and:
- (a) will promptly submit a tenement report in writing to the Minister on all minerals of economic interest discovered in, on or under the land the subject of the exploration licence or prospecting licence; and
 - (b) will not use ground disturbing equipment when exploring for minerals on the land the subject of the exploration licence or prospecting licence unless —
 - (1) the holder has lodged in the prescribed manner a programme of work in respect of that use; and
 - (2) the holder has paid the prescribed assessment fee in respect of the programme of work; and
 - (3) the programme of work has been approved in writing by the Minister or a prescribed official; and
 - (c) will fill in or otherwise make safe to the satisfaction of a prescribed official all holes, pits, trenches and other disturbances to the surface of the land the subject of the exploration licence or prospecting licence which are —
 - (1) made while exploring for minerals; and
 - (2) in the opinion of the prescribed official, likely to endanger the safety of any person or animal; and
 - (d) will take all necessary steps to prevent fire, damage to trees or other property and to prevent damage to any property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise.
- 4.66 Sections 63AA and 46A of the Mining Act also provide that 'reasonable conditions' may also be attached to an exploration licence or prospecting licence in respect of preventing, reducing or making good injury to the land for which the licence is sought or was granted, or injury to anything on the surface or below the land or consequential damage to any other land.
- 4.67 Section 82 of the Mining Act provides that mining leases are granted with certain deemed or standard conditions. These standard conditions include that the holder shall:

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- (a) pay the rents and royalties due under the mining lease at the prescribed time and in the prescribed manner;
 - (b) use the land the subject of the mining lease for the purposes of mining;
 - (c) arrange and pay for a survey of the land the subject of the mining lease within stipulated timeframes and where the lease is surrendered in part, arrange and pay for a re-survey of such land within the stipulated timeframes;
 - (d) not use ground disturbing equipment when mining on the mining lease unless:
 - (1) the holder has lodged in the prescribed manner a programme of work in respect of that use; and
 - (2) the holder has paid the prescribed assessment fee in respect of the programme of work;
 - (3) the programme of work has been approved in writing by the Minister or a prescribed official; and
 - (4) that use is dealt with in a relevant mining proposal;
 - (e) lodge, in the prescribed manner, such periodical reports and returns as may be required;
 - (f) furnish to the Minister such geological samples obtained in the course of operations conducted by the tenement holder under the mining lease as the Minister may request;
 - (g) promptly submit a tenement report in writing to the Minister on all minerals of economic interest discovered in, on or under the land the subject of the mining lease; and
 - (h) review the mine closure plan contained in a relevant mining proposal and obtain the written approval for the reviewed mine closure plan from a prescribed official;
 - (i) be liable to have the mining lease forfeited if the tenement holder fails to comply with any requirement relating to security for compliance with conditions, a report required under paragraph 4.67(e) or an audit statement or a mineral exploration report in relation to the mining lease.
- 4.68 Further standard conditions, apparent upon review of the public enquiry tenement reports for the Tenements, are that the holder must:
- (a) rehabilitate all disturbances to the surface of the land no later than 6 months after carrying out exploration activities;
 - (b) remove all rubbish prior to termination of the exploration program;
 - (c) obtain the prior written approval of the Environmental Officer for DMIRS before using mechanised equipment causing disturbance to the surface of the land;
 - (d) notify the holder of any underlying pastoral or grazing lease by telephone or in person prior to undertaking airborne geophysical surveys or any ground disturbing activities; and
 - (e) notify any underlying pastoral or grazing lease holder of any transfer of a licence.



Programme of Works

- 4.69 An applicant for a mining lease, exploration licence (or any extension thereof) or prospecting licence must submit a work programme for the tenement (sections 82, 55A and 58 of the Mining Act and regulation 23A of the Mining Regulations). Furthermore, as mentioned above, it is a deemed standard condition of a mining lease, exploration licence and prospecting licence that the tenement holder does not use ground disturbing equipment until a programme of work has been lodged and approved in writing by the Minister.
- 4.70 The Mining Act and Mining Regulations do not prescribe any other requirements for a programme of works. The Mining Act is also silent about what effect failure to comply with a programme of works has on a mining lease exploration licence, or prospecting licence and the Mining Regulations do not prescribe a particular form of programme. Additionally, there are no conditions to the grant of any of the Tenements which require compliance with a programme of works.
- 4.71 Nevertheless, as a matter of policy, non-compliance with any aspect of a programme of works is likely to be viewed harshly and may be a factor influencing the Minister or mining warden upon exercise of their broad discretions under the Mining Act. For instance, non-compliance with any work programme may be a relevant factor when considering whether to extend the term of a particular tenement.

WA Environmental requirements

- 4.72 We note that environmental due diligence is outside the scope of this report and we were not instructed to carry out any environmental due diligence. However, we provide the following information as a general guide to environmental requirements relating to the Tenements.
- 4.73 *The Environmental Protection Act 1986 (WA) (EP Act)* regulates activities that are likely to have an impact on the environment.
- 4.74 Part IV of the EP Act sets out the regime for the referral and assessment of proposals likely to have a significant effect on the environment. Section 38 provides that any person may refer a 'significant proposal' (being a proposal likely to have a significant effect on the environment) to the EPA for assessment. The words 'significant effect' are not defined by the EP Act and therefore assume their natural and ordinary meaning.
- 4.75 Upon referral the EPA will decide either that (sections 39A and 40 of the EP Act):
- (a) no assessment is required;
 - (b) a public environment review is required; or
 - (c) assessment on proponent information only is sufficient.
- 4.76 If the EPA assesses a proposal, it will prepare an assessment tenement report on the proposal and give that tenement report to the Minister (section 44 of the EP Act). After publishing the tenement report and consulting within the Government, the Minister will decide whether or not to implement the proposal and will publish a statement to that effect (section 45 of the EP Act). Where a proposal is approved, the proponent must implement the proposal in accordance with the statement (and any conditions thereto), otherwise it will commit an offence (section 47(1) of the EP Act).
- 4.77 Part V of the EP Act sets out pollution and environmental harm offences. Under this Part, it is an offence to intentionally or with criminal negligence cause pollution (whether waste, odour, noise, electromagnetic waves etc.) or emit unreasonable emissions from any premises (section 49 of the EP Act). The Part also sets out offences for:

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- (a) dumping or discharging waste (which may affect the public or cause pollution) (sections 49A and 50 of the EP Act);
- (b) committing 'material environmental harm' (environmental harm that is not trivial or negligible, or involves actual or potential property loss of more than \$20,000) (section 50B of the EP Act);
- (c) committing 'serious environmental harm' (environmental harm that is irreversible or on a wide scale, or in an area of high conservation value or significance, or results in actual or potential property loss of more than \$100,000) (section 50A of the EP Act); and
- (d) the unauthorised clearing of native vegetation (section 51C of the EP Act).

4.78 The EP Act provides for certain defences to these offences (sections 74-76 of the EP Act).

4.79 We have not conducted searches of the EPA website and list of proposals to confirm if the Koongie Park Project has been referred to the EPA.

4.80 We have not conducted searches of current and historical environmental and planning approvals relating to the Tenements.

4.81 Some of the standard and specific conditions attached to the Tenements impose environmental requirements upon the holders of the Tenements. The more important of these obligations include compliance with the relevant mining proposal and mine closure plans obtaining the consent of an officer of DMIRS or the Minister before interfering with the surface of land (under an approved works programme) or carrying out activities on or near specified sites or reserves, rehabilitating the land within six (6) months and removing waste.

Contaminated Sites

4.82 We have not carried out any contaminated sites searches or considered any potential contaminated sites issues on the Tenements because environmental due diligence is outside the scope of this report. We provide the following information as a guide only to the law regarding contaminated sites.

4.83 In general terms, the *Contaminated Sites Act 2003* (WA) (**CSA**) requires a person to report any area known or suspected to be contaminated, or commit an offence punishable by fines of up to \$250,000.00, and a daily penalty of \$50,000.00 (section 11 of the CSA).

4.84 The CEO of the Department of Environment and Conservation (**DEC**) must classify the contaminated site. If the site is classified as requiring remediation, responsibility to remediate generally lies with the person responsible for causing the contamination.

4.85 Occupiers of land who seek to change the use of contaminated land assume liability for any remediation required to enable the new use (section 26 of the CSA). If the Tenements have contaminated sites, and remediation is required by the DEC, the holder may become responsible for remediation of that contamination.

Overlapping Tenements and Tenure

4.86 The Mining Act provides that the granted area of a mining lease, exploration licence or a prospecting licence will not include any land the subject of a current mining tenement (other than a miscellaneous licence). However, a miscellaneous licence may be granted over another miscellaneous licence or another tenement and vice versa.

4.87 Section 117(2) of the Mining Act provides that each grant of a mining tenement shall be deemed to contain an express reservation of the rights to which the holder of the existing

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mining tenement is entitled. This establishes a priority of first in time so where there is an overlap between the Company's Tenements and a third party tenement, the Company should be aware that its right on its Tenements may be limited by the rights of the third party especially if that third party has first in time priority.

5. Land Access and Compensation

Pastoral Leases

- 5.1 As set out in paragraph 3.40 above, parts of various Tenements overlap with pastoral leases in Western Australia. The Mining Act provides that, unless overruled by the mining warden, the written consent of these lease holders will be required for the holders to gain access within 'buffer zones' around certain restricted sites (e.g. water bores, dams etc.) on these leases.
- 5.2 The holder of a Tenement cannot explore or mine on Crown land that is the subject of a pastoral lease 'which is the site of, or is situated within 400m of the outer edge of, any water works, race, dam, well or bore, not being an excavation previously made and used for mining purposes by a person other than a lessee of that pastoral lease' without the written consent of the occupier under the lease, unless permission is granted by the mining warden or mining is being carried out at least 30m underground (section 20(5) of the Mining Act).
- 5.3 However, the holder of the Tenements may pass within these areas for the purpose of *gaining access* to other land to conduct exploration activities (section 20(5a) of the Mining Act).
- 5.4 Before passing through the buffer zones the holder must:
 - (a) take all reasonable and practicable steps to notify the occupier of his intention to access the areas; and
 - (b) take all necessary steps to prevent fire and damage to property, livestock or trees,(section 20(5a)(c),(d)(i) of the Mining Act).
- 5.5 The holder must also keep inconvenience to the occupier and use of the area to a minimum, comply with any reasonable requests of the occupier, and make good any damage to improvements or livestock (section 20(5)(d)(ii),(iii),(e) and (f) of the Mining Act). Compensation will be due from the holder where any damage is not repaired by the holder (section 20(5a) of the Mining Act).

Safety

- 5.6 The Mines Safety and Inspection Act 1994 (WA) (**MSIA**) seeks to ensure that the risk to health and safety of persons at a mine is at an acceptable level.
- 5.7 The MSIA imposes a duty on employers to, so far as is practicable, provide and maintain at a mine a working environment in which that employer's employees are not exposed to hazards, are properly trained, instructed and supervised, and provided with protective equipment and clothing as required (section 9(1) of the MSIA). The employer will not avoid this duty simply by appointing a 'manager' at the mine (section 9(5) of the MSIA). Breaches of these duties may result in penalties for a corporation of a fine up to \$500,000 for a first offence and \$625,000 for a subsequent offence (sections 4A and 9A of the MSIA).
- 5.8 Other noteworthy aspects of the MSIA include that the MSIA still applies to contractors and employees of contractors as if they were employees of the principal who controls site. These obligations apply to exploration activities as well as mining activities.

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- 5.9 None of the information that we have obtained or instructions that we have received indicate that AAR (or previous holders of the Tenements) has breached any of the duties under the MSIA.

Crown Reserves

- 5.10 The Mining Act restricts access to certain Crown lands, such as timber and forest reserves or Crown leasehold (amongst others) without approval.
- 5.11 The Mining Act permits mining tenements to be applied for and granted in respect of land that is subject to a Crown reserve (such as a national or marine park, nature or timber reserve or water management area), usually subject to the provision of written consent by the Minister and compliance with any specific procedures peculiar to the type of underlying reserves (sections 23, 24, 24A and 25 of the Mining Act).
- 5.12 Section 24(1)(e) of the Mining Act provides that areas covered by water reserves or other related reserves may be mined with the written consent of the Minister who will consult with the Minister responsible for the administration of that reserve (section 24(3A),(3B) of the Mining Act).

6. Native title

Commonwealth native title law

- 6.1 The NT Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination; by which any future act affecting native title (such as the grant of mining tenements) may be validly undertaken; and by which registered claimants may be afforded certain procedural rights including the 'right to negotiate'.
- 6.2 Under the NT Act, native title can be confirmed to have been either totally or partially extinguished by certain grants. These grants are called Previous Exclusive Possession Acts or Previous Non-Exclusive Possession Acts, respectively.
- 6.3 Previous Exclusive Possession Acts are considered to be so inconsistent with the continued enjoyment of native title rights that they completely extinguish native title, and once extinguished, native title cannot revive. Relevantly, a grant will be a Previous Exclusive Possession Act and therefore will have extinguished native title where it:
- (a) is valid; and
 - (b) took place on or before 23 December 1996; and
 - (c) consists of the grant or vesting of any of the following:
 - (1) a Scheduled Interest;
 - (2) a freehold estate;
 - (3) a commercial lease that is neither an agricultural lease nor a pastoral lease;
 - (4) an exclusive agricultural lease or an exclusive pastoral lease;
 - (5) a residential lease;
 - (6) a community purposes lease;

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- (7) what is taken by s 245(3) of the NT Act (which deals with the dissection of Mining Leases into certain other leases) to be a separate lease in respect of land or waters mentioned in paragraph (a) of that subsection; or
 - (8) any lease (other than a Mining Lease) that confers a right of exclusive possession over particular land or waters.
- 6.4 Tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases, pastoral development holdings, some special leases and term leases for grazing or pastoral purposes, occupation licences, permits to occupy, etc. Such grants and interests are known as Previous Non-Exclusive Possession Acts and will be confirmed to have extinguished native title only to the extent of any inconsistency.
- 6.5 The existence of a native title claim over an area of land is not evidence for the existence or otherwise of native title. The existence of native title is a question of fact to be determined by an assessment of the extent to which native title has been adversely affected or extinguished by adverse Government action. A claim is an expression of interest by a native title group, which is subject to a detailed assessment by the Government and ultimately the Federal Court. A native title group receives a procedural right to negotiate in relation to land the subject of their native title claim where the grant of a mining tenement is proposed by the State.
- 6.6 Where native title is found not to have been extinguished over an area of land, any act that will affect that native title will be subject to the future act procedures under the NT Act. For mining activities, this procedure could be one of 3 options:
 - (a) the 'Expedited Procedure';
 - (b) right to negotiate (**RTN**) resulting in a section 31 Agreement and Ancillary Agreement; or
 - (c) negotiation of an indigenous land use agreement (**ILUA**).
- 6.7 The application of the expedited procedure is a 'fast-tracking' of mining grants under section 32 of the NT Act where such grants do not affect or are unlikely to involve major disturbance to land or waters, or to Aboriginal sites and Aboriginal objects, or are not likely to interfere directly with the carrying on of community or social activities of the relevant native title holders. If a registered native title group does not object to the application of the expedited procedure within 4 months from the 'notification date', the tenement may be granted at the conclusion of the 4 month notification period.
- 6.8 If a registered native title group objects to the application of the expedited procedure, the applicant for the mining tenement and the registered native title group may either:
 - (a) seek a determination from the National Native Title Tribunal (**NNTT**) as to whether the grant of the tenement is an act attracting the 'Expedited Procedure';
 - (b) enter into an agreement which provides for the withdrawal of the objection and a protocol for the protection of Aboriginal cultural heritage (a 'Heritage Protection Agreement'); or
 - (c) enter the RTN procedure and create a full section 31 Agreement under the NT Act.
- 6.9 Where the State does not indicate the expedited procedure is applicable, the parties must enter into the RTN procedure under the NT Act. There are RTN guidelines which should be followed in the process however ultimately the NNTT administers the future act processes that attract the RTN. The NNTT's role includes mediating between parties, conducting inquiries and making decisions ('future act determinations') where parties cannot reach an agreement. The outcome of the RTN process is known as a 'Section 31 Agreement' which is an agreement

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between the parties to the doing of the future act. A 'Section 31 Agreement' must be registered with the State. An Ancillary Agreement may also be made between the parties (to which the State is not a party) which will deal with matters relating to compensation and usually ACH.

- 6.10 The time frame for the RTN negotiations will generally vary between 6 and 12 months. The process begins with the State issuing a Section 29 Notice indicating that it proposes to grant the tenement. A notification period follows during which native title parties have 3 months to lodge claims and an additional month to register their claims with the NNTT. If at the end of the 4 month period there is a registered claim, the parties must negotiate in good faith for a minimum of two (2) months from the end of the 4 month notification period in an effort to reach agreement on the terms of a Section 31 Agreement. If agreement cannot be reached in this time, the established tenure holder may apply for arbitration (provided that a total of 6 months has passed since the notification period began). Usually, however, parties will continue to negotiate for a longer period where there is likelihood that agreement will be reached. If a party elects to go to arbitration, the arbitration period will run for a period of 6 months. At the end of the arbitration period, the NNTT determines whether and on what conditions the tenure may be granted.
- 6.11 An ILUA is a voluntary agreement between a native title party and others about the use and management of land and waters. ILUAs may deal with topics such as access to an area, how native title rights coexist with the rights of others, native title holders agreeing to a future development and matters of compensation. An ILUA must be registered on the Register of Indigenous Land Use Agreements. As a general rule, an ILUA can take 12 to 18 months to complete.
- 6.12 The RTN process does not apply to the creation of a right to mine (by grant of a mining lease or otherwise) for the sole purpose of the construction of an infrastructure facility. These applications are dealt with pursuant to the procedure set out in section 24MD(6B) of the NT Act. In these circumstances, native title holders and registered claimants have the same procedural rights that they would have if they held ordinary freehold title. These applications must be notified to registered claimants, registered native title body corporates, and representative Aboriginal/Torres Strait Islander bodies. Registered claimants and body corporates have 2 months to lodge an objection. Where a party objects, the tenement holder must consult with the native title objectors about minimising the impact of the future act on any registered native title interests in the affected land or waters. On request of the native title objector, the State must ensure that the objection is heard by the NNTT, who may make a determination either upholding the objection, or determining that the act may be done, or may be done with conditions.

Native Title Claim over the Tenements

Implications of Native Title for Projects

- 6.13 The effect of a registered native title claim or determination is that the grant of a mining tenement (where the grant constitutes a future act under the NT Act) attracts procedural processes under the NT Act. Failure to adhere to future act processes will result in a future act being invalid if it is later determined that a native title claim exists in the relevant area. The consequence of invalidity would be that any third party could apply for tenure over the area of the invalid tenement. To protect its right the Company would need to apply for the grant of new tenure over the area.
- 6.14 Where exploration tenements have been applied for or granted over land where the extinguishment of native title has not been confirmed, the Company will need to comply with the future act provisions of the NT Act on future conversion of the licence to a mining lease.



Risk of liability for compensation payments to native title holders

- 6.15 Section 125A of the Mining Act provides that if compensation is payable to native title holders for or in respect of the grant, extension or renewal of a mining tenement, the person liable to pay the compensation is (a) if an amount is to be paid and held in trust, the applicant for the grant of, or the holder of, the mining tenement at the time the amount is required to be paid; or (b) otherwise, the applicant for the grant of, or the holder of, the mining tenement at the time a determination of compensation is made. Further, the section provides that if, at the relevant time, there is no holder of the mining tenement because the mining tenement has been surrendered or forfeited or has expired, a reference in the previous subsection to the holder of the mining tenement is a reference to the holder of the mining tenement immediately before its surrender, forfeiture or expiry. In addition, certain tenements in Western Australia contain an express condition with a similar effect to the above.
- 6.16 Accordingly, the registered tenement holder may be liable to pay compensation for interference with native title rights and interests. In the event that a native title determination is recorded over the area of a tenement and a successful compensation determination is made against the State for interference with native title rights and interests arising as a result of mining operations on a mining tenement, it is possible that the State may, pursuant to section 125A of the Mining Act or a relevant tenement condition, pass such liability onto the current or most recent holder of that tenement (including an expired tenement). To our knowledge, no such passing on of liability has been attempted by the State of Western Australia, however, the risk of liability for future compensation payments to native title holders should be considered in the transaction.
- 6.17 The High Court of Australia handed down its first judicial native title compensation decision in 2019 in *Northern Territory of Australia v Mr A Griffiths (deceased) and Lorraine Jones on behalf of the Ngaliwurru and Nungali Peoples & Anor; Commonwealth of Australia v Mr A Griffiths (deceased) and Lorraine Jones on behalf of the Ngaliwurru and Nungali Peoples & Anor; Mr A Griffiths (deceased) and Lorraine Jones on behalf of the Ngaliwurru and Nungali Peoples v Northern Territory of Australia & Anor* [2019] HCA 7 (**Timber Creek**). Although the Timber Creek decision was significant in the development of native title compensation law, many issues were not addressed. Since Timber Creek a number of new native title compensation claims have been filed but not yet determined. There is a risk that native title holders may claim for compensation and the tenement holder will be required to compensate the native title party. The amount of this compensation may be significant, particularly in circumstances where the native title party has been determined to hold exclusive native title rights.

7. Aboriginal Cultural Heritage

- 7.1 The AH Act seeks to protect areas and objects of cultural significance to aboriginal persons irrespective of the underlying tenure of the land (**Aboriginal cultural heritage**).
- 7.2 The AH Act makes it an offence to, among other things, alter or damage an Aboriginal site, or object on or under an Aboriginal site (section 17 of the AH Act). A corporation breaching section 17 may be liable for fines up to \$100,000.00 per offence and a daily penalty of \$1,000.00 (section 57(1) of the AH Act).
- 7.3 An Aboriginal site is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent (section 5 of the AH Act). The registrar under the AH Act must keep a register listing areas or objects of Aboriginal cultural heritage (section 38 of the AH Act). However, the register is not determinative of whether Aboriginal cultural heritage exists and as such, proponents should conduct heritage due diligence when undertaking operations. Where proponents intend to carry on activities where a site has been registered, it is prudent to take extra care to ensure that all sites are

9. Solicitor's Report on Koongie Park Tenements

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properly identified and any disturbance is pursuant to consent being given under section 18 of the AH Act.

- 7.4 It is a defence under section 62 of the AH Act if the person disturbing the place or object did not know and could not reasonably be expected to have known, that the place or object to which the offence relates was a place or object protected under the AH Act.
- 7.5 The Minister for Indigenous Affairs may consent, pursuant to section 18 of the AH Act, to a person using land in a way that is likely to disturb sites or objects in breach of section 17 of the AH Act on recommendation from the 'Aboriginal Cultural Materials Committee', a committee of approved persons with expertise in Aboriginal cultural heritage. Such consent may be provided subject to conditions as appropriate.
- 7.6 Practically, proponents usually seek to conduct surveys with Aboriginal people who can traditionally speak for the relevant area prior to conducting ground disturbing activities that may interfere with Aboriginal places or objects and so that they can, where necessary, make application to the Minister for Indigenous Affairs. These surveys are also useful for proponents if they have to argue for the defence under section 62 of the AH Act where disturbance is caused.
- 7.7 However, as noted above, the absence of recorded aboriginal cultural heritage sites within the remainder of the WA Tenements does not mean that aboriginal cultural heritage sites or objects do not exist within these other areas. The absence of recorded Aboriginal heritage sites or objects may simply reflect a lack of previous cultural heritage surveys having been conducted in an area. For conclusive results, cultural heritage surveys of these other areas must be conducted to identify any existing aboriginal cultural heritage.

8. Material Contracts

Jaru Native Title Heritage Agreement

- 8.1 There is a Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboo Lands between KLC and AAR dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Jaru (formerly Lamboo Lands) between KLC and AAR dated 5 December 2018, which relates to the lands the subject of the Jaru (formerly Lamboo) Native Title Claim (WC2012/003) (**Jaru Native Title Heritage Agreement**). The Tenements the subject of this agreement are shown in Schedule 1.
- 8.2 Under the Jaru Native Title Heritage Agreement, the claim group agreed to the grant of certain tenement applications by AAR. The Jaru Native Title Heritage Agreement provides for AAR's use of the area overlapping the Jaru Claim and provides an agreed procedure for AAR to carry out exploration on the tenements in consideration for certain benefits provided to the Jaru traditional owners under the agreement.

Koonjie-Elvire Native Title Heritage Agreement

- 8.3 There is a Native Title, Heritage Protection and Mineral Exploration Agreement for Koonjie-Elvire Lands between KLC and AAR dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Koonjie-Elvire Lands between KLC and AAR dated 5 December 2018 (**Koonjie-Elvire Native Title Heritage Agreement**). The Tenements the subject of this agreement are shown in Schedule 1.
- 8.4 Under the Koonjie-Elvire Native Title Heritage Agreement, the claim group agreed to the grant of certain tenement applications by AAR. The Koonjie-Elvire Native Title Heritage Agreement provides for AAR's use of the area overlapping the Koonjie-Elvire group's land and provides an agreed procedure for AAR to carry out exploration on the tenements in consideration for certain benefits provided to the Koonjie-Elvire traditional owners under the agreement.

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Ngarrawanji Native Title Heritage Agreement

- 8.5 There is a Native Title, Heritage Protection and Mineral Exploration Agreement for Ngarrawanji Lands between KLC and AAR dated 3 December 2018 (**Ngarrawanji Native Title Heritage Agreement**). The Tenements the subject of this agreement are show in Schedule 1.
- 8.6 Under the Ngarrawanji Native Title Heritage Agreement, the claim group agreed to the grant of certain tenement applications by AAR. The Ngarrawanji Native Title Heritage Agreement provides for AAR's use of the area overlapping the land the subject of the Ngarrawanji group and provides an agreed procedure for AAR to carry out exploration on the tenements in consideration for certain benefits provided to the Koonjie-Elvire traditional owners under the agreement.

9. Assumptions and qualifications

- 9.1 In relation to the Western Australian tenure, we have made the following assumptions in the preparation of this Solicitor's Report:
- (a) our investigations were confined to the Searches unless otherwise specified. We note that this Solicitor's Report is accurate and complete only to the extent that the information resulting from these Searches was correct as at the date that the searches were conducted;
 - (b) there have been no material changes in the standing of the Tenements since the dates of our Searches;
 - (c) the Ministers administering the relevant Acts mentioned by this Solicitor's Report and each of their delegates have been validly appointed, have acted within the scope of their power, authority and discretion in granting the Tenements and are able and willing to grant any required consents and approvals under relevant legislation;
 - (d) the authenticity of all signatures and seals and of any duty stamp or marking;
 - (e) the effectiveness, accuracy, completeness and conformity to originals of all copy documents submitted to us;
 - (f) that the documents are within the capacity and powers of, and have been validly authorised, executed, duly stamped (where required) and delivered by and are binding on the parties to them;
 - (g) that there are no defaults or contraventions under any agreement or instrument (other than those set out in this Solicitor's Report) which have led or will lead to litigation or have other adverse consequences;
 - (h) that all relevant authorisations were obtained in all relevant jurisdictions prior to all transactions reviewed being entered into and were in full force and effect at all material times and that all obligations under those authorisations have been observed at all times;
 - (i) other than where we have indicated more information is required, that there were no documents other than those which were disclosed to us which related to the issues which we examined;
 - (j) the constitutional validity of all relevant legislation;
 - (k) that the registered holder of a Tenement has valid legal title to the Tenement;

9. Solicitor's Report on Koongie Park Tenements

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AuKing Mining Limited Solicitor's Report on Tenements



- (l) that the native title procedures set out in the Mining Act of NT Act were complied with in respect to either the grant or renewal of any of the Tenements; and
 - (m) that we have not made enquiries as to the presence of Aboriginal sites, objects or remains in the Tenements, other than the Searches, and we have not made enquiries about the presence or adequacy of previous surveys.
- 9.2 No other matters form part of the scope of this Solicitor's Report. We have not been instructed as part of the scope of this Solicitor's Report to, nor have we, concerned ourselves with business or financial due diligence or an assessment of business, financial, technical or regulatory risks (apart from those regulatory risks necessarily falling within the scope).
- 9.3 We have not been instructed as part of the scope of this Solicitor's Report to, nor have we, conducted searches of:
- (a) the AHIS maintained by the DPLH for unregistered "Other Heritage Places" overlapping the Tenements or made enquiries about the presence or adequacy of previous Aboriginal heritage surveys; or
 - (b) any contaminated sites or environmental approvals or conditions in respect of the Tenements.
- 9.4 We have not been instructed as part of the scope of this Solicitor's Report to determine the application of safety or environmental legislation that may be relevant to the Tenements and the Company.
- 9.5 Where we state in this Solicitor's Report that 'we have been instructed' or 'we are advised', this indicates that we have relied on statements (whether written or oral) provided by the Company, employees of the Company or a relevant Government department, respectively. We are unable to verify the accuracy of these statements as this verification is outside the scope of this Solicitor's Report. We also noted where we have made assumptions and the basis for that assumption.
- 9.6 Where laws are mentioned, the Solicitor's Report does not purport to mention every requirement in respect of the relevant law and items listed after the word 'including' in many cases are not an exhaustive list. Accordingly, specific legal advice should be obtained for specific questions about individual laws.

10. Consent

- 10.1 This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus. This report is not to be relied upon by, or disclosed to, any other person or used for any other purposes or quoted or referred to in any public document (other than in connection with the issue of the Prospectus) or filed with any Government body or other person (other than in connection with the Prospectus) without our prior written consent.

Yours faithfully

Hopgood Ganim

HopgoodGanim Lawyers

Schedule 1 - Tenement Schedule

No	Tenement	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping Interests	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year/ Previous Year)		
1.	E80/4389	AAR	Live	17/09/2010	16/09/2022	None	Expedited Procedure: In Progress (Amalgamation application) Cleared on grant of application: reason unspecified Overlaps Jaru Native Title Determination (WAD45/2012) (100%)	No	Current Year Paid for current year ending 16/09/2021 Previous Year Paid	Current Year \$70,000 by 15/11/2021 Previous Year Under expended, exemption application lodged (DMIRS refused application)	<ul style="list-style-type: none"> Halls Creek Mining Pty Ltd.80/71 (granted 30 August 2012) (0.24%) Great Northern Highway Road Reserve (overlap not specified) Pastoral Lease N049432 (Lambo) (94.93%) 	<p>Pending application for amalgamation of portion of former P80/1835 within external boundaries of E80/4389 (Mineral Titles Online incorrectly states "whole" of P80/1835).</p> <p>Exemption from expenditure application for tenement year ending 16 September 2013 refused. Forfeiture proceeding resolved by payment of \$1,249 fine. Exemption from expenditure application for tenement year ending 16 September 2020 refused on 22 February 2021. No Ministerial forfeiture proceedings as yet.</p> <p>Subject to Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboo Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Jaru (formerly Lamboo Lands) between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 5 December 2018.</p>
2.	E80/4766	AAR	Live	13/06/2014	12/06/2024	ID: 13864 - Laura	Expedited Procedure:	No	Current Year	Current Year \$15,000 by	<ul style="list-style-type: none"> Great Northern Highway Road 	<p>Pending application for amalgamation of portion of former P80/1835 within external</p>

9. Solicitor's Report on Koongie Park Tenements

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N o	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Register- ed Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Comments
								Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)		
					River Tributary (artefact s / scatter)	In Progress (Amalgama- tion application) Cleared on grant of application: expedited procedure applies Overlaps Jaru Native Title Determinati -on (WAD45/20 12) (66.54%) Koongie- Elvire Native Title Claim WC1999/04 0 (33.46%)		Paid for current year ending 12/06/20 21 Previous Year Paid	11/08/2021 Previous Year Under expended, application lodged (DMIRS refused application)	Reserve (overlap not specified) • "C" Class Reserve Repeater Station Site (R 40320) (0.49%) • Pastoral Lease N049432 (Lambo) (58.52%) • Pastoral Lease N049860 (Koongie Park) (32.97%)	boundaries of E80/4766. Exemption from expenditure application for tenement year ending 12 June 2020 refused. Ministerial forfeiture proceeding resolved by payment of \$767 fine. Subject to: • Native Title, Heritage Protection and Mineral Exploration Agreement for Koongie-Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Koongie- Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 5 December 2018; and • Native Title, Heritage Protection and Mineral Exploration Agreement for Lambo Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral

No	Tenement	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping Interests	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year/ Previous Year)		
3.	E80/4957	AAR	Live	11/11/2016	10/11/2021	None	Cleared: expedited procedure applies Overlaps Jaru Native Title Determination - on (WAD45/2012) (100%)	No	Current Year Paid for current year ending 10/11/2021 Previous Year Under expended, exemption application lodged - pending determination	Current Year \$30,000 by 09/01/2022 Previous Year Under expended, exemption application lodged - pending determination	<ul style="list-style-type: none"> Pastoral Lease N049432 (Lamboob) (100%) 	<p>Exploration Agreement for Jaru (formerly Lamboob Lands) between Kimberley Land Council and Anglo Australian Resources NL dated 5 December 2018.</p> <p>Exemption from expenditure application for tenement year ending 10 November 2020 refused. Forfeiture proceeding resolved by payment of \$834 fine.</p> <p>Subject to:</p> <ul style="list-style-type: none"> Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboob Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Jaru (formerly Lamboob Lands) between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 5 December 2018.
4.	E80/4960	AAR	Live	24/03/2017	23/03/2022	None	Expedited Procedure: In Progress re amalgamation	No	Current Year Paid for current year ending 23/03/2021 Previous Year Paid for current year ending 23/03/2020	Current Year \$40,500 by 23/03/2021 Previous Year Expended in	<ul style="list-style-type: none"> "C" Class Reserve Watering Place (R 1594) (2.43%) Road Reserves (No 296) (overlap not specified) 	<p>Pending applications for amalgamation of portion of former P80/1835 and P80/1836 within external boundaries of E80/4960.</p> <p>Subject to:</p>

9. Solicitor's Report on Koongie Park Tenements

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No	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Comments
								Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)		
						applications Cleared on grant of tenement: expedited procedure applies Overlaps Jaru Native Title Determination on (WAD45/2012) (36.02%) Koongie-Elvire Native Title Claim WC1999/040 (45.39%) Ngarrawanji Part A Native Title Determination on (WAD41/2019) (18.59%)		21 Previous Year Paid	full	<ul style="list-style-type: none"> Pastoral Lease N049432 (Lamboo) (36.02%) Pastoral Lease N049860 (Koongie Park) (42.69%) Pastoral Lease N050141 (Moola Bulla) (18.27%) 	<ul style="list-style-type: none"> Native Title, Heritage Protection and Mineral Exploration Agreement for Koongie-Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Koongie-Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 5 December 2018, and Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboo Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Jaru (formerly Lamboo Lands) between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 5 December 2018; and Native Title, Heritage Protection and Mineral

No	Tenement	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)		
												Exploration Agreement for Ngarrawanji Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 3 December 2018.
5.	E80/5076	AAR	Live	27/11/2018	26/11/2023	ID: 13783 – Tjaura (mythological)	Cleared: expedited procedure applies Overlaps Jaru Native Title Determination on (WAD45/2012) (100%)	No	Current Year Paid for current year ending 26/11/2021 Previous Year Paid	Current Year \$20,000 by 25/01/2021 Previous Year Under expended, exemption application lodged - pending determination	<ul style="list-style-type: none">Great Northern Highway Road Reserve (overlap not specified)Pastoral Lease N049432 (Lamboob) (98.91%)	Exemption application for tenement year ending 26 November 2019 refused. Forfeiture proceeding resolved by payment of \$1,193 fine. Subject to: <ul style="list-style-type: none">Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboob Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Jaru (formerly Lamboob Lands) between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 5 December 2018.
6.	E80/5087	AAR	Live	28/11/2018	27/11/2023	None	Cleared: expedited procedure applies Overlaps	No	Current Year Paid for current year ending 27/11/2020 Previous Year Under	Current Year \$15,000 by 26/01/2021 Previous Year Under	<ul style="list-style-type: none">Pastoral Lease N049432 (Lamboob) (100%)	Exemption from expenditure application for tenement year ending 27 November 2019 refused. Forfeiture proceeding resolved by payment of \$1,023 fine.

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No	Tenement	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)		
							Jaru Native Title Determination on WAD45/2012 (100%)		21 Previous Year Paid	expended, exemption application lodged - pending determination		Subject to: • Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboo Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Jaru (formerly Lamboo Lands) between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 5 December 2018.
7.	E80/5127	AAR	Live	27/11/2018	26/11/2023	ID: 12455 – Weldens Creek (artefact scatter) ID: 12456 – Mesa Scatter (artefact scatter) ID: 13873 – Rockhole Creek (artefact scatter)	Expedited Procedure: In Progress (Amalgamation application) Cleared: expedited procedure applies (Tenement application) Overlaps Jaru Native Title Determination on	No	Current Year Paid for current year end 26/11/2021 Previous Year Paid	Current Year \$57,000 by 25/11/2021 Previous Year Under expended, exemption application lodged - pending determination	<ul style="list-style-type: none"> Great Northern Highway Road Reserve (overlap not specified) Unallocated Crown Land (20.7%) File Notation Area 14196 (6.81%) "C" Class Reserve Recreation (R 1595) (1.38%) "C" Class Reserve Watering Place (R 1594) (1.05%) Road Reserves (No 296) (overlap not specified) Pastoral Lease 	Pending applications for amalgamation of whole of former P80/1802, P80/1803, P80/1832 and P80/1837 and portions of former P80/1804, P80/1806, P80/1807, P80/1808, P80/1809, P80/1831 and P80/1834 within external boundaries of E80/5127. Exemption from expenditure application for tenement year ending 26 November 2019 refused. Forfeiture proceeding resolved by payment of \$3,799 fine. Subject to: • Native Title, Heritage Protection and Mineral Exploration Agreement for

No	Tenement	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping Interests	Comments
									Rent (Current Year/Previous Year)	Expenditure (Current Year/Previous Year)		
						s / scatter, quarry) ID: 13674 – Halls Creek (artefact s / scatter, quarry) ID: 13875 – Weldens Creek (artefact s / scatter, man-made structure, camp)	(WAD45/2012) (0.15%) Koonjie-Elvire Native Title Claim WC1999/040 (65.62%) Ngarrawanji Part A Native Title Determinati on (WAD41/2019) (27.02%) Ngarrawanji Part B Native Title Determinati on (WAD569/2019) (6.81%) Ngarrawanji #3 Yarll Native Title Claim WC2021/002 (0.39%)				<ul style="list-style-type: none"> N049860 (Koonjie Park) (64.03%) Pastoral Lease N049650 (Burks Park) (0.39%) Pastoral Lease N050141 (Moola Bulla) (10.91%) 	<p>Koonjie-Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Koonjie-Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 5 December 2018;</p> <ul style="list-style-type: none"> Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboo Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Janu (formerly Lamboo Lands) between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 5 December 2018; and Native Title, Heritage Protection and Mineral Exploration Agreement for Ngarrawanji Lands between Kimberley Land Council Aboriginal Corporation and

9. Solicitor's Report on Koongie Park Tenements

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No	Tenement	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year/ Previous Year)		
8.	E80/5263	AAR	Live	04/12/2019	03/12/2024	ID: 13783 – Tjaura (mythological) ID: 13784 – Tawaka (artefact / scatter, quarry) ID: 13861 – Laughler Camp (artefact / scatter, quarry)	Cleared: expedited procedure applies Overlaps Jaru Native Title Determination on (WAD45/2012) (100%)	No	Current Year Paid for current year end 03/12/2021 Previous Year Paid	Current Year \$47,000 by 3/12/2021 Previous Year Under expended, exemption application lodged - pending determination	<ul style="list-style-type: none"> Halls Creek Mining Pty Ltd 80/71 (granted 30 August 2012) (0.19%) Halls Creek Mining Pty Ltd E80/2601 (0.46%) (granted 29 July 2002) (as exploration licences cannot overlap with exploration licences, this appears to be a mapping error) Halls Creek Mining Pty Ltd P80/1843 (<0.01%) (granted 8 March 2017) (as prospecting licences cannot overlap with exploration licences this appears to be a mapping error) Great Northern Highway Road Reserve (overlap not specified) Pastoral Lease N049432 (Lamboob) (97.5%) 	Anglo Australian Resources NL dated 3 December 2018. Subject to: <ul style="list-style-type: none"> Native Title, Heritage Protection and Mineral Exploration Agreement for Lamboob Lands between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Jaru (formerly Lamboob Lands) between Kimberley Land Council Aboriginal Corporation and Anglo Australian Resources NL dated 5 December 2018.

No	Tenement	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping Interests	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year/ Previous Year)		
						/ scatter, ceremonial, mythological, rockshelter) ID: 13914 - Black Rock Rock (artefact / scatter)						
						ID: 13915 - Black Rock Rock (artefact / scatter, quarry)						
9.	M80/276	AAR	Live	06/04/1989	05/04/2031	None	Granted tenement recorded: "Information Not Available"	No	Current Year Paid for current year end 05/04/2021	Current Year \$22,100 by 05/04/2021 Previous Year Expended in full	<ul style="list-style-type: none"> Great Northern Highway Road Reserve (overlap not specified) Pastoral Lease N049860 (Koongie Park) (86.92%) 	Exemption from expenditure application for tenement year ending 5 April 2013 refused. Forfeiture proceeding resolved by payment of \$742 fine.
10	M80/277	AAR	Live	06/04/1989	05/04/2031	None	Granted	No	Current Year Paid	Previous Year Paid	<ul style="list-style-type: none"> Morning Star Mining 	Exemption from expenditure

9. Solicitor's Report on Koongie Park Tenements

continued

No	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Comments
								Rent (Current Year/ Previous Year)	Expenditure (Current Year/ Previous Year)		
						tenement recorded: "Information Not Available" Overlaps Koongie-Elvire Native Title Claim WC1999/040 (100%)		Year Paid for current year end 05/04/2021 Previous Year Paid	\$32,500 by 05/04/2021 Previous Year Expended in full	Pty Ltd E80/5542 (pending) (77.58%) <ul style="list-style-type: none">Great Northern Highway Road Reserve (overlap not specified)Pastoral Lease N049860 (Koongie Park) (100%)	application for tenement year ending 5 April 2013 refused. Forfeiture proceeding resolved by payment of \$1,222 fine.
11	AAR	Live	28/06/2013	27/06/2021	None	Cleared: expedited procedure applies Overlaps Koongie-Elvire Native Title Claim WC1999/040 (100%)	No	Current Year Paid for current year end 27/06/2021 Previous Year Paid	Current Year \$4,840 by 27/06/2021 Previous Year Under expended, exemption application lodged (DMIRS refused application)	<ul style="list-style-type: none">Pastoral Lease N049860 (Koongie Park) (100%)	Pending application to amalgamate whole of P80/1802 into E80/5127. Exemption from expenditure application for tenement year ending 27 June 2020 refused. Tenement currently subject to Ministerial forfeiture proceedings. Subject to: <ul style="list-style-type: none">Native Title, Heritage Protection and Mineral Exploration Agreement for Koongie-Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Koongie-Elvire Lands between

No	Tenement	Holder shown on register	Status	Granted	Expiry	Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping Interests	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year/ Previous Year)		
12	P80/1803	Anglo Australia Resources NL	Live	28/06/2013	27/06/2021	None	Cleared: expedited procedure applies Overlaps Koonjile-Elvire Native Title Claim WC1999/040 (100%)	No	Current Year Paid for current year end 27/06/2021 Previous Year Paid	Current Year \$6,360 by 27/06/2021 Previous Year Under expended, exemption application lodged (DMIRS refused application)	<ul style="list-style-type: none"> Pastoral Lease N049860 (Koonjile Park) (100%) 	<p>Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 5 December 2018.</p> <p>Pending application to amalgamate whole of P80/1803 into E80/5127.</p> <p>Exemption from expenditure application for tenement year ending 27 June 2020 refused. Currently subject to forfeiture proceeding.</p> <p>Subject to:</p> <ul style="list-style-type: none"> Native Title, Heritage Protection and Mineral Exploration Agreement for Koonjile-Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 18 June 2007 as varied by Deed of Variation Native Title, Heritage Protection and Mineral Exploration Agreement for Koonjile-Elvire Lands between Kimberley Land Council Aboriginal Corporation and Australian Resources NL dated 5 December 2018.

9. Solicitor's Report on Koongie Park Tenements

continued

Schedule 2 – Non-Standard Conditions

	Tenements	Conditions/Endorsements
1.	E80/5076	<ul style="list-style-type: none"> No interference with Geodetic Survey Stations MOUNT RAMSAY 44, 45, 45A, 60, 175 and 176 and mining thereof being confined to below a depth of 15 metres from the natural surface. The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water and Environmental Regulation (DWER) for inspection and investigation purposes.
2.	E80/5076 E80/4766 E80/5263	<ul style="list-style-type: none"> No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Northern Highway or Highway verge being confined to below a depth of 30 metres from the natural surface.
3.	E80/4389	<ul style="list-style-type: none"> No interference with Geodetic Survey Stations MOUNT RAMSAY 46, 46T, 177, 179 and R16 and mining thereof being confined to below a depth of 15 metres from the natural surface.
4.	E80/4389 P80/1802 P80/1803	<ul style="list-style-type: none"> Tenement holder must obtain DWER's advice if the tenement holder proposes any exploration within a defined waterway and within a lateral distance of 50 metres from the outer-most water dependent vegetation of any perennial waterway and 30 metres from the outer-most water dependent vegetation of any seasonal waterway.
5.	E80/4766	<ul style="list-style-type: none"> Mining within a radius of 150 metres of any Australian Telecommunications Commission microwave repeater station being confined to below a depth of 60 metres from the natural surface. No interference with the Australian Telecommunications Commission microwave repeater station ray-line. No interference with Geodetic Survey Stations MOUNT RAMSAY 47 and 180 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
6.	E80/4766	<ul style="list-style-type: none"> The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Repeater Station Site Reserve 40320.
7.	E80/4960	<ul style="list-style-type: none"> No interference with Geodetic Survey Station MOUNT RAMSAY 59 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Watering Place Reserve 1594. In respect of the area covered by the licence the licensee, if so requested in writing by the Jaru the applicant in Federal Court application No. WAD45/2012, the Koongie-Elvire the applicant in Federal Court application No. WAD6157/1998 and/or the Ngarawanj the applicant in Federal Court application No. WAD6107/1998, such request being sent by pre-paid post to reach the licensee's address, not more than ninety days after the grant of this licence, shall within thirty days of the request execute in favour of the Jaru, the Koongie-Elvire and/or the Ngarawanj the Regional Standard Heritage Agreement ("RHS") endorsed by peak industry groups (e.g. the South West/Ngaanyaljarra/Pilbara/Yamatji/Goldfields Land and Sea Council) and offered by the Native Title Party or their representative.
8.	E80/5127	<ul style="list-style-type: none"> The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Watering Place Reserve 1594 and Recreation Reserve 1595. No interference with Geodetic Survey Stations GORDON DOWNS 3, 4, 5, 55, 56, 57 and 58 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
9.	E80/5263	<ul style="list-style-type: none"> No interference with Geodetic Survey Stations MOUNT RAMSAY 39, 40, 41, 41T, 42, 43, 163, 165, 166, 167, 170, 171 and 185, and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface. The rights of ingress to and egress from Miscellaneous Licence 80/71 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence. The grant of this licence does not include the land the subject of prior Exploration Licence 80/2601. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
10.	M80/276	<ul style="list-style-type: none"> No excavation, excepting shafts, approaching closer to the Perth-Darwin National Highway than a distance equal to twice the depth of the excavation. Mining on the Perth-Darwin National Highway from being confined to below a depth of 30 metres from the natural surface, and on any other road, to below a depth

11.	M80/276 M80/277	<p>of 15 metres from the natural surface.</p> <ul style="list-style-type: none"> No developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the State Mining Engineer for assessment; and until his written approval has been obtained. No developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, for assessment; and until his written approval has been obtained.
12.	M80/277	<ul style="list-style-type: none"> Unless the written approval of the District Mining Engineer, Department of Mines, is first obtained, the use of scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface clearing or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations. The rights of ingress to and egress from any mining operation being at all times preserved to the authorised officers of the Water Authority, for inspection purposes. Such further conditions concerning the pollution of or interference with the natural water courses as the Minister for Mines may from time to time determine.
13.	M80/277	<ul style="list-style-type: none"> Mining on any road or road reserve being confined to below a depth of 15 metres from the natural surface.

Section 10

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Board of Directors and Senior Management

10. Board of Directors and Senior Management

10.1 Board of Directors

The Directors of the Company bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience. Following completion of the KP Transaction, the Existing Directors will step down and an entirely new Board will be formed, comprising the following people:



Dr Mark Elliott, Independent Non-Executive Chairman

Dip Appl Geology, PhD, FAICD, FAusIMM(CP Geol), FAIG

Dr Elliott is a Chartered Professional (CP) geologist with over 45 years' experience in economic geology, exploration, mining, project development and in corporate management roles as chairman and managing director for a number of ASX-listed resource companies.

Dr Elliott has a Diploma in Applied Geology (1973) from the Ballarat School of Mines, and a Doctor of Philosophy Degree (1979) from the University of New South Wales. He is a qualified Company Director having completed the Company Directors course Diploma awarded by the University of Sydney Graduate School of Business in 1996. He is a Fellow of the Australian Institute of Company Directors, Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Dr Elliott has extensive experience in managing companies and exploration/mining operations in a wide range of commodities including gold and base metals. His management experience includes founding IPOs from commencement of project and company acquisitions, exploration to production, capital raising and negotiating joint ventures. Dr Elliott has been the Chairman of ASX listed West African explorer Mako Gold Ltd, and is Non-Executive Director of ASX listed Western Australian Archean gold explorers Nexus Minerals Limited and Aruma Resources Limited and also Astron Corporation Limited.



Mr Peter Tighe, Independent Non-Executive Director

MAICD

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 approximately \$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 continues as a consultant to 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.

10. Board of Directors and Senior Management

continued



Mr Ian Hodkinson, Non-Executive Independent Director

BSc, MSc (Mining Geology and Mineral Exploration)

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.

Mr Hodkinson has been engaged to provide consulting services to the Company, details of which are set out in section 12.6.



Mr ShiZhou Yin, Non-Executive Director

B Econ, Masters (Accounting)

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 June 1990 to November 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 November 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:

1. Beijing Century Real Technology Co.,Ltd. (Shenzhen Stock Exchange Code: 300150) since September 2018;
2. Beijing Yiqiao Shenzhou Technology Co., LTD. (which is to be listed on Growth Enterprise Market ("GEM") of Shenzhen Stock Exchange) since March 2020; and
3. previously, from October 2009 to March 2015, anDalian East New Energy Development Co., Ltd. (Shenzhen Stock Exchange Code: 300125) from October 2009 to May 2015.

Mr Yin will represent the interests of major shareholder JCHX, on the Company's Board.

10.2 Constraints on availability

Save as noted in this Prospectus, each Proposed Director has confirmed with the Company that they anticipate being available to perform their duties as a Non-Executive Director, as the case may be, of the Company without undue constraints from other commitments.

10.3 Independence of Directors

Mark Elliott, Ian Hodgkinson and Peter Tighe are considered by the Board to be able to fulfil the role of Independent Directors for the purposes of the ASX Corporate Governance Principles and Recommendations (Fourth Edition) on Completion. Mr Yin is not considered by the Board to be able to fulfil the role of Independent Director – due to his senior management role at JCHX (AKN's largest shareholder). While Mr Hodgkinson has agreed to consult to the Company (at a daily rate), is not considered by the Board that this role will be significant or material enough to impact Mr Hodgkinson's independence.

10.4 Management

The senior management team of the Company has been assembled to incorporate the required expertise and skills to foster the Company's corporate and business development. Following Completion, the following will comprise the senior management team of the Company:



Paul Williams, Proposed Chief Executive Officer

BA, LLB (UQ)

(AKN Managing Director since March 2013)

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 Williams previously held a non-executive director role with Brisbane Lions AFL Club and has been the Managing Director of AKN since 2013.



Garry Johnston, Proposed Technical Development Manager

MSc (Dist Mineral Economics, University Medal), BSc

Mr Johnston is a highly experienced mineral resources manager and executive with management roles at BHP and Newcrest Mining, and as Managing Director at ASX-listed Sardinia Gold Mines and Tanex Resources. Mr Johnston has broad experience in identifying and managing international natural resource opportunities and advising on corporate strategies.

He has also provided advice on all sectors of the resource industry from grassroots exploration through to drill outs, feasibility studies, construction and operations. Specific expertise in assessing opportunities, metallurgical treatment and hydrometallurgy. Co-author of international patents including AmmLeach® and HyperLeach®. Garry has extensive international experience and assessments, including the Australia, South America, Mexico, Canada, Africa and South East Asia and is an expert in alkaline base metal leaching.



Paul Marshall, Chief Financial Officer/Company Secretary

LLB, ACA

(AKN CFO since 2007)

Paul Marshall is a Chartered Accountant. He holds a Bachelor of Law degree, and a post Graduate Diploma in Accounting and Finance. He has 35 years professional experience having worked for Ernst and Young for ten years, and subsequently spent 25 years 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.

10. Board of Directors and Senior Management

continued

10.5 Directors' Interests in AKN

The interests of the Existing Directors and Proposed Directors and of any associates of them in the Shares of the Company as at the date of this Prospectus and assuming all Approval Resolutions are approved at the General Meeting and the KP Transaction completes are as follows:

Name	Current number	Post -consolidation holding	Shares	
			Shares to be issued under Approval Resolutions	Post KP Transaction Number ³
Dr Huaisheng Peng ^{1,2,3}	349,018,230	1,745,091	7,920,000	9,655,091
Paul Williams ^{1,3,4}	10,707,173	53,536	1,614,445	1,667,981
Robert Yang ^{1,3,4}	Nil	Nil	688,818	688,818
Qinghai Wang ^{1,2,3}	349,018,230	1,745,091	7,850,000	9,595,091
Dr Mark Elliott	7,150,000	35,750	Nil	35,750
Peter Tighe	10,033,333	50,167	1,833,333	1,883,500
Ian Hodgkinson	Nil	Nil	Nil	Nil
ShiZhou Yin ²	349,018,230	1,745,091	7,500,000	9,245,091

Notes:

1. Retiring as a Director on Completion of the KP Transaction.
2. Associate of JCHX - deemed to have an interest in the shares held by JCHX.
3. Assumes no Directors or proposed Directors subscribe for Shares under the Prospectus. The Post KP Transaction number reflects the 200:1 consolidation of all existing Shares in AKN and assumes that all Approval Resolutions are passed.
4. Associates of Paul Williams, Robert Yang and Peter Tighe hold 75,000, 8,000 and 150,000 long term convertible notes respectively which, subject to shareholder approval, will convert into 500,000, 53,333 and 1,000,000 Shares respectively. Peter Tighe also holds 100,000 short term convertible notes which, subject to shareholder approval, will convert into 833,333 Shares.

10.6 Management Interest in AKN

The interests of Management and Proposed Management and of any associates of them in the securities of the Company as at the date of this Prospectus and assuming all Approval Resolutions are passed at the General Meeting and the KP Transaction completes are as follows:

Name	Current number	Post -consolidation holding	Shares	
			Shares to be issued under Approval Resolutions	Post KP Transaction Number
Paul Williams	10,707,173	53,536	1,614,445	1,667,981
Garry Johnston	Nil	Nil	Nil	Nil
Paul Marshall	5,000,000	25,000	262,170	287,170

10.7 Director's fees

The Constitution of the Company provides that the non executive Directors are entitled to remuneration as determined by the Company in a general meeting to be apportioned among them in such manner as the directors agree and, in default of agreement, equally. The aggregate maximum remuneration for non-executive Directors currently determined by the Company is \$250,000 per annum. Additionally, non executive Directors will be entitled to be reimbursed for properly incurred expenses.

At present, the Board of the Company is constituted by two non executive Directors and two executive Directors. On completion of the KP Transaction, the Board will be constituted by four Directors - all of whom will be non-executive Directors and three of these will be independent Directors. The Proposed Directors have agreed that the non-executive chair will be paid Director's fees of \$60,000 per annum and each non-executive Director will be paid Director's fees of \$35,000 per annum.

Under the proposed Constitution to be adopted as one of the Approval Resolutions, if a non executive Director performs extra consulting or other professional services, the Directors may approve any such fees paid for those services and any payment made for such extra services, will not form part of maximum aggregate amount payable to non-executive Directors. A non executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

The remuneration of any executive Director may from time to time be fixed by the Directors. The remuneration may be by way of salary or commission or participation in profits but may not be by commission on, or a percentage of, operating revenue. Except as disclosed in Section 12, no other remuneration will be payable to executive Directors.

In addition to the fees noted above, the Directors and the Proposed Directors (or their associated entities) have received the following fees from the Company or in the two years prior to the date of this Prospectus:

Year ended 31 December 2018

Director	Fees and salary (\$)	Share based payments (\$)	Total (\$)
Huaisheng Peng	9,000	Nil	9,000
Qinghai Wang	7,500	Nil	7,500
Paul Williams	300,000	Nil	300,000
Robert Yang	156,120	Nil	156,120

Note – Dr Peng and Mr Wang were entitled to be paid non-executive director fees of \$36,000pa and \$30,000pa respectively. From April 2018, they both agreed to defer payment of these fees until the Company's financial position improved. The Company is seeking Shareholder approval at the General Meeting to issue Shares to Dr Peng, Mr Williams, Mr Yang and Mr Wang in lieu of unpaid directors' fees.

Year ended 31 December 2019

Director	Fees and salary (\$)	Share based payments (\$)	Total (\$)
Huaisheng Peng	Nil	Nil	Nil
Qinghai Wang	Nil	Nil	Nil
Paul Williams	182,564	Nil	182,564
Robert Yang	93,072	Nil	93,072

Note – Dr Peng and Mr Wang were entitled to be paid non-executive director fees of \$36,000pa and \$30,000pa respectively. From April 2018, they both agreed to defer payment of these fees until the Company's financial position improved. The Company is seeking Shareholder approval at the General Meeting to issue Shares to Dr Peng, Mr Williams, Mr Yang and Mr Wang in lieu of unpaid directors' fees.

10. Board of Directors and Senior Management

continued

10.8 Related Party Transactions

Chapter 2E of the *Corporations Act* governs related party transactions with respect to public companies. Related parties include directors and entities controlled by directors. Related party transactions require shareholder approval unless they fall within one of the exceptions in Chapter 2E of the *Corporations Act*.

The Company listed on ASX on 29 October 2007 following the issue of its initial public offering prospectus. The Company believes that it has made appropriate disclosure of past related party transactions. In recognising that this Prospectus is being issued to enable the Company to, amongst other things, re-comply with Chapters 1 and 2 of the Listing Rules, other than further disclosure specifically set out below of related party transactions made in the two years before the date of this Prospectus or made elsewhere in this Prospectus the Company does not intend to make any further disclosure of such transactions which will have either proceeded on an “arm’s length” basis, reasonable remuneration basis or been approved by Shareholders in general meeting.

The Company discloses the following transactions with related parties made in the two years before the date of this Prospectus which have either proceeded on an “arm’s length” or reasonable remuneration basis, together with the transactions that are subject to the Approval Resolutions.

JCHX Loan

The Company and JCHX Group have entered into a \$1 million loan agreement, details of which were announced to ASX on 31 October 2017 (**JCHX Loan**). The purpose of the JCHX Loan was to ensure that AKN maintained sufficient funds primarily for ongoing project due diligence activities and working capital, until such time as AKN was in a position to successfully complete a further capital raising as part of a new transaction.

The primary features of the JCHX Loan include:

- a. interest being payable on the loan, in arrears, at the rate of 8% per annum;
- b. the loan being unsecured;
- c. repayment of the loan as soon as possible out of the proceeds of a capital raising that was proposed in the first half of 2018.

The Company reached agreement with JCHX on 29 January 2019 to vary the terms of the JCHX Loan, making provision for an additional \$500,000 to be advanced on the same terms and for repayment to be effected by AKN on or before 31 December 2019. The JCHX Loan was further varied on 26 March 2020, further deferring repayment of the loan moneys owing to JCHX until 30 September 2020. A further variation has been agreed between the Company and JCHX dated 15 February 2021 providing for the loan moneys and all accrued interest to be repaid and discharged in full and final satisfaction by the issue of 7,500,000 ordinary shares in the Company at an issue price of 20c per share.

JCHX has agreed to voluntarily escrow the ordinary shares for a two year period from the date of issue.

The proposed repayment of the JCHX Loan in accordance with the above share issues is subject to the following:

- a. Shareholders approving the proposed issue of shares to JCHX (Existing Shareholders will vote on this resolution at the General Meeting);
- b. any requirements that may be imposed by the ASX in relation to the shares; and
- c. Completion occurring.

In the event these conditions are not satisfied by 30 April 2021, the arrangements set out above will lapse, and the rights of JCHX under the JCHX Loan will be reinstated.

At the time the JCHX Loan was entered and varied, the terms of the transactions were considered to be on normal commercial terms and conditions which were no more favourable than those which it is reasonable to expect would be applied if the transaction was at arm’s length for the purposes of section 210 of the *Corporations Act* and as such member approval was not required.

Long Term Convertible Notes

The Company has previously entered into a series of agreements providing for the issue of convertible notes (or loans on substantially the same commercial terms as the convertible notes) which have now been varied to be as follows:

- a. a face value of \$1 per note;
- b. interest is payable at 10% per annum, payable quarterly, in arrears;
- c. redeemable in cash or convertible into Shares on 30 April 2021 or upon Completion (whichever is earlier) at the election of the holder; and
- d. if converted into AKN shares, the issue price was to be calculated as a 25% discount to the 20 trading day VWAP for the Company's shares prior to the date of conversion, however each of the holders have indicated their intention to convert their notes into Shares at an issue price of 15c per share.

Of the total 533,000 Long Term Convertible Notes, notes were issued to the following parties who are regarded as related parties for the purposes of Chapter 2E of the *Corporations Act*:

- a. P Williams and J Strachan as trustees for the Paul Williams Super Fund – 75,000 notes; and
- b. Robert Yang as trustee for the Robert Yang Family Trust – 8,000 notes.

At the time of issue of the convertible notes, Peter Tighe was not a related party of the Company, however due to his proposed appointment, he is now a related party. P & P Tighe as trustee for the Peter Tighe Super Fund hold 150,000 notes.

This will give rise to the issue of 1,553,333 Shares to related parties of the Company. The issue of Shares as a consequence of conversion is the subject of Approval Resolutions at the General Meeting.

At the time the Long Term Convertible Notes were entered and varied, the terms of the transactions were considered to be on normal commercial terms and conditions which were no more favourable than those which it is reasonable to expect would be applied if the transaction was at arm's length for the purposes of section 210 of the *Corporations Act* and as such member approval was not required.

Tighe Short Term Convertible Notes

The Company has previously entered into an agreement with the Peter Tighe Super Fund providing for the issue of convertible notes on the following terms:

- a. a face value of \$1 per note;
- b. interest is payable at 10% per annum, payable quarterly, in arrears;
- c. subject to Shareholder approval, convert into Shares upon the proposed re-admission of the AKN Shares to the ASX;
- d. redeemable in cash on the maturity date of 30 September 2021; and
- e. if converted into AKN shares, the issue price is an effective price of 12c per Share (representing a discount of 40% to the issue price of Shares under this prospectus).

The Peter Tighe Super Fund is a related party of the Company for the purposes of Chapter 2E of the *Corporations Act* because it is an entity associated with Proposed Director Peter Tighe.

The issue of Shares as a consequence of conversion of the Tighe Short Term Convertible Notes is the subject of Approval Resolutions at the General Meeting.

At the time the Tighe Short Term Convertible Notes were entered, the terms of the transactions were considered to be on normal commercial terms and conditions which were no more favourable than those which it is reasonable to expect would be applied if the transaction was at arm's length for the purposes of section 210 of the *Corporations Act* and as such member approval was not required.

10. Board of Directors and Senior Management

continued

AKN Director Fees and Salaries Settlements

At the beginning of 2019, the Board of AKN resolved that in order to preserve available cash funds, the Existing Directors would take significant reductions in the fees and salaries that were paid to them until such time as the Company was in a better position financially to meet these costs. In the case of non-executive directors (Dr Peng and Mr Wang), no directors fees have since been paid by the Company. In the case of executive directors (Mr Williams and Mr Yang), at least a 25% reduction has been applied to their salary entitlements and, during significant periods, no salaries were paid.

The Company has entered into respective agreements with each of these persons that the Company will satisfy its obligations to pay the moneys owing to them for unpaid fees and salaries by the issue of ordinary shares. The following number of Shares are to be issued:

- a. Dr Peng – 420,000 Shares
- b. Mr Williams – 1,114,445 Shares
- c. Mr Yang – 635,485 Shares
- d. Mr Wang – 350,000 Shares.

Each of the Existing Directors have agreed to enter a voluntary restriction agreement, restricting trading in these Shares for a 24 month period from the date of Official Quotation of the Company's shares on the ASX. The proposed issue of Shares to the Existing Directors is the subject of Approval Resolutions at the General Meeting.

Tighe Loan Agreement

On 7 September 2020, the Company entered into a short-term loan agreement with the Peter Tighe Super Fund making provision for the loan of \$150,000 to the Company. Interest accrues on the loan at the rate of 20% and is payable at the same time as the loan is repaid by the Company. The parties have agreed that the loan and any unpaid accrued interest (incurred after 31 December) will be repaid out of the proceeds of the Offer, or otherwise on 30 April 2021 (if that date occurs before Completion). The Company was required to make immediate payment of the interest payable up to 31 December 2020 on 14 February 2021. At the time the Tighe Loan Agreement was entered and varied, the terms of the transactions were considered to be on normal commercial terms and conditions which were no more favourable than those which it is reasonable to expect would be applied if the transaction was at arm's length for the purposes of section 210 of the *Corporations Act* and as such member approval was not required.

Director Salaries

Paul Williams has an existing executive service contract that will be varied as set out in section 12.5. The contract and variation were considered to be reasonable remuneration for the purposes of section 211 of the *Corporations Act* and as such member approval was not required. Details of Mr Williams' remuneration are set out in sections 10.7 and 12.5.

Mr Yang has provided executive services to the Company and has been paid remuneration for these services. Details of Mr Yang's remuneration are set out in section 10.7. The remuneration was considered to be reasonable remuneration for the purposes of section 211 of the *Corporations Act* and as such member approval was not required.

Section 11

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Corporate Governance

11. Corporate Governance

11.1 ASX Corporate Governance Council Principles and Recommendations

For the purposes of this Prospectus, the Company relies upon the provisions in Section 712 of the *Corporations Act* which enables the Company to incorporate material by reference into this Prospectus. Accordingly rather than contain all the information that may be required to be set out in a standard document of this type in relation to the corporate governance practices of the Company, it incorporates by reference the Corporate Governance Charter of AuKing Mining Limited (**Corporate Governance Charter**) lodged with ASIC on 9 March 2021. Any capitalised terms contained within this Corporate Governance section that are not defined, take their meaning from the Corporate Governance Charter.

The Corporate Governance Charter can be obtained, at no cost, from the Company's registered office and is also available on the Company's website www.aukingmining.com.

The following summary is provided pursuant to Section 712(2) of the *Corporations Act*.

11.2 General

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (Fourth Edition) as published by ASX Corporate Governance Council (**Recommendations**). The Directors will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines. The Company's main corporate governance policies and practices are outlined below.

11.3 Board of Directors

The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. The goals and objectives of the corporate governance processes are to:

- a. maintain and increase Shareholder value;
- b. formalise procedures to ensure the Company and the Board to act in a transparent and appropriate manner in their respective internal and external dealings;
- c. ensure that appropriate checks, balances and procedures are in place to monitor the operations of the Company and those charged with its management;
- d. ensure compliance with the Company's legal and regulatory objectives; and
- e. provide shareholders with a transparent method to evaluate the performance of the Company from a corporate governance perspective.

Consistent with these objectives, the Board assumes responsibility for a number of matters including:

- a. ensuring compliance with the *Corporations Act*, Listing Rules and all other relevant laws;
- b. implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers and ensure that the Board are accountable to Shareholders; and
- c. implementing and overseeing the Company's risk management framework to enable risks to be identified, assessed and managed and to set the risk appetite the Board expects Management to operate within.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

11.4 Composition of the Board

Having regard to the size and nature of the operations of the Company, the structure of the Board is determined having in accordance with a number of principles, including:

- a. to aim for a majority of the Board being independent directors;
- b. to aim for the appointment of a Chairperson who is an independent director and not the chief executive officer;
- c. to aim for a Board comprising members with diverse backgrounds; and
- d. to have a minimum of three directors.

The Board currently comprises four Directors, two of whom (including the Chairman Dr Peng) represent the Company's major shareholder JCHX. On Completion, the Board will comprise four Directors – three of whom will be independent directors. The names, qualifications and relevant experience of each Director and Proposed Director is set out in section 10.1. There is no requirement for any Director to maintain a shareholding within the Company.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately govern the Company's activities determined within the limitations imposed by the Constitution.

In assessing the independence of Directors, the Company has regard to Principle 2 of the Corporate Governance Principles and Recommendations. The Company's Corporate Governance Charter sets out further matters that the Board will consider when determining the independence of Directors of the Company.

11.5 Nomination Committee Charter

The Company has not formally established a nomination committee (**Nomination Committee**) as the Directors consider the Company is not of a size nor are its affairs of such complexity as to justify the formation of this committee. The Board will apply the skill matrix to identify gaps in the collective skills of the Board that are to be addressed through professional development and ensure that the Board comprises Directors with the appropriate mix of skills, experience, expertise and diversity relevant to the Company's business and the Board's responsibilities. The Board will be guided by the Corporate Governance Charter in dealing with composition and succession issues.

11.6 Identification and Management of Risk

The Company has not formally established an audit and risk committee (**Audit and Risk Committee**) as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of this committee. The Board considers that it is able to efficiently and effectively oversee, without establishing a separate Audit and Risk Management Committee:

- a. the corporate reporting process; and
- b. the Company's risk management framework.

In overseeing these matters, the Board will be guided by the Corporate Governance Charter. The Company will review this position annually and determine whether an Audit and Risk Committee needs to be established.

11.7 Ethical Standards

The Company is committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Company has adopted a corporate ethics policy (**Corporate Ethics Policy**) and a corporate code of conduct (**Code of Conduct**). The Code of Conduct establishes the principles and responsibilities to which the Company is committed with respect to both its internal dealings with employees and consultants, and external dealings with shareholders and the community at large.

Alongside the Corporate Ethics Policy, the Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, shareholders and the broader community.

The responsibilities contained within the Code of Conduct include:

- a. to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community;
- b. compliance with all legislative and common law requirements which affect its business;
- c. compliance with the applicable legal rules regarding privacy, privileges, private and confidential information; and
- d. compliance with the laws and regulations of the countries in which its businesses operate and acting in an ethical manner, consistent with the principles of honesty, integrity, fairness and respect.

11. Corporate Governance

continued

11.8 Independent Professional Advice

A Director may seek independent advice, including legal advice, where he or she believes it is necessary to properly discharge his or her duties as a Director. The Company will pay for the reasonable cost of this advice provided that the Director has obtained the prior written approval of the Chairperson (including for the cost of the advice).

11.9 Remuneration Arrangements

The Board has not formally established a remuneration committee (**Remuneration Committee**) as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board considers that it is able to deal efficiently and effectively with reviewing and implementing the remuneration policies and practices of the Company. The Corporate Governance Charter provides that no executive Director is involved in deciding his or her own remuneration and each executive Director is cognisant of any potential conflict of interest that may arise if he is involved in setting remuneration for other executives that may indirectly affect his own remuneration.

The Board is responsible for designing remuneration policies in such a way to ensure that the policy:

- a. motivates Directors and Management to pursue the long-term growth and success of the Company within an appropriate control framework; and
- b. demonstrates a clear relationship between key executive performance and remuneration.

The Company will review its position annually and determine whether a Remuneration Committee needs to be established.

11.10 Trading Policy

The Company has adopted a trading policy (**Trading Policy**) which is intended to ensure that persons who are discharging managerial responsibilities including but not limited to Directors, do not abuse, and do not place themselves under suspicion of abusing Inside Information that they may be thought to have, especially in periods leading up to an announcement of the Company.

Under the terms of the Trading Policy, a Restricted Person must not deal with Securities of the Company unless a clearance to deal is obtained in accordance with the Trading Policy or the dealing is an Excluded Dealing. Further, a Restricted Person must not deal with Securities of the Company if such a dealing would involve:

- a. use of inside information;
- b. short-term selling;
- c. short selling; or
- d. hedging transactions.

11.11 External Audit

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Any appointment made by the Board must be ratified by shareholders at the next AGM of the Company.

The Board will be responsible for:

- a. considering and making recommendations regarding the appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; and
- b. monitoring and reviewing the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements and the performance of the external auditor; and
- c. developing and implementing policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provisions of non-audit services by the external audit firm and making recommendations on any proposal by the external auditor to provide non-audit services.

11.12 Corporate Ethics and Continuous Disclosure Policy

To assist Directors in discharging their duty to the Company in compliance with the relevant laws to which they are subject, the Company has adopted a Corporate Ethics Policy. The Corporate Ethics Policy sets out rules binding Directors in respect of:

- a. a Director's legal duties as an officer of the Company;
- b. a Director's obligations to make disclosure to the ASX and the market generally; and
- c. dealings by Directors in shares in the Company.

The policy also alerts the Directors to the Company's statutory and Listing Rule obligations to provide notification to ASX of the Directors' interests in the Company.

11.13 Diversity Policy

The Company respects and values the competitive advantage of Diversity and the benefit of its integration throughout the Company to enrich the Company's perspective, improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals.

In accordance with recommendation 1.5 of the Recommendations, the Company has adopted a diversity policy and will implement that Recommendation in a number of ways, including by:

- a. being attuned to diverse strategies to deliver the Company's objectives with respect to Diversity;
- b. being attuned to diverse corporate, business and market opportunities;
- c. adding to, nurturing and developing the collective relevant skills, and diverse experience and attributes of personnel within the Company; and
- d. ensuring that the Company's culture and management systems are aligned with and promote the attainment of recommendation 1.5.

11.14 Anti-bribery and Corruption Policy

The Company has adopted an Anti-bribery and Corruption Policy to establish controls to ensure compliance with all applicable anti-Corruption laws and regulations, and to ensure that the Company conducts business in a socially responsible manner.

The Company and the Board take a zero-tolerance approach to Corruption and are committed to acting professionally, ethically and with integrity in all of the Company's business dealings and relationships. This extends to implementing and enforcing effective systems to counter Corruption.

The Anti-bribery and Corruption Policy imposes various obligations and responsibilities upon Company Personnel and Associated Persons', the Board and the Company to ensure:

- a. neither associated persons nor company personnel engage in bribery;
- b. the giving and receiving of gifts or hospitality is limited to circumstances where it is proportionate and reasonable; and
- c. the giving of charitable and political contributions made on behalf of the Company is limited to strict circumstances and always with the approval from the Board having regard to stringent considerations.

11. Corporate Governance

continued

11.15 Related Party Policy

The Company has adopted a Related Party Policy to:

- a. record the Company's commitment to complying with all related party transaction requirements under the *Corporations Act* and the Listing Rules;
- b. set out a framework for obtaining approval for all related party transactions; and
- c. establish a clear process to comply with the Company's related party transaction obligations.
- d. In summary, the Related Party Policy requires that all related party transactions must be:
- e. notified to the Company Secretary (prior to their execution);
- f. on arm's length terms; and
- g. approved by the Board.

Related party transactions not on arm's length terms must be approved by the Company's shareholders.

11.16 Whistleblower Policy

The Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance across the Company. As part of that commitment, the Company has adopted a separate Whistleblower Policy, in compliance with applicable laws and practices.

In supporting the Company's corporate governance practices, the Policy has various objectives and purposes, including to:

- a. encourage Disclosures of wrongdoing;
- b. help deter wrongdoing, in line with the Company's risk management and governance framework;
- c. provide transparency around the Company's framework for receiving, handling and investigating Disclosures;
- d. meet the Company's legal and regulatory obligations;
- e. provide for the process for investigating and dealing with Disclosures and how the Company will support Disclosers and protect them from Detriment; and
- f. align with the ASX Corporate Governance Principles and Recommendations, 4th Ed (2019) and relevant standards.

The Whistleblower Policy is intended to supplement all applicable laws, rules and other corporate policies including, without limitation, the Company's Corporate Code of Conduct and Anti-Bribery and Corruption Policy.

11.17 Compliance with the Recommendations

The table below summarises how the Company complies with the Corporate Governance Principles and Recommendations, and in the case of non-compliance why not.

The following table has been completed on the assumption that the KP Transaction occurs. It is anticipated that upon Completion, the Board of the Company will consist of:

- a. Dr Mark Elliott;
- b. Peter Tighe;
- c. Ian Hodgkinson; and
- d. ShiZhou Yin.

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
1	Lay solid foundations for management and oversight		
1.1	Disclose the respective roles and responsibilities of the board and management and those matters expressly reserved to the board and those delegated to management.	Yes	<p>The Company's Board Charter sets out (amongst other things):</p> <ul style="list-style-type: none"> a. the roles and responsibilities of the Board and of management; and b. the matters expressly reserved to the Board and those delegated to management. <p>A copy of the Board Charter is available on the Company Website.</p>
1.2	Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	<p>Prior to the appointment of a person as a Director, or putting forward to Shareholders a candidate for election as a Director, the Company undertakes checks which it believes are appropriate to verify a Director's character, experience, education, criminal record and bankruptcy history (including for new Directors).</p> <p>The Company will ensure that all material information in its possession relevant to a Shareholder's decision whether to elect or re-elect a Director, including the information referred to in Recommendation 1.2, is provided to shareholders in any Notice of Annual or Extraordinary General Meeting</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	<p>Each Director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.</p>
1.4	The company secretary should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	<p>The responsibilities of the Company Secretary are set out in the Board Charter. The Company Secretary has a direct line of reporting to the Chairperson and is responsible for:</p> <ul style="list-style-type: none"> a. advising and supporting the Chairperson and the Board and its committees to manage the day to day governance framework of the Company; b. assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and <p>assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of Directors.</p>

11. Corporate Governance

continued

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> - have and disclose a diversity policy; - through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and - disclose in relation to each reporting period: <ol style="list-style-type: none"> 1. the measurable objectives set for that period to achieve gender diversity; 2. the entity's progress towards achieving those objectives; and 3. either the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes) or, if the Company is a relevant employer" under the <i>Workplace Gender Equality Act 2012 (Cth)</i>, the Company's most recent "Gender Equality Indicators", as defined in and published under that Act. 	Yes	<p>The Company seeks to treat everyone with fairness and respect which includes valuing diversity and difference and acting without prejudice. The Company believes that decision-making is enhanced through diversity and supports and encourages diversity at all levels of the organisation in accordance with the Company's Diversity Policy.</p> <p>A copy of the Diversity Policy is available on the Company Website.</p> <p>The Board assesses any measurable objectives for achieving gender diversity and annually reviews any such objectives and the Company's progress towards achieving them. The Board reports at least annually on the relative proportion of women and men appointed or employed within the Company group.</p> <p>The Diversity Policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board is developing objectives regarding gender diversity and aims to achieve these objectives over the next five years as Director and senior executive positions become vacant and appropriately qualified candidates become available. Disclosure of measurable objectives, progress and respective proportions will be disclosed in the Annual Report.</p>
1.6	<p>A listed entity should:</p> <ol style="list-style-type: none"> a. have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and b. disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period. 	No ¹	<p>The Board Charter details the Company's commitment, responsibility and process to evaluate the performance of the Board, individual Directors, the Chairperson and Committees of the Board. The Board Charter is available on the Company Website.</p> <p>The Board did not conduct a Board performance evaluation during the last 12 months.</p> <p>The Company believes that the small size of the executive team and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p>

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
1.7	<p>A listed entity should:</p> <ol style="list-style-type: none"> have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period. 	No	<p>The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy.</p> <p>The Company believes that the small size of the executive team and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p>
2 Structure the Board to add value			
2.1	<p>The Board of a listed entity should:</p> <ol style="list-style-type: none"> have a nomination committee which: <ol style="list-style-type: none"> has at least three members, a majority of whom are independent Directors; and is chaired by an independent Director; and disclose: <ol style="list-style-type: none"> the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	No	<p>The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.</p> <p>The Board Charter sets out the processes the Company employs as regard appointments to the Board and matters regarding successions. The Board Charter is available on the Company Website.</p>

11. Corporate Governance

continued

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
2.2	Have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	No ²	<p>Details of the current Directors, their skills, experience and qualifications is set out in the Prospectus. These details, plus a record of attendance at meetings, will be included in the Directors' Report within the Annual Report in future. No specific skills matrix is currently prepared and disclosed as the Company does not believe its current size and scale warrants that level of detail.</p> <p>The Board regularly evaluates the mix of skills, experience and diversity at Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders.</p> <p>Details of the current Directors and the Proposed Directors, their skills, experience and qualifications are set out in the Prospectus. These details, plus a record of attendance at meetings, will be included in the Directors' Report within the annual report in the future.</p>
2.3	<p>A listed entity should disclose:</p> <ol style="list-style-type: none"> the names of the Directors considered by the Board to be independent Directors; if a Director has an interest, position or relationship that might cause doubts about the independence of a Director but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and the length of service of each Director. 	Yes	<p>Upon Completion, the entire current Board will retire and be replaced by the following Board:</p> <ol style="list-style-type: none"> Dr Mark Elliott (Non-Executive, Independent Chairman); Mr Peter Tighe (Non-Executive, Independent Director); Mr Ian Hodkinson (Non-Executive, Independent Director); and Mr ShiZhou Yin (Non-Executive, Non-Independent Director).
2.4	The majority of the Board should be independent directors.	Yes	<p>The Company considers that the following Proposed Directors are independent directors:</p> <ol style="list-style-type: none"> Dr Mark Elliott; Peter Tighe; and Ian Hodkinson, <p>being a majority of the Board.</p>

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
2.5	The chair of the Board should be an independent director and, in particular, should not be the same person as the CEO.	Yes	Dr Mark Elliott is an independent director and is not the CEO of the Company.
2.6	Have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Partially	<p>Under the Company's Board Charter, all new Directors are given a thorough briefing by the Chairperson and/or Secretary on key Board issues and provided with appropriate background documentation, including the Company's financial, strategic, operational and risk management position, their rights, duties and responsibilities, and the role of the Board the Board committees.</p> <p>The Board will periodically review whether there is a need for existing Directors to undertake professional development to develop and maintain the skills and knowledge needed to perform their roles as Directors effectively</p>
3 Act ethically and responsibly			
3.1	A listed entity should articulate and disclose its values.	Yes	<p>The Company's Board Charter and Code of Conduct articulates and discloses its values.</p> <p>The Company's Board Charter and Code of Conduct is available on the Company Website.</p>
3.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose a code of conduct for its Directors, senior executives and employees; and b. ensure that the Board or a committee of the Board is informed of any material breaches of that code. 	Yes	<p>The Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, Directors, officers, contractors and consultants. The Code of Conduct is available on the Company Website.</p> <p>Any breach of compliance with the Code of Conduct is to be reported directly to the chief executive officer, managing director or Chairperson as appropriate.</p>
3.3	<p>A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose a Whistleblower Policy; and b. ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy. 	Yes	The Company has a Whistleblower Policy available on the Company Website. Any material incidents reported under that policy are reported to the Board.
3.4	<p>A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose an anti-bribery and corruption policy; and b. ensure that the Board or a committee of the Board is informed of any material breaches of that policy. 	Yes	<p>The Company has an Anti-bribery and Corruption Policy available on the Company Website. Any material incidents reported under that policy are reported to the Board.</p> <p>Under the Anti-bribery and Corruption Policy, all Company Personnel must report any actual or suspected improper conduct or other violation of this Policy to the relevant person identified in this Policy, being the Board or the Company Secretary.</p>

11. Corporate Governance

continued

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
4	Safeguard integrity in corporate reporting		
4.1	<p>The Board of a listed entity should:</p> <ol style="list-style-type: none"> have an audit committee which: <ol style="list-style-type: none"> has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and is chaired by an independent Director, who is not the chair of the Board; and <p>and disclose:</p> <ol style="list-style-type: none"> the charter of the committee; the relevant qualifications and experience of the members of the committee; and in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <ol style="list-style-type: none"> if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 	No	<p>The Board has not formally established an audit and risk committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of an audit and risk committee.</p> <p>The Board considers that it is able to efficiently and effectively oversee, without establishing a separate audit and risk committee, the corporate reporting process, and the Company's risk management framework.</p> <p>In doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the Company's Website. The Company will review this position annually and determine whether an audit and risk committee needs to be established. The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.</p>

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
4.2	The Board should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Board is to receive a declaration in the form set out in Recommendation 4.2 from its CEO and Chief Financial Officer in relation to the financial statements.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor undergoes review by the Reporting Group (being the Directors, CEO, CFO and Company Secretary). The Reporting Group is responsible for reviewing, assessing and recommending release to the Board for all financial statements and reports which are required to be publicly released. The review should include a discussion with management and the external auditors of accounting issues and board policies.
5 Make timely and balanced disclosure			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.	Yes	The Company has a Continuous Disclosure and Communications Policy that outlines the processes to be followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market. The Continuous Disclosure and Communications Policy is available on the Company Website.
5.2	A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.	Yes	Under the Company's Board Charter, the Board is responsible for overseeing the continuous disclosure process to ensure timely and balanced disclosures and ensuring that the Company has an effective process for communicating with shareholders, other stakeholders and the public.

11. Corporate Governance

continued

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Under the Company's Continuous Disclosure and Communications Policy, any materials distributed at analyst and media briefings will be lodged with ASX at the time of the briefing, and at investor meetings, the Company will not disclose any information that a reasonable person might regard as being price sensitive unless such information has previously been released to the market through the ASX or is otherwise already in the public domain.
6 Respect the rights of shareholders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its operations is available on the Company Website. Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) can be accessed from the Company Website.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	<p>The Company has a Continuous Disclosure and Communications Policy that outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The Continuous Disclosure and Communications Policy is available on the Company Website.</p> <p>The Company uses the annual general meeting as an opportunity to allow security holders to engage in two-way communication with the Company.</p>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	<p>The Continuous Disclosure and Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of Shareholders.</p> <p>The Company's annual general meeting will be convened once a year. For general meetings of security holders, a detailed notice of meeting is sent to each security holder entitled to vote containing an agenda and voting instructions. All security holders eligible to vote are encouraged to vote on all resolutions.</p>

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	<p>The Company's Constitution states that a poll may be demanded by the Chairman at any time or by five or more Shareholders entitled to vote on the resolution.</p> <p>The Company's Constitution also provides that the Chairperson has charge of the general conduct of a general meeting of Shareholders, and may require adoption of any procedure which is in the Chairman's opinion necessary or desirable, including the proper and orderly casting or recording of votes at the general meeting of Shareholders.</p> <p>The Company considers that these requirements adequately protect the interests of Shareholders.</p>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company gives Shareholders the option to receive communications from, and send communications to, the Company and its Share Registry electronically.
7 Recognise and manage risk			
7.1	<p>The Board of a listed entity should:</p> <p>a. have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> has at least three members, a majority of whom are independent Directors; and is chaired by an independent Director; and disclose: the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	<p>The Board has not formally established an audit and risk committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of an audit and risk committee.</p> <p>The Board considers that it is able to efficiently and effectively oversee, without establishing a separate audit and risk committee, the corporate reporting process, and the Company's risk management framework.</p> <p>In doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the Company's Website. The Company will review this position annually and determine whether an audit and risk committee needs to be established. The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.</p>

11. Corporate Governance

continued

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
7.2	<p>The Board or a committee of the Board should:</p> <ol style="list-style-type: none"> review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and disclose, in relation to each reporting period, whether such a review has taken place. 	No	<p>The Company's Risk Management Policy sets the framework for risk management and review of the risk management framework at least annually. The Risk Management Policy has been described in recommendation 7.1.</p> <p>The Board as a whole addresses individual risks as required on an ongoing basis.</p>
7.3	<p>A listed entity should disclose:</p> <ol style="list-style-type: none"> if it has an internal audit function, how the function is structured and what role it performs; or if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its governance, risk management and internal control processes. 	No	<p>The Company is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The company does not have a formal internal audit function due to its size and business needs.</p> <p>Under the Company's Audit and Risk Committee Charter, the Board is charged with the review of the Company's internal controls, A copy of the Company's Audit and Risk Committee Charter and the Risk Management Policy is available on the Company Website.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company's Risk Management Policy acknowledges that it has an obligation to Shareholders, employees, contractors, and other stakeholders and the Audit and Risk Management Charter provides for the communication of the Company's risk management philosophy, policies and strategies to such stakeholders.</p>

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
8	Remunerate fairly and responsibly		
8.1	<p>The Board of a listed entity should:</p> <ol style="list-style-type: none"> have a remuneration committee which: <ol style="list-style-type: none"> has at least three members, a majority of whom are independent Directors; and is chaired by an independent Director, and disclose: the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	No	<p>Given the current size of the Board, the Company does not have a remuneration committee. The Board considers that it is able to deal efficiently and effectively with remuneration issues and will initially comprise the remuneration committee. In doing so, the Board will be guided by the Board Charter, which is available on the Company Website.</p> <p>The Board as a whole reviews remuneration levels on an individual basis. In doing so, the Board will balance a number of factors, including the Company's desire to attract and retain high quality directors and senior executives, incentive structures, and the implications for the Company's reputation and standing if it is seen to pay excessive remuneration.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.	Yes	<p>The remuneration of the Directors of the Company is set out in section 10.7 (Directors and Key Management) of this Prospectus.</p> <p>The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of executive Directors and other senior executives will be set out in the Remuneration Report contained in each Annual Report.</p>

11. Corporate Governance

continued

Principle number	Best practice recommendation	Compliance (yes/no)	Explanation
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>a. have a policy on whether participants are permitted to enter into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>disclose that policy or a summary of it.</p>	Yes	<p>The Company's Trading Policy contains a "hedging transactions" section, in which it is noted that Key Management Personnel and their closely related parties should not deal in securities in the Company or enter into hedging transactions to limit his or her exposure in respect of any unvested entitlement to Securities he or she receives under any equity based remuneration scheme of the Company.</p>
9	Additional Recommendations		
9.1	<p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	Yes	<p>Existing Directors Dr Huaisheng Peng and Qinghai Wang and Proposed Director ShiZhou Yin (Chinese Directors) onlyspeak and read English on a limited basis, and do not speak or read English with proficiency. However, at the offices of JCHX Group (where the Chinese Directors work on a daily basis), there are persons in that office who do speak and read English with proficiency.</p> <p>Furthermore, wherever possible, the Company translates documents into Chinese for the Chinese Directors. These include board papers, board minutes and resolutions. Similarly, the translation services are provided so the Chinese Directors are able to communicate with the remainder of the Board and understand important company documents. A translator is also present at all meetings of the Board.</p>

Note:

1. The Board follows an informal process of self-assessment of its performance and the performance of its committees. The Board will undertake an assessment of individual director's performance via informal discussions between each director and the Chairman.
2. The Company adopts an informal process to review the Board's skills at board meetings without the need for a board skills matrix. The Board believes the skill base of the current Directors and the proposed Directors will be appropriate and adequate for the Company's size.

Section 12

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Summary of Material Contracts

12. Summary of Material Contracts

A summary of the material agreements to which the Company is a party is set out below:

12.1 Koongie Park Earn-In Agreement

General

The Company has entered into an Earn-in and Joint Venture Agreement with AAR with respect to the Koongie Park Project. Under the Koongie Park Earn-in, the Company (via its wholly owned subsidiary, AKN (Koongie Park) Pty Ltd) and AAR (via its wholly owned subsidiary, Koongie Park Pty Ltd (**AAR Sub**)) propose to form the Joint Venture on terms which include, but are not limited to, the following:

- a. the Company is granted the right to:
 1. Explore for and (subject to completion of a feasibility study and a decision to mine) develop base metals deposits within the project area;
 2. Conduct exploration activities, update resource estimates to JORC Code reporting standard, prepare a feasibility study in respect of the Sandiego and Onedin deposits and (subject to completion of a feasibility study and a decision to mine) development activities for base metals deposits on the project area; and
 3. Earn up to a 75% interest in the project area through the joint venture by funding exploration and project development studies (as stipulated below); and
- b. Another wholly owned subsidiary of AAR, Koongie Park Gold Pty Ltd, retains the right to explore for and develop gold and platinum group metals (**PGM**) deposits within the project area other than the mining leases (on which the Sandiego and Onedin deposits are situated) (see section 12.2).

Earn-in Rights

The Koongie Park Earn-in provides for a two-staged earn-in process whereby the Company can ultimately secure a 75% project interest in the Koongie Park Project. A summary of the two-stage earn-in is outlined below.

Conditions Precedent

The Koongie Park Earn-in does not bind the parties and has no force or effect unless and until the KP Transaction Conditions are satisfied or waived, namely the Company:

- a. obtaining all necessary Company shareholder and regulatory approvals, including for the purposes of Chapters 1, 2 and 11 of the ASX Listing Rules, as required to give effect to the transaction contemplated by the Koongie Park Earn-in;
- b. successfully raising a minimum of A\$6,000,000 pursuant to a capital raising; and
- c. paying A\$900,000 to AAR.

The Company and AAR must use reasonable endeavours to satisfy the KP Transaction Conditions as soon as possible and, in any event, by 31 March 2021. AAR may agree to extend this date by two further 14 day periods at its discretion and, beyond that, by agreement in writing.

On completion of the Conditions Precedent, the Koongie Park Joint Venture will commence (as set out below).

AAR will transfer ownership of the Koongie Park Project tenements to AAR Sub and grant the Joint Venture parties a contractual licence to the tenements until AAR Sub becomes registered holder.

Initial Interest

The Company shall acquire an initial 25% interest in the Joint Venture on satisfaction of the Conditions Precedent and the Company making a total initial payment of \$1,000,000 to AAR, in the following tranches:

- a. \$100,000 as a non-refundable deposit within 5 business days of the parties signing the Agreement (which was paid in July 2020); and
- b. \$900,000 at any time prior to the satisfaction of the other KP Transaction Conditions,

at which time the Joint Venture will be formed. The Koongie Park Project exploration licences and prospecting licences will become Joint Venture Property on formation of the Joint Venture (subject to any FIRB approval that the Company is required to obtain).

While the Company is earning its First Earn-in Interest and Second Earn-in Interest, the Company will sole fund all expenditure on exploration activities in relation to the Joint Venture and free carry AAR's interest in the Joint Venture.

First Earn-in Period

During the First Earn-In Period of twenty four (24) months, the Company may earn a further 25% interest in the Joint Venture by incurring expenditure of \$1.5 million which may include expenditure on exploration, testwork and related analysis to establish a commercially viable processing solution for the Koongie Park oxide ores **(the First Earn-In Milestone)**.

Upon satisfying the First Earn-in Milestone, the Company shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 50% interest in the Joint Venture. AAR will also be obliged to transfer the two mining leases (on which the Sandiego and Onedin deposits are situated) into the Joint Venture as Joint Venture property (subject to any FIRB approval that the Company is required to obtain).

If the Company fails to satisfy the First Earn-in Milestone during the First Earn-in Period, the Company will be deemed to have withdrawn from the Joint Venture, will cease to have any interest in the Joint Venture and the Koongie Park Earn-in will automatically terminate.

Second Earn-in Period

During the Second Earn-in Period, which is a period of 12 months commencing immediately following completion of the First Earn-in Milestone and the Company giving notice that it elects to proceed with the Second Earn-in, the Company may earn a further 25% interest in the Joint Venture by incurring additional expenditure of \$1.5m, which may include expenditure on exploration activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Koongie Park tenements **(Second Earn-In Milestone)**.

Upon satisfying the Second Earn-in Milestone, the Company shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 75% interest in the Joint Venture. If the Company fails to satisfy the Second Earn-in Milestone during the Second Earn-in Period, then the Company will retain its earned interest in the Joint Venture of 50% and the parties will make contributions to Joint Venture expenditure proportionate to their respective percentage interests in the Joint Venture.

Other JV Provisions

The Koongie Park Earn-in between the Company and AAR contains various other provisions that are standard for an exploration joint venture including:

- a. The Company is the manager of all Joint Venture activities while it is earning interests in the Joint Venture and following completion of those earn-ins;
- b. The Joint Venture manager is responsible for all reporting, budget and work program preparation, tenure management and generally reporting to the Joint Venture management committee from time to time;
- c. Upon conclusion of AKN's earn-in rights, the parties are then obliged to contribute towards future programmes and budgets in proportion to their respective Joint Venture interests;
- d. The management committee will make a decision to mine. A decision to mine must be based on a feasibility study for a proposed mining operation utilising 'Class 3' estimation data (as defined in the AusIMM Cost Estimation Handbook) and all necessary approvals to develop and mine the proposed mining operations must be in place. A participant who does not wish to proceed to mining may be bought out at an agreed purchase price or if the purchase price is unable to be agreed, at fair market value. Following a decision to mine, the parties will in good faith negotiate and enter into a new mining Joint Venture to govern mining activities;
- e. Dilution mechanisms apply in the event a party is unwilling or unable to contribute towards their share of ongoing Joint Venture expenditure commitments as well as other default provisions (including a buyout right);
- f. Mutual pre-emptive right on sale of a Joint Venture interest and a tag along right if a party sells a Joint Venture interest of 50% or greater;
- g. In the event a party's interest in the Joint Venture dilutes below 10%, they will be deemed to have withdrawn from the JV and their interest will revert to a 1% net smelter return royalty.

With effect after commencement of the Koongie Park Joint Venture, the Koongie Park Earn-in provides for the Company to reimburse certain outgoings incurred prior to execution of the Koongie Park Earn-in and sets out the party responsible for payments of any fines issued due to under-expenditure on the tenements (depending on the tenement year the fine relates to).

12. Summary of Material Contracts

continued

The Koongie Park Earn-in also provides that if any required FIRB approval is not obtained (or the requirement for FIRB approval is not waived) for either:

- a. the exploration and prospecting licences (described as the tranche 1 assets) within 12 months of the commencement of the Joint Venture; or
- b. the mining leases (described as the tranche 2 assets) within 12 months of the date on which the Company notifies AAR that it has satisfied the First Earn-in Milestone,

the parties will meet and negotiate in good faith either an extension to the above timeframes with a view to overcoming the delay or to reach an agreement for an equitable alternative to the requirement for FIRB approval. If agreement is unable to be reached within 6 months from the first meeting, the relevant tenements which did not obtain the necessary FIRB approval and in respect of which an agreement was not able to be reached will not become Joint Venture property and will be excluded from the Joint Venture with no liability to either party.

12.2 Koongie Park Precious Metals Rights Agreement

In conjunction with the Koongie Park Earn-in summarised in section 12.1, the Company and AAR have entered into an agreement titled Precious Metals Rights Agreement (the PMRA). The primary function of the PMRA is to establish the exclusive rights of AAR's wholly owned subsidiary, Koongie Park Gold Pty Ltd (PM Holder), to explore for and develop gold and PGMs across the Koongie Park Project other than the area of the mining leases (**the Excluded Area**) (on which the Sandiego and Onedin deposits are situated) and non-exclusive access rights to the Koongie Park Project (other than the Excluded Area). The key parties to the PMRA are PM Holder (on one hand) and the Joint Venture managed by the Company (on the other). The Precious Metals Rights have been granted but the remaining operative clauses of the PMRA comes into effect at the same time as the Joint Venture.

In addition to gold and PGEs, AAR can extract any other minerals incurring in connection with those minerals and construction materials to carry out exploration or mining activities on the tenements.

Under the PMRA:

- a. each party must submit an annual work program to the other;
- b. in the case of the Company (as manager of the Joint Venture) discovering a geologically anomalous concentration of gold or PGMs it must immediately notify AAR and vice versa in the case of AAR discovering a geologically anomalous concentration of minerals other than gold or PGMs. If either of these occur, the party receiving notice then has the right to exercise their rights to exclusively explore and develop minerals (**Mineral Rights**);
- c. there is provision to establish priority when a party is seeking to exercise their Mineral Rights that may interfere with existing exploration or mining activities of the other party and if it is unable to be resolved then it may be determined by an expert, with mining activities to take priority over exploration activities;
- d. there is provision to establish priority when there is the potential for respective mining activities to be carried out by the parties within close proximity of each other and if it is unable to be resolved then it may be determined by an expert; and
- e. there is also provision to establish priority when there exists economic deposits of gold, PGM or other minerals within sufficient proximity that recovery of the minerals is best carried out by a single mining operation via joint mining or sequential mining; and

The Joint Venture will be responsible for keeping the tenements in good standing including meeting expenditure, paying rent and statutory reporting.

AAR must rehabilitate all disturbances it creates after the Joint Venture commences, but otherwise the Joint Venture will be responsible for rehabilitation of disturbances.

Each of AAR Sub and the Joint Venture will be responsible for State royalties (to the extent attributable to the sale of minerals by a party in exercise of its rights under the PMRA) and will pay the applicable royalty payments to any third parties in exercise of a party's rights under the PMRA.

The PMRA contains a mutual pre-emptive right on sale of a party's Mineral Rights.

Finally, the PMRA provides for parties to hold a pre-emptive right over sales contracts and sales arrangements for the sale of minerals (to which they are generally entitled) but where they are not the dominant mineral being the subject of mining activities, in order to receive the benefit from the sale of minerals to which they are generally entitled, or otherwise charge a 1% net smelter return royalty on that mineral.

The PMRA provides for the consequences of a party defaulting under the PMRA, in that the non-defaulting party has the right to commence proceedings against the defaulting party and recover indemnity costs in enforcing the agreement, as well as a suspension right, and the defaulting party agrees to grant a call option in favour of the non-defaulting party to buy out the mineral rights at an agreed value or at fair market value.

As noted previously, the PMRA has no application in respect of the area of the mining leases where the Sandiego and Onedin deposits are situated – the Company retains the full right to explore and develop all minerals (including gold and PGMs) within those mining leases.

12.3 IP Service Agreement

The Company has entered into a service agreement dated 24 June 2020 with Accudo and Garry Johnston which requires Accudo to provide access to the Company in respect of all the intellectual property rights and knowhow associated with the AmmLeach® process to allow AKN's metallurgical testwork to be undertaken at Koongie Park (**IP Service Agreement**). Accudo is also required to provide services to the Company including the project management of metallurgical testwork, scoping studies, financial modelling and associated activities as contemplated under the Koongie Park Earn-In.

The initial term of the IP Service Agreement is two years, which will automatically renew if the Company extends the Koongie Park Earn-In for a further 12 months.

The IP Services Agreements provides that Accudo will:

- a. be paid an annual fee of \$130,000; and
- b. be reimbursed for any reasonable out of pocket expenses incurred by Accudo and Johnston in the provision of the services contemplated under the IP Service Agreement.

In conducting the services contemplated under the IP Service Agreement, Johnston shall become the Technical Development Manager of the Company and the services of Johnston shall be provided on an exclusive basis. To this end, the Company has entered the service agreement described in section 12.7.

The IP Service Agreement provides that Accudo shall retain all of the proprietary rights and interests in AmmLeach® during the term of the IP Service Agreement.

12.4 Lead Manager Agreement

The Company has entered into a mandate with Novus Capital Limited (**Novus Capital**) dated on 10 September 2020 (**Lead Manager Mandate**).

Pursuant to the Lead Manager Mandate, Novus Capital has been appointed as lead manager to the Public Offer and will assist the Company in undertaking the Public Offer. Novus Capital is not underwriting the Public Offer and is acting on a best endeavours basis.

Novus Capital's role is split into three components:

- a. acting as financial and corporate adviser with respect to the Public Offer (among other things);
- b. acting as sponsoring broker/lead manager to the Public Offer; and
- c. acting as corporate advisor to the Company for a period of time after re-admission to Official Quotation.

The Lead Manager will receive fees associated with the Public Offer as follows:

- a. an initial engagement fee of \$15,000 for initial due diligence and advisory;
- b. a monthly advisory fee of \$10,500 for ongoing due diligence, due diligence committee membership and management during the Offer Period;
- c. a sponsoring broker fee of \$30,000 for due diligence sign-off, for adopting the responsibility of sponsoring broker and management during the Offer Period;
- d. a management fee of 1% of the amount raised under the Public offer;
- e. a brokerage fee of 6% of the amount raised under the Public offer, subject to an 80% rebate in respect of funds raised by the Company or parties other than Novus Capital; and
- f. a success/completion fee of \$75,000 (50% cash and 50% Shares) payable upon re-admission of the Company's securities to Official Quotation; and
- g. a monthly advisory fee of \$6,250 after re-admission to the Official List for a minimum period of 6 months for ongoing float support, market advice and investor relations.

12. Summary of Material Contracts

continued

Any reasonable out of pocket expenses incurred by Novus, during or in connection with the Public Offer and the provision of its services, shall be reimbursed by the Company subject to the Company's approval of any expenditure in excess of \$500.

The minimum term of the Lead Manager Mandate is a period of nine (9) months from Completion, unless terminated earlier in accordance with the terms of the mandate.

The Company may terminate the Lead Manager Mandate at any time after expiry of the minimum term by:

- a. issuing in writing a minimum 60 days' notice of termination; and
- b. paying all fees and expenses that have or will accrue to the date of termination.

If the Company terminates the Lead Manager Mandate prior to the expiry of the minimum term or during the currency of the Offer Period, it must pay a break fee of 2% of the value of the amount proposed to be raised pursuant to the Offer (**Proposed Transaction Value**), up to a Proposed Transaction Value of \$5 million and 1.25% break fee for any Proposed Transaction Value greater than \$5 million.

Novus Capital may terminate the Lead Manager Mandate if any of the prescribed events occur (**Termination Events**) and it will be entitled to be paid fees and expenses that have accrued to the date of termination. The following events are the key Termination Events:

- a. the Australian equity capital market conditions are such that they are not, in the bona fide reasonable judgment of Novus Capital, conducive to the successful completion of the Lead Manager Mandate or other events beyond the control of Novus Capital or the Company are so material and adverse to make it impracticable or inadvisable to proceed with the Public Offer;
- b. there is a material adverse change or disruption in the existing financial markets, political or economic conditions of Australia and abroad that can be shown to have an effect in Australia or the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions with the effect that it is impracticable to market the Public Offer or enforce any contract to issue or allot the Offer Shares;
- c. there is an announcement of a new law to be introduced to a State or the Federal Parliament or the RBA or any federal or state authority of Australia adopts or announces a proposal to adopt a new policy that is likely to prohibit or regulate financial institutions;
- d. there is a material adverse change in the financial position or prospects of the Company as disclosed to Novus Capital;
- e. default by the Company of any material term of the Lead Manager Mandate that is not rectified; and
- f. the Chairman or Chief Executive Officer of AKN vacates office, which, in the opinion of Novus Capital, adversely affects the viability of the Company to attract investors.

The Company has agreed that it shall make no claims against Novus Capital (and its associates) to recover any loss or damage that the Company may suffer resulting from the Public Offer contemplated by the Lead Manager Mandate. The Company also indemnifies Novus Capital against losses and claims and other damage that Novus Capital may suffer resulting from any activity Novus Capital becomes involved in in connection with the matters contemplated under the Lead Manager Mandate.

12.5 Executive Service Agreement – Paul Williams (Proposed Chief Executive Officer)

The Company entered into an executive services agreement dated 31 January 2013 with Paul Williams, which has been subsequently varied by a Deed of Variation dated 8 March 2021, pursuant to which Mr Williams will provide the services of Chief Executive Officer of the Company on completion of the KP Transaction (**Williams ESA**). Mr Williams' appointment in the role of Chief Executive Officer will commence immediately upon the Re-admission Date. The Williams ESA provides that Mr Williams will be paid an annual remuneration (inclusive of statutory superannuation) of \$300,000.

The term of the Williams ESA was originally three (3) years and has been continuously extended since that period expired by agreement between the Company and Mr Williams in accordance with its terms. The Company is also obliged to reimburse Mr Williams for reasonable work-related expenses.

The Williams ESA may be terminated by the Company immediately with cause (e.g. serious misconduct, breach of the Williams ESA, criminal offence or bankruptcy) and by 6 months' notice (without cause). Mr Williams may terminate the agreement by 3 months' notice in writing.

12.6 Service Agreement – Ian Hodkinson (Proposed Senior Geological Consultant)

The Company has entered into a consultancy agreement dated 16 February 2021 with Cornubian Resources Pty Ltd (ACN 160 061 718), an entity associated with the proposed senior geological consultant Ian Hodkinson (**Hodkinson Consultancy Agreement**). The Hodkinson Consultancy Agreement provides that Cornubian will procure the services of Mr Hodkinson in the role of Senior Geological Consultant of the Company.

The agreement does not make Mr Hodkinson an employee of the Company.

Under the terms of the Hodkinson Consultancy Agreement, Cornubian will receive consultancy fees calculated on a service rate of \$1350.00 per day plus GST. The Company is also obliged to reimburse Cornubian for certain reasonable expenses including travel and accommodation incurred in the provision of the services.

The Hodkinson Consultancy Agreement has a minimum term of 12 month unless the agreement is terminated.

The Hodkinson Consultancy Agreement may be terminated by the Company immediately with cause (on the grounds of inappropriate conduct) and by either party with one (1) months' notice (without cause).

12.7 Service Agreement – Garry Johnston (Proposed Technical Development Manager)

The Company has entered into a service agreement dated 8 March 2021 with Domani Metals Pty Ltd (ACN 648 086 999) (**Domani**) and Garry Johnston (**Johnston Services Agreement**). The Johnston Services Agreement will commence immediately upon the Re-admission Date and provides that Domani (with Johnston) shall fulfil the position of Technical Development Manager of the Company. Specifically, Domani shall procure that Johnston will direct and supervise the Company's metallurgical test work programme on the Koongie Park Project, in particular the oxide and transition ores at the Onedin deposit. Domani (with Johnston) will provide the services contemplated under the Johnston Services Agreement on approximately a fulltime basis and as and when reasonably requested to do so.

Under the Johnston Services Agreement, Mr Johnston will be paid an annual remuneration (inclusive of superannuation) of \$220,000 per annum. The Company is also obliged to reimburse Domani for certain reasonable expenses including travel and accommodation incurred in the provision of the services.

The Johnston Services Agreement operates for an initial two (2) year period unless it is terminated. If Domani and Johnston have complied with the terms of the agreement, the agreement will automatically extend if the Company elects to proceed for a further 12 months under the Koongie Park Earn-In.

The Company may terminate the Johnston Services Agreement by giving Domani three (3) months prior notice of termination if the Company's circumstances change in respect of the focus of project activity (i.e. the Company no longer wishes to proceed with the Koongie Park Project) or where it is no longer viable or feasible for Domani to provide the services.

Domani may terminate the Johnston Service Agreement by giving the Company 3 months' prior notice in writing of its intention to terminate the agreement.

The Company may, at its sole discretion, terminate the Johnston Service Agreement if Domani or Johnston (among other things), as the case may be:

- a. breaches any term of the Johnston Service Agreement;
- b. misappropriates any property of the Company;
- c. is wound up or is placed into external administration;
- d. fails for any reason to fulfil the duties of the position for a period longer than twenty (20) consecutive days; or
- e. is guilty of gross mismanagement of the assets of the Company.

Domani has agreed to indemnify the Company against all claims, actions or loss suffered as a result of the intentional or negligent acts and omissions by Domani in the performance of the services contemplated under the Johnston Services Agreement.

The Company has agreed to indemnify Domani against all claims, actions or loss suffered as a result of the intentional or negligent acts and omissions of the Company in connection with the conduct by the Company in respect of the business conduct by the Company.

12. Summary of Material Contracts

continued

12.8 Service Agreement – Paul Marshall (Chief Financial Officer/Company Secretary)

The Company has entered into a service agreement dated 14 February 2021 with Downshire Investments Pty Ltd ACN 073 164 726 (**Downshire**), which requires Downshire to ensure that Paul Marshall provides the services of Company Secretary and Chief Financial Officer of the Company (**CFO Services**). The agreement does not make Mr Marshall an employee of the Company. Under the terms of the service agreement, Downshire will receive consultancy fees calculated on a service rate of \$4766.67 per month plus GST. The Company is also obliged to reimburse Downshire for certain reasonable expenses including travel and accommodation incurred in the provision of the services.

Downshire and the Company may terminate the CFO Services Agreement by giving each-other 3 months-notice in writing. The Company may, in its sole discretion, terminate the CFO Services Agreement without any payment of any remuneration or compensation (other than that accrued to the date of termination) in the event Downshire commits any of the acts prescribed in the CFO Services Agreement, for example breaching a term of the CFO Services Agreement, misappropriating any property of the Company or Downshire or any of its officers being charged with a criminal offence.

Mr Marshall is permitted to accept other corporate secretarial positions provided the company in which he accepts that role is not in competition with the Company or it impairs Downshire's ability to perform the Services.

Downshire and the Company have provided each-other with mutual indemnities. Downshire is required to maintain comprehensive general liability, worker's compensation and other insurances that are necessary for Downshire to perform the Services.

12.9 JCHX Loan

The Company and JCHX have entered into a \$1 million loan agreement, details of which were announced to ASX on 31 October 2017 (**JCHX Loan**). The purpose of the loan agreement was to ensure that AKN maintained sufficient funds primarily for ongoing project due diligence activities and working capital, until such time as AKN was in a position to successfully complete a further capital raising as part of a new transaction.

The primary features of the JCHX Group loan included:

- a. interest being payable on the loan, in arrears, at the rate of 8% per annum;
- b. the loan being unsecured; and
- c. repayment of the loan as soon as possible out of the proceeds of a capital raising that was proposed in the first half of 2018.

The Company reached agreement with JCHX on 29 January 2019 to vary the terms of the JCHX Loan, making provision for an additional \$500,000 to be advanced on the same terms and for repayment to be effected by AKN on or before 31 December 2019. The JCHX Loan was further varied on 26 March 2020, further deferring repayment of the loan moneys owing to JCHX until 30 September 2020. A further variation has been agreed between the Company and JCHX dated 15 February 2021 providing for the loan moneys and all accrued interest to be repaid and discharged in full and final satisfaction by the issue of 7,500,000 ordinary shares in the Company at an issue price of 20c per share.

JCHX has agreed to enter a voluntarily escrow agreement pursuant to which trading in the ordinary shares issued to repay the JCHX Loan will be restricted for a two year period from the date of issue.

The proposed repayment of the JCHX Loan in accordance with the above share issues is subject to the following:

- a. Shareholders approving the proposed issue of shares to JCHX (Existing Shareholders will vote on this resolution at the General Meeting);
- b. any requirements that may be imposed by the ASX in relation to the shares; and
- c. Completion by AKN of the KP Transaction.

In the event these conditions are not satisfied by 30 April 2021, the arrangements set out in this letter will lapse, and the rights of JCHX under the JCHX Loan will be reinstated.

12.10 Long Term Convertible Notes

The Company has previously entered into a series of agreements providing for the issue of convertible notes (or loans on substantially the same commercial terms as the convertible notes) which have now been varied to be as follows:

- a. a face value of \$1 per note;
- b. interest is payable at 10% per annum, payable quarterly, in arrears;
- c. redeemable in cash or convertible into AKN shares on the maturity date of 30 April 2021 or upon Completion (whichever is earlier) at the election of the holder; and
- d. if converted into AKN shares, the issue price was to be calculated as a 25% discount to the 20 trading day VWAP for the Company's shares prior to the date of conversion, however each of the holders have indicated their intention to convert their notes into Shares at an issue price of 15c per share.

A total of 533,000 Long Term Convertible Notes has been issued by the Company to the following parties:

- a. Saralau Pty Ltd – 100,000 notes (Saralau Pty Ltd is unrelated to any Director or proposed Director of the Company);
- b. N&M Greenhalgh Super Fund – 200,000 notes (N&M Greenhalgh Super Fund is unrelated to any Director or proposed Director of the Company);
- c. Paul Williams Super Fund – 75,000 notes;
- d. Peter Tighe Super Fund – 150,000 notes; and
- e. Robert Yang Family Trust – 8,000 notes.

This will give rise to the issue of 3,553,333 Shares. The issue of Shares as a consequence of conversion is the subject of resolutions for approval at the General Meeting.

12.11 Short Term Convertible Notes

To assist the Company with the costs associated with this Prospectus, the General Meeting and other activities relating to securing approval from ASX for re-admission to Official Quotation, the Company has recently raised an additional \$650,000 in funds by way of an issue of short-term convertible notes on the following terms:

- a. Face value of \$1 per note;
- b. Interest is payable at 10% per annum, payable quarterly, in arrears;
- c. subject to Shareholder approval, convert into Shares upon the proposed re-admission of the AKN Shares to the ASX;
- d. redeemable in cash at any time on or before the maturity date of 31 December 2021; and
- e. if converted into AKN shares, the issue price is an effective price of 12c per Share (representing a discount of 40% to the issue price of Shares under this prospectus).

12. Summary of Material Contracts

continued

A total of 650,000 convertible notes has been issued by the Company to the following parties:

Name of Investor	Number of Notes Issued	Number of Shares to be received on conversion
Blue Lake Partners Pty Ltd	100,000	833,333
Simman Investments Pty Ltd (The Cameron S/F A/C)	40,000	333,333
Anthony Clay and Carol Clay (Clay Super Fund A/C)	20,000	166,667
Rimoyne Pty Ltd	40,000	333,333
CS Third Nominees Pty Ltd (Regal Funds Management Pty Ltd A/C)	250,000	2,083,334
Wilabenson Pty Ltd	20,000	166,666
Dingjo Pty Ltd	50,000	416,667
Arnold Bros Pty Ltd (AB Super Fund A/C)	50,000	416,667
Arnold Bros Pty Ltd (TA Super Fund A/C)	25,000	208,333
Christopher Paul Arnold and Leanne Estelle Arnold (DECA Superannuation Fund A/C)	25,000	208,333
Burton Holdings (Qld) Pty Ltd (The CB A/C)	30,000	250,000
TOTAL	650,000	5,416,666

Upon re-admission to the Official List, the Company will issue a total of 5,416,666 Shares to these investors. Any accrued interest payable in respect of the notes will be paid by the Company out of the proceeds of the Offer. The issue of Shares as a consequence of conversion of these short-term notes is the subject of a resolution for approval at the General Meeting.

As part of re-admission to the Official List, the Company will also issue a total of 833,333 Shares to the Peter Tighe Super Fund on conversion of the Tighe Short Term Convertible Notes, which were issued on the same terms as the Short Term Convertible Notes above and in respect of which conversion is subject to shareholder approval. The issue of Shares as a consequence of conversion of the Tighe Short Term Convertible Notes is the subject of a resolution for approval at the General Meeting.

12.12 Tighe Loan Agreement

On 7 September 2020, the Company entered into a short-term loan agreement with the Peter Tighe Super Fund making provision for the loan of \$150,000 to the Company. Interest accrues on the loan at the rate of 20% and is payable at the same time as the loan is repaid by the Company. The parties have agreed that the loan and any unpaid accrued interest (incurred after 31 December) will be repaid out of the proceeds of the Offer, or otherwise on 30 April 2021 (if that date occurs before Completion). The Company was required to make immediate payment of the interest payable up to 31 December 2020 on 14 February 2021.

12.13 AKN Director Fees and Salaries Settlements

At the beginning of 2019, the Board of AKN resolved that in order to preserve available cash funds, the Existing Directors would take significant reductions in the fees and salaries that were paid to them until such time as the Company was in a better position financially to meet these costs. In the case of non-executive directors (Dr Peng and Mr Wang), no directors fees have since been paid by the Company. In the case of executive directors (Mr Williams and Mr Yang), at least a 25% reduction has been applied to their salary entitlements and, during significant periods, no salaries were paid.

The Company has entered into respective agreements with each of these persons that the Company will satisfy its obligations to pay the moneys owing to them for unpaid fees and salaries by the issue of ordinary shares. The following number of Shares are to be issued:

- a. Dr Peng – 420,000 Shares
- b. Mr Williams – 1,114,445 Shares
- c. Mr Yang – 635,485 Shares
- d. Mr Wang – 350,000 Shares.

Each of the Existing Directors have agreed to enter into a voluntary restriction agreement that will restrict trading in these Shares for a 24 month period from the date of Official Quotation of the Company's shares on the ASX.

12.14 AKN Employees Salary Entitlements

In order to preserve available cash funds, employees of the Company (Paul Marshall, Michael Harvey and Audrey Guo) voluntarily agreed to reduce their salary entitlements by 25% as from 1 January 2018 on the agreed understanding that when the Company undertook a significant transaction and capital raising, that the shortfall could be made up in the form of Shares.

The Company has entered into respective agreements with each of Mr Marshall, Mr Harvey and Ms Guo that in exchange for the issue by the Company of Shares, they would be paid by the issue of ordinary shares. The following number of Shares are to be issued:

- a. Mr Marshall – 262,170 Shares
- b. Mr Harvey – 189,060 Shares
- c. Ms Guo – 164,460 Shares

12.15 Access deeds

Each of the Directors, proposed Directors and the Company Secretary have entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those officers and to effect and maintain insurance in respect of directors and officers liability and provide certain indemnities to each of the officers, to the extent permitted by law.

Section 13

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Additional Information

13. Additional Information

13.1 Corporate status

The Company was incorporated under the *Corporations Act* on 24 August 1995. The Company's balance date is 31 December of each year. The Company is taxed as an Australian public company.

13.2 Constitution

Copies of the Existing Constitution may be inspected at the registered office of the Company during normal business hours by appointment with the Company Secretary. The Company proposes to adopt a new Constitution at the General Meeting. Further information regarding the New Constitution is set out in the Notice of Meeting

13.3 Rights attaching to Shares in the Company

A summary of the rights which relate to all Shares which may be issued pursuant to this Prospectus is set out below, on the assumption that the New Constitution is adopted. Where these key provisions materially differ to those in the current constitution of the Company this is noted. These rights are the same as those in respect of the Company's existing issued Shares. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of the Company's Shares.

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 Shares will rank equally with all other issued Shares in the capital of the Company and may participate in dividends from time to time from their date of issue. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, dividends are payable amongst the holders of Shares in proportion to the amounts paid up on such Shares respectively at the date of declaration of the dividend. The Directors may from time to time pay to Shareholders such final and interim dividends as in their judgment the position of the Company justifies.

c. Winding Up

Upon paying the Application Monies, 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*.

d. Transfer of Securities

Generally, the Shares in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on ASX. The Directors may decline to register any transfer of Shares, but only where permitted to do so under its constitution or the Listing Rules.

e. Sale of Non-Marketable Holdings

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the constitution and the Listing Rules. For more particular details of the rights attaching to Shares in the Company, investors should refer to the constitution of the Company.

f. Future Increases, Alteration and Reduction of Capital

The allotment and issue of securities is under the control of the Directors. Subject to restrictions on the allotment of securities pursuant to the Listing Rules, the Constitution of the Company and the *Corporations Act*, the Directors may allot, issue or otherwise dispose of new securities on such terms and conditions as they decide.

The Company in general meeting may convert its securities into a larger or smaller number of securities, and subject to the *Corporations Act* and the Listing Rules, the Company may reduce its share capital and buy-back Shares in itself.

g. Variation of Rights

The Company may only modify or vary the rights attaching to any class of Shares with the consent in writing of the holders of at least 75% of the issued Shares of the class or the sanction of a special resolution passed at a meeting of the holders of the issued Shares of that class.

Full details of the rights attaching to Shares are set out in the Constitution of the Company. A copy of the existing or proposed New Constitution can be obtained from the Company. The Shares to be issued pursuant to this Prospectus will rank equally with all of the Company's existing Shares.

13. Additional Information

continued

13.4 Shares on issue

As at the date of this Prospectus the Company has 932,584,461 Shares on issue. These Share issues have occurred progressively since incorporation of the Company.

13.5 Rights attaching to Offer Options

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

- a. The Offer Options shall be issued for no cash consideration and on the basis of one (1) Option for every two (2) Shares applied for under the Prospectus.
- b. The exercise price of each Offer Option is \$0.25 (**Exercise Price**).
- c. The Offer Options will expire on 30 June 2023 (**Expiry Date**) unless earlier exercised.
- d. The Offer Options are transferrable.
- e. The Offer 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 Offer Option to the Company at any time on or after the date of issue of the Offer 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 Offer Options that may be exercised at one time must be not less than 25,000, unless the holder of the Offer Option (**Offer Option Holder**) holds less than 25,000 Offer Options in which case all Offer Options must be exercised at one time.
- g. Within 20 Business Days after the valid exercise of the Offer 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 Offer 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 Offer Options.
- h. Offer 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 Offer 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 Offer Options, in accordance with the requirements of the Listing Rules.
- i. Offer Option Holders do not participate in any dividends unless the Offer 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 Offer Options, the Exercise Price of the Offer 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 Offer 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 Offer Options will remain unchanged.
- k. If there is a pro rata issue (except a bonus issue), the Exercise Price of Offer 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 Offer Option;
 O = the old exercise price of the Offer Option;
 E = the number of underlying securities into which one Offer 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 Offer Option is exercisable may be increased by the number of Shares which the Offer Option Holder would have received if the Offer Option had been exercised before the record date for the bonus issue.
- m. The terms of the Offer 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 Offer Options or change any period for exercise of the Offer Options.
- n. The Company intends to apply for listing of the Offer Options on the ASX.

13.6 Other securities on issue

The Company has no Options on issue as at the date of the Prospectus.

The Company has 533,000 long term convertible notes (being the Long Term Convertible Notes) on issue as at the date of this Prospectus, the primary note terms being the following:

- a. a face value of \$1.00 per note;
- b. interest at the rate of 10% per annum is applicable, payable quarterly in arrears;
- c. redeemable in cash or convertible into Shares on the maturity date of 30 April 2021 at the election of the holder; and
- d. the holders have agreed to convert their notes subject to obtaining any required shareholder approval (on or before 30 April 2021) into Shares at an issue price of \$0.15 per Share, representing a 25% discount to the Offer Price.

The Company also has 750,000 short term convertible notes (being the Short Term Convertible Notes and the Tighe Short Term Convertible Notes) on issue as at the date of this Prospectus, the primary note terms being the following:

- a. face value of \$1.00 per note;
- b. interest at the rate of 10% per annum is applicable, payable quarterly in arrears;
- c. subject to Shareholder approval, convert into Shares upon the proposed re-admission of the AKN Shares to the ASX;
- d. redeemable in cash on the maturity date of 30 September 2021; and
- e. if converted into AKN shares, the issue price is an effective price of 12c per Share (representing a discount of 40% to the issue price of Shares under this prospectus).

13. Additional Information

continued

13.7 Restricted Securities

The ASX will make a determination as to the securities of the Company that will be Restricted Securities.

The Company intends to make submissions with respect to the securities to be classified as Restricted Securities, however, the number and length of restriction will ultimately be determined by the ASX.

The Directors expect that ASX will classify the following securities as Restricted Securities:

Description of Securities	Number of Securities	Period of Restriction
Securities proposed to be issued in payment of interest on the JCHX Loan	1,000,000	24 months from the Re-admission Date
Securities proposed to be issued to Existing Directors in lieu of unpaid Directors' fees	2,519,930	24 months from the Re-admission Date
Securities proposed to be issued to related parties on conversion of the Long Term Convertible Notes	388,333	24 months from the Re-admission Date
Securities proposed to be issued to unrelated parties on conversion of the Long Term Convertible Notes	500,000	12 months from the date of issue of the respective Long Term Convertible Notes to the unrelated parties
Securities proposed to be issued to related parties on conversion of the Short Term Convertible Notes	333,333	24 months from the Re-admission Date
Securities proposed to be issued to unrelated parties on conversion of the Short Term Convertible Notes	2,166,666	12 months from the date of issue of the respective Short Term Convertible Notes to the unrelated parties
Securities proposed to be issued to the Lead Manager as part of the Lead Manager's fees	187,500	24 months from the Re-admission Date
Securities proposed to be issued to members of Management in lieu of unpaid salaries and entitlements	615,690	12 months from the date the securities are issued to the members of Management
Total	7,711,453	

Based on the above information (assuming the Company's submissions to ASX are successful and minimum subscription is achieved), the Company expects up to 13.95% of the Company's Shares will be subject to ASX-imposed escrow for up to 24 months from date of re-listing.

Chapter 9 of the Listing Rules precludes holders of Restricted Securities from disposing of or otherwise dealing with any of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities, for the relevant restriction periods. The holder will also be precluded from granting a security interest over those securities.

In accordance with Chapter 9 of the Listing Rules, the Company may allow the removal of a holding lock on the Restricted Securities to enable the holders of the Restricted Securities to accept an offer under a takeover bid in certain circumstances or to have their Restricted Securities transferred or cancelled as part of a merger by way of scheme of arrangement under Part 5.1 of the *Corporations Act*.

ASX may review these restrictions during consideration of the Company's application for re-compliance with Chapters 1 and 2 of the Listing Rules. ASX may also, at its discretion, waive or vary the requirements in accordance with the Listing Rules in the event that an affected holder and the Company apply for a review of any escrow restrictions.

In addition, the following parties have agreed to enter voluntary restriction agreements with the Company the terms of which materially reflect those imposed by the ASX and the Listing Rules, in that they will be precluded from disposing of or otherwise dealing with any of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities, for the relevant voluntary restriction periods.

Shareholder (inc Associates)	Number of Shares	Period of Restriction
JCHX	7,500,000	24 months from the date of Quotation of the Offer Shares
Dr Huaisheng Peng	420,000	
Mr Qinghai Wang	350,000	
Mr Paul Williams	1,114,445	
Mr Robert Yang	635,485	
Total	10,019,930	

Based on the above information the Company expects up to:

- 13.95% of the Company's Shares will be subject to ASX-imposed escrow (which will include some of the Shares subject to voluntary escrow); and
- an additional 10.85% of the Company's Shares (that are not subject to ASX-imposed escrow) will be subject to voluntary escrow,

for up to 24 months from Re-admission Date.

13.8 Details of Company group entities

The entities within the AKN group of companies as at the date of this Prospectus are as follows:

Controlled entities	Country of incorporation	Interest held
AKN (Koongie Park) Pty Ltd ¹	Australia	100%

Note:

- This entity will be the primary participant in the Koongie Park Earn-In on behalf of AKN.

13.9 Taxation implications of the Public Offer

It is the responsibility of all Applicants to satisfy themselves of the particular taxation treatment that applies to them in relation to the Public Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above.

13.10 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As of the date of this Prospectus, the Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

13. Additional Information

continued

13.11 Liability of other persons named in this Prospectus and Consents

Notwithstanding that they may be referred to elsewhere in this Prospectus, each of the parties referred to in this Section:

- a. does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- b. to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section and for any misleading statements or omissions in this Prospectus; and
- c. did not authorise or cause the issue of all or any part of this Prospectus, other than as set out in this Section.

Novus Capital Limited are named in the Corporate Directory as lead manager to the Public Offer. Novus Capital Limited has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in this Prospectus. Novus Capital Limited has given consent to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. Novus Capital Limited will be paid for services provided pursuant to the Lead Manager Mandate, details of which are set out in section 12.3. The expected maximum fee that the Company will pay to Novus Capital Limited up to 30 April 2021 is \$600,000 (plus the issue of 187,500 Shares subject to shareholder approval).

HopgoodGanim Lawyers are named in the Corporate Directory as Solicitors to the Public Offer and have performed work in relation to the Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any statement in this Prospectus. HopgoodGanim Lawyers has given its consent to be named as Solicitors to the Public Offer in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. HopgoodGanim will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at \$196,000 (excluding disbursements and GST) at the date of this Prospectus.

BDO Audit Pty Ltd are named in the Corporate Directory as Investigating Accountants to the Company. They were involved in the preparation of the Investigating Accountants Report set out in Section 8 of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus. BDO Audit Pty Ltd has given consent for inclusion of the Investigating Accountant's Report in the Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. BDO Audit Pty Ltd will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at \$25,000.00 (excluding disbursements and GST), at the date of this Prospectus.

CSA Global Pty Ltd are named in the Corporate Directory as Technical Expert to the Company. They were involved in the preparation of the Independent Technical Report set out in Section 6 of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus. CSA Global Pty Ltd has given consent for inclusion of Technical Expert Review in the Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. CSA Global Pty Ltd will be paid for work performed in accordance with usual time-based charge out rates and their professional costs are estimated at \$60,000 (excluding disbursements and GST), at the date of this Prospectus.

Link Market Services Limited has given its written consent to be named as the Share Registrar in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. Link Market Services Limited has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in this Prospectus.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

13.12 Costs of the Public Offer and the Acquisition

If the Public Offer and the KP Transaction proceeds, the total estimated costs of the Public Offer and the KP Transaction including capital raising fees and commissions, advisory, ASIC and ASX fees, prospectus printing and miscellaneous expenses will be approximately \$1,000,000 (excluding GST) as follows:

Item of expenditure	Amount of expenditure (\$ (excluding GST))
ASX and ASIC fees	\$91,000
Legal and Due Diligence	\$196,000
Accounting	\$25,000
Expert Reports	\$58,000
Lead Manager fees (assuming full fees are payable)	\$589,000
Other capital raising costs	\$10,000
Printing and registry costs	\$31,000
Estimated Total	\$1,000,000

13.13 Continuous disclosure obligations

As the Company is admitted to the Official List, the Company is a “disclosing entity” (as defined in Section 111AC of the *Corporations Act*) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information will be publicly released through the ASX before it is otherwise disclosed to shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

All announcements to the ASX made by the Company are available for public viewing on the ASX website www.asx.com.au, or by a direct request to the Company and copies may be obtained from or inspected at an ASIC office. Upon request to the Company, copies will be sent by mail to the enquirer’s nominated address at no charge.

13.14 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 (**RG 170**), and based on the guidance provided under RG 170 have elected not to include forecast future earnings for the purposes of this Prospectus.

13. Additional Information

continued

13.15 Interests of experts, advisers, Directors and Proposed Directors

Sections 1, 10, 12 and 13 of this Prospectus set out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than set out in this Prospectus, no:

- a. Directors or Proposed Director;
- b. person named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus;
- c. promoter of the Company; or
- d. stockbroker or underwriter (but not a sub-underwriter) to the Public Offer;

holds at the time of lodgement of this Prospectus with ASIC, or held at any time during the last two years before lodgement of this Prospectus with ASIC, an interest in 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; or
 - 2. the Public Offer; or
- c. the Public Offer.

Other than as set out in this Prospectus, no amount has been paid or agreed to be paid, nor has any benefit been given:

- a. to any Directors or Proposed Director to induce them to become, or to qualify as, a Director of the Company; or
- b. for services provided by:
 - 1. any Directors or Proposed Director;
 - 2. a person named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus;
 - 3. a promoter of the Company; or
 - 4. a stockbroker or underwriter (but not a sub-underwriter) to the Public Offer; in connection with:
 - 5. the formation or promotion of the Company; or
 - 6. the Public Offer.

13.16 Privacy

By submitting an Application Form for Shares you are providing to the Company personal information about you. 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 to comply with the National Privacy Principles with performing these services. The Company's register is required by law to contain certain personal information about members such as their name and address and number of Shares held. In addition the Company collects personal information from members including contact details, bank accounts, 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 within the Company's group;
- e. to your broker; or
- 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.

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

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

13.17 Inspection of documents

Copies of the following documents may be inspected free of charge at the registered office of the Company and at the offices of HopgoodGanim Lawyers, Level 8, 1 Eagle Street, Brisbane during normal business hours:

- a. the Material Contracts in Section 12 of this Prospectus;
- b. the Constitution;
- c. the consents referred to in Section 13.12 of this Prospectus; and
- d. Corporate Governance Charter and Whistleblower Policy.

13.18 Electronic Prospectus

An electronic version of this Prospectus is available from the Company's website at www.aukingmining.com.

The Application Form can only be distributed attached to or accompanying a complete and unaltered copy of the Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form.

The Company will not accept a completed Application 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 Application 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 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 ought immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

13.19 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 to affect substantially:

- a. the operations of the Group;
- b. the results of those operations; or
- c. the state of affairs of the Group.

Section 14

Consent to Lodgement

14. Consent to Lodgement

This Prospectus is dated 9 March 2021 and is issued by AuKing Mining Limited.

Each Director and Proposed Director has consented in writing to the lodgement of this Prospectus with ASIC.

Signed on behalf of the Company by:

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a horizontal line and a small mark.

Paul Williams
Director
AuKing Mining Limited

Section 15

.....

Glossary of Defined Terms

15. Glossary of Defined Terms

AAR	Anglo Australian Resources NL ACN 009 159 077.
Accudo	Accudo Metals Pty Ltd ACN 612 323 832.
Advisors	any corporate advisors, brokers or underwriters to the Public Offer.
Ag	Chemical symbol for silver.
Applicants	a person applying for the securities offered by this Prospectus.
Application	an application to apply for securities offered by this Prospectus.
Application Form	the application form attached to or accompanying this Prospectus for use by investors in respect of the Public Offer.
Application Monies	the Offer Price multiplied by the number of Offer Shares applied for.
Approval Resolutions	each of Resolutions 1 to 24 (inclusive) in the Notice of Meeting, a summary of which are set out in sections 1 and 3.9 of this Prospectus.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691.
ASX Settlement Operating Rules	the operating rules of ASX Settlement which apply while the Company is an issuer of CHES-approved securities, each as amended or replaced from time to time.
ASX Spread Requirements	The requirement set out in Listing Rule 1.1 Condition 8 relating to the number of shareholders required with a minimum holding of Shares.
Au	Chemical symbol for gold.
Board	the board of Directors of the Company from time to time.
CHES	Clearing House Electronic Sub-registry System operated by ASX.
Chinalco	means Aluminium Corporation of China.
Closing Date	23 April 2021 (subject to the right of the Directors to close the Public Offer earlier or to extend this date without notice).
Completion	completion by the Company of the KP Transaction Conditions which will result in AKN earning an initial 25% interest in the Joint Venture.
Company or AuKing or AKN	AuKing Mining Limited ACN 070 859 522.
Conditional Approval	conditional approval from the ASX confirming that, subject to Completion of the KP Transaction and any other conditions acceptable to the Company, the equity securities of the Company will be re-admitted to Official Quotation.
Constitution	the Constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
CSA Global	means CSA Global Pty Ltd.
Cu	Chemical symbol for copper.
Directors	the Directors of the Company from time to time.
Existing Constitution	the constitution of the Company as at the date of this Prospectus.
Existing Directors	The Directors as at the date of this Prospectus, namely: <ul style="list-style-type: none"> - Dr Huaisheng Peng; - Paul Williams - Robert Yang; and - Qinghai Wang.
Existing Shareholders	all holders of Shares in the Company at the date of this Prospectus.
FIRB	Foreign Investment Review Board

15. Glossary of Defined Terms

continued

General Meeting	An extraordinary general meeting of Shareholders to be convened, at which, amongst other things, the Approval Resolutions will be voted on by Shareholders.
GN Convertible Notes	means the 200,000 convertible notes in the Company issued to Greenhalgh Nominees Pty Ltd ACN 074 458 165 ATF The N&M Greenhalgh Super Fund.
Group	the Company and its subsidiaries as set out in section 13.9 (Table 1).
GST	has the same meaning as in the GST Law.
GST Law	has the meaning given to that term in A New Tax System (Goods and Services Tax) 1999 (Cth) and any other Act or regulation relating to the imposition or administration of GST.
IP Services Agreement	the binding term sheet dated 24 June 2020 whereby Accudo has agreed to provide technical services and other assistance to the Company, details of which are summarised in Section 12.3.
JCHX or JCHX Group	JCHX Group Co, Ltd and includes (where the context requires) the associated entity of JCHX, Bienital International Industrial Co Ltd.
JCHX Loan	the loan agreement between JCHX and the Company announced to ASX on 31 October 2017 which is summarised in section 12.9.
JCHX Repayment Shares	means the 7,500,000 Shares proposed to be issued to JCHX at an issue price of \$0.20 per share in exchange for the discharge in full and final satisfaction of the moneys owing to JCHX under the JCHX Loan.
Joint Venture	the Joint Venture between AKN and AAR pursuant to the Koongie Park Earn-In.
Koongie Park Earn-In	the earn-in and joint venture agreement between the Company, AAR, AKN Sub, Koongie Park Pty Ltd and Koongie Park Gold Pty Ltd dated 8 February 2021 where the Company may secure interests in the Koongie Park Project, details of which are summarised in Section 12.1.
Koongie Park Exploration Tenements	Exploration Licence Nos 80/4389, 80/4766, 80/4957, 80/4960, 80/5076, 80/5087, 80/5127 and 80/5263.
Koongie Park Mining Tenements	Mining Licence Nos 80/276 and 80/277.
Koongie Park Project	the Koongie Park copper/zinc project, situated in northern Western Australia, 100% owned by AAR.
Koongie Park Tenements	the Koongie Park Exploration Tenements and the Koongie Park Mining Tenements.
Koongie Park Transaction or KP Transaction	the proposed acquisition by the Company of an initial interest of 25% upon completion of the KP Transaction Conditions, with the right to earn up to a 75% interest in the Joint Venture pursuant to the terms of the Koongie Park Earn-in.
KP Transaction Conditions	the conditions precedent to the Koongie Park Earn-in as set out in Section 4.8 and 12.1.
Lead Manager	Novus Capital Limited ABN 32 006 711 995.
Lead Manager Mandate	the agreement by the Company with the Lead Manager to act as lead manager to the Public Offer details of which are set out in section 12.4.
Link	Link Market Services Limited.
Listing Rules	the official listing rules of the ASX.
Long Term Convertible Notes	means the: <ul style="list-style-type: none"> - Saralau Convertible Notes; - GN Convertible Notes; - Yang Convertible Notes; and - Tighe Convertible Notes, and also includes the conversion right under the Williams Convertible Loan.

Long Term Convertible Note Shares	the Shares to be issued on conversion of the Long Term Convertible Notes, subject to Shareholder approval at the General Meeting.
Management	the management team of the Company from time to time.
Maximum Subscription	the maximum amount to be raised under the Public Offer, namely \$7,000,000.
Minimum Subscription	the minimum amount to be raised under the Public Offer, namely \$6,000,000.
New Constitution	the new constitution to become effective after proposed changes to the Constitution to be adopted by the Company at the General Meeting.
New Share	an Offer Share.
Notice of Meeting	the notice of meeting and explanatory memorandum expected to be dated on or about 18 March 2021, to convene the General Meeting.
Offer Options	the free-attaching options to subscribe for Shares exercisable at \$0.25 on or before 30 June 2023 to be issued on the basis of one (1) Offer Option for every two (2) Shares issued under the Offer.
Offer Period	means the period of time between the Opening Date and the Closing Date.
Offer Price	\$0.20 per Offer Share.
Offer Securities	the Offer Shares and the Offer Options.
Offer Shares	the Shares offered pursuant to the Public Offer under this Prospectus, being 30,000,000 Shares, with provision to accept over-subscriptions for a further 5,000,000 Shares.
Official List	the Official List of ASX.
Official Quotation	quotation on the Official List of ASX.
Onedin	the Onedin copper-zinc-gold-silver deposit that lies within the granted mining leases M80/277 and M80/276.
Opening Date	10 March 2021.
Oversubscriptions	applications under the Public Offer over the Minimum Subscription up to the Maximum Subscription.
Pb	chemical symbol for lead.
PGM	platinum group metals.
Precious Metals Rights Agreement	the earn-in and joint venture agreement between the Company, AAR, AKN Sub, Koongie Park Pty Ltd and Koongie Park Gold Pty Ltd dated 8 February 2021 where AAR may establish the rights to explore for and develop gold and PGM's across the Koongie Park Project (other than the area of the mining leases where the Sandiego and Onedin deposits are situated).
Proposed Directors	the persons proposed to become Directors of the Company on Completion, namely: <ul style="list-style-type: none"> - Dr Mark Elliott; - Peter Tighe; - Ian Hodkinson; and - Shizhou Yin.
Proposed Management	the persons proposed to form the management of the Company on Completion, namely: <ul style="list-style-type: none"> - Paul Williams; - Garry Johnston; and - Paul Marshall.
Prospectus	this Prospectus which is dated 9 March 2021 (including the electronic form of this Prospectus and any supplementary or replacement Prospectus in relation to this document).
Public Offer or Offer	the offer under this Prospectus of the Offer Shares and Offer Options.

15. Glossary of Defined Terms

continued

Re-admission Date	the date on which the Company's Equity Securities are re-admitted to Official Quotation.
Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Related Party Convertible Notes	means the Long Term Convertible Notes that have been issued to the following parties: <ul style="list-style-type: none"> - the Paul Williams Super Fund; - the Peter Tighe Super Fund; - the Yang Family Trust; and the Tighe Short Term Convertible Notes.
Relevant Interest	has the meaning given to that term in the <i>Corporations Act</i> .
Restricted Securities	securities of the Company which are subject to escrow pursuant to the Listing Rules.
Sandiego	the Sandiego copper-zinc-gold-silver deposit that lies within the granted mining leases M80/277 and M80/276.
Saralau Convertible Notes	means the 100,000 convertible notes in the Company issued to Saralau Pty Ltd.
Shareholders	holders of Shares in the Company.
Shares	fully paid ordinary shares in the capital of the Company.
Share Registry	Link Market Services Limited.
Short Term Convertible Notes	means the short-term convertible notes issued to various investors, the terms of which are summarised in Section 12.11.
Short Term Convertible Note Shares	the Shares to be issued on conversion of the Short Term Convertible Notes, subject to Shareholder approval at the General Meeting.
Tighe Convertible Notes	means the 150,000 convertible notes in the Company issued to the Peter Tighe Super Fund.
Tighe Loan	means the short term loan contemplated under the Tighe Loan Agreement.
Tighe Loan Agreement	means the short term loan facility agreement between the Company and the Peter Tighe Super Fund.
Tighe Short Term Convertible Notes	means the 100,000 short term convertible notes in the Company issued to the Peter Tighe Super Fund.
Williams Convertible Loan	means the loan in the amount of \$75,000 advanced to the Company by the Paul Williams Super Fund and which, subject to obtaining shareholder approval, as at the date of this Prospectus is convertible to shares on the same terms as the Long Term Convertible Notes.
Yang Convertible Notes	means the 8,000 convertible notes in the Company issued to the Yang Family Trust.
Yunnan Copper	means Yunnan Copper Industry (Group) Co., Ltd.
Zn	chemical symbol for zinc.

References in this Prospectus to Sections and paragraphs are to Sections and paragraphs of this Prospectus.

References in this Prospectus to dollars (\$) are to the currency of Australia unless stated otherwise.

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are AuKing Mining Limited ("AKN") Shares. Further details about the shares are contained in the Prospectus dated 9 March 2021 including Supplementary Prospectuses dated 19 March 2021 and 23 April 2021 issued by AuKing Mining Limited. The Prospectus will expire 13 months after the date of the Prospectus. While the Prospectus is current, AuKing Mining Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,000. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, AuKing Mining Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from AuKing Mining Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to AuKing Mining Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to "AuKing Mining Ltd" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected. If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

ELECTRONIC PAYMENTS

Account Name: Novus Capital Ltd Trust Account

Name of Bank: Australia and New Zealand Bank

BSB: 012 013

Account Number: 306 003 095

BIC SWIFT: ANZBAU3M

Ref: Applicant Name and "AuKing"

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5pm (Sydney time) on 21 May 2021 at:

Mailing Address

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

If paying electronically, applicants should scan and email the completed Application Form to mail@novuscapital.com.au

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the Public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding Public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

Corporate Directory

Principal Office

Level 7, Suite 27
320 Adelaide Street
Brisbane, QLD 4000

Telephone: +61 7 3535 1208
Email: admin@aukingmining.com
Website: www.aukingmining.com

Auditor and investigating accountant

BDO Audit Pty Ltd

Level 10
12 Creek Street
Brisbane QLD 4000

Telephone: +61 7 3237 5999
Website: www.bdo.com.au

Share Registry

Link Market Services Limited

Level 21, 10 Eagle Street
Brisbane QLD 4000

Phone: 1800 810 827
Overseas Callers: +61 1800 810 827
Website: www.linkmarketservices.com.au

Directors and Proposed Directors

Dr Huaisheng Peng
Paul Williams
Robert Yang
Qinghai Wang
Dr Mark Elliott (proposed non-executive Chairman)
Peter Tighe (proposed non-executive director)
Ian Hodgkinson (proposed non-executive director)
ShiZhou Yin (proposed non-executive director)

Lead Manager to the Public Offer

Novus Capital Limited

Level 24, Royal Exchange Building
56 Pitt Street
Sydney NSW 2000

Telephone: +61 2 9375 0100
Facsimile: +61 2 9247 4844
Website: www.novuscapital.com.au

Solicitors to the Public Offer

HopgoodGanim Lawyers

Level 8 Waterfront Place
1 Eagle Street
Brisbane QLD 4000

Telephone: +61 7 3024 0000
Facsimile: +61 7 3024 0300
Website: www.hopgoodganim.com.au

Technical Expert

CSA Global Pty Ltd

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West Perth WA 6005

Telephone: +61 8 93551677
Website: www.csaglobal.com

AuKing Mining Limited

Suite 27, Level 7, Christie Centre
320 Adelaide Street, Brisbane QLD 4000

www.aukingmining.com