AuKing Mining Limited
ABN 29 070 859 522

Suite 27, Level 7,
320 Adelaide Street
Brisbane QLD 4000
GPO Box 216
Brisbane QLD 4001
Tel: +61 7 3535 1208

11 September 2020

The Manager
Listings Compliance
ASX, SYDNEY

RE: Half Year Preliminary Accounts

Please find attached for release to the market the Preliminary Unreviewed Half Year Accounts for AuKing Mining Limited for the period ended 30 June 2020.

The company advises that it is relying on the ASIC Relief under *ASIC Corporations (Extended Reporting and Lodgment Deadlines—Listed Entities) Instrument 2020/451* to extend the lodgment date for its reviewed half year accounts and the other documents required to be lodged with ASIC under section 320 of the Corporations Act.

The company confirms that it will immediately make a further announcement to the market if it becomes aware that there will be a material difference between its unreviewed half year accounts and its reviewed half year accounts.

This announcement is authorised by:

Paul Williams
Managing Director
p.williams@aukingmining.com
+61 419 762 487

AuKing Mining Limited
ABN 29 070 859 522

PRELIMINARY UNAUDITED INTERIM FINANCIAL REPORT

For the half-year ended 30 June 2020

CORPORATE DIRECTORY
AuKing Mining Limited A.C.N 070 859 522

Board of Directors

Dr Huaisheng Peng (Chairman)
Mr Paul Williams (Managing Director)
Mr Zewen (Robert) Yang (Executive Director)
Mr Qinghai Wang (Non-Executive Director)

Company Secretary
Mr Paul Marshall

ASX Code: AKN

Head Office

Suite 27, Level 7
320 Adelaide Street
Brisbane QLD 4000

Telephone:	07 3535 1208
Email:	admin@aukingmining.com
Website:	www.aukingmining.com

Auditors

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000

Telephone:	07 3237 5999
Website:	www.bdo.com.au

Share Registry

Link Market Services Limited
Level 21
10 Eagle Street
Brisbane QLD 4000

Telephone:	1300 554 474
Facsimile:	02 9287 0303
Website:	www.linkmarketservices.com.au

REVIEW OF OPERATIONS

For the half-year ended 30 June 2020 the Company and its Controlled Entities (“Controlled Entity” or “AKN”) made a loss of $516,846.

Koongie Park Project Earn-In

The Company announced to the ASX on 25 June 2020 the agreement to earn up a 75% interest in the Koongie Park copper/zinc project (“Koongie Park”) situated in the south-eastern Kimberley Region of northern Western Australia (“Koongie Park Earn-In”). ASX-listed company Anglo Australian Resources NL (“AAR”) is the 100% owner of Koongie Park. The proposed earn-in retains for AAR’s benefit the rights to explore for and develop gold/platinum group metals deposits at Koongie Park.

The Koongie Park Earn-In is subject to the completion of a significant new capital raising, AKN shareholder approval and certain other regulatory approvals. This proposed acquisition comprises a significant change in the scale of AKN’s activities in accordance with ASX Listing Rule 11.1.3, requiring AKN to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

AKN Acquisition Strategy

The Koongie Park Earn-In is based upon the following business strategy that will be implemented by AKN:

- Koongie Park has been the subject of substantial exploration and mine development expenditure, including 50,000m of drilling;
- Previous feasibility studies at Koongie Park have focussed on an initial open pit mine at the Sandiego deposit (targeting high grade copper and zinc mineralisation) and followed by underground mining at the same deposit;
- Around 80% of the established resources at the Onedin deposit at Koongie Park is situated within the oxidised/transitional zones of mineralisation. The lack of an economically viable processing solution for these zones at Onedin resulted in the significant ores being excluded in previous AAR studies;
- AKN intends to establish a commercially viable processing solution for the Onedin oxide and transitional ores, thereby adding significant open cut copper/zinc mineralization to the development plan and likely extending mine life at a combined Onedin/Sandiego operation;
- In addition, AKN intends to explore other high priority target areas within the 7,600 Ha tenure area that AAR currently holds, with a view to significantly increase the overall mineable resource base at Koongie Park;
- There also exists the potential to collaborate with adjoining tenure holders to expand the overall resource base that can be processed through facilities established at Koongie Park; and
- Finally, previous drilling at Koongie Park identified potentially significant levels of cobalt mineralisation – during times when the occurrence of cobalt was not a priority. It will be a priority of AKN with its future activities and project studies. The presence of gold and silver mineralization at Sandiego and Onedin also gives rise to potential significant credits for those metals in the concentrates that can be produced from those deposits.

Koongie Park Tenure and Location

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 Nicholsons gold mining operation of Pantoro Limited. Koongie Park is located about 25kms south west of the regional centre of Halls Creek on the Great Northern Highway.

AAR is the 100% owner of the Koongie Park project, acquiring full ownership of the project in 2003. The tenure holding comprises an area of more than 7,600 hectares covering over 40kms of the base metals prospective Koongie Park Formation. Koongie Park has already been the subject of significant exploration drilling and analysis since the 1970’s, often in line with movements in commodity prices. Since its discovery the Koongie Park project has been the subject of over 245 RC and diamond drill holes consisting of more than 50,000m of drilling in total. The predominant focus of drilling has been at the Sandiego and Onedin deposits.

The Koongie Park project has been extensively explored and drilled over many years by the previous owners. AAR has previously reported Mineral Resource estimates for both the Sandiego and Onedin deposits at Koongie Park.

Koongie Park Project Potential

Koongie Park has already seen significant exploration, mine planning and feasibility studies focussed upon two primary copper/zinc deposits – Onedin and Sandiego. Until now, mining has not commenced at Koongie Park due to largely to 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.

The traditional acid leaching processing method for the Onedin oxide and transitional ores is not suitable for carbonate-rich host rocks, such as are present at Koongie Park. In collaboration with Perth-based Accudo Metals Pty Ltd, the Company will have access to the Ammleach® processing technology which may provide the metallurgical solution for Onedin and if so, potentially unlock substantial value for the Koongie Park project.
The Board considers that acquiring an interest in the Koongie Park Project provides the Company with the platform to secure a strategic holding of prospective tenures in the Halls Creek region - enabling the Company to carry out exploration and development activities on a regional basis targeting copper, zinc and gold, with other base metals deposits. As a result, following reinstatement to official quotation, the Company's activities will focus on the following:

(a) establishing a commercially viable metallurgical solution for the Onedin deposit at Koongie Park;

(b) carrying out a detailed exploration program across the Koongie Park project tenures, seeking to extend existing known resources and identify additional deposits to complement the existing Onedin and Sandiego deposits; and

(c) aggressively seek to acquire additional tenure holdings in the Halls Creek region – focussing on potentially large high-grade base and precious metals Proterozoic-aged deposits.

Koongie Park Earn-In Agreement

General
AKN has entered into a binding term sheet with AAR with respect to the Koongie Park Project. Under the Agreement, AKN and AAR propose to form a joint venture (Joint Venture) on terms which include, but are not limited to, the following:
AKN is granted the right to:

- Explore for and develop base metals deposits within the project area;
- Conduct exploration and development activities for base metals deposits on the project area during the earn-in period;
- 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

AAR retains the right to explore for and develop precious metals deposits within the project area.

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

First Earn-in Period

AKN shall be deemed to have earned a nominal 25% interest in the Joint Venture (to be formed upon satisfaction of the first earn-in milestone) upon AKN making a total initial payment of $1,000,000 to Anglo Australian, 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 Conditions Precedent (described below).

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

Upon satisfying the First Earn-in Milestone, AKN shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 50% interest in the Joint Venture. The Joint Venture is to be formed upon satisfaction of the First Earn-in Milestone. AKN then has a 10 business day period to elect to proceed with the Second Earn-In Period.

If AKN fails to satisfy the First Earn-in Milestone during the First Earn-in Period, AKN will be deemed to have withdrawn from the Joint Venture, will cease to have any interest in the Joint Venture and the Agreement automatically terminates.

Second Earn-in Period
During the Second Earn-in Period, which is the 12 month period commencing from AKN's election to proceed with the Second Earn-In Period after completion of the First Earn-In Period, AKN may earn a further 25% interest in the Joint Venture by incurring additional expenditure of $1,500,000, including expenditure on exploration activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Tenements (Second Earn-In Milestone).

Upon satisfying the Second Earn-in Milestone, AKN shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 75% interest in the Joint Venture. If AKN fails to satisfy the Second Earn-in Milestone during the Second Earn-in Period, then AKN will retain its earned interest in the Joint Venture of 50%.

For the duration of the Second Earn-in Period, AKN agrees to sole fund all expenditure on exploration activities in relation to the Joint Venture and free carry AAR's interest in the Joint Venture.

Conditions Precedent
The Agreement does not bind the parties and has no force or effect unless and until the following conditions are satisfied or waived:

- AKN obtaining all necessary 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 Agreement; and
- AKN successfully raising a minimum of A$6,000,000 pursuant to a capital raising, (together, "the Conditions Precedent").

AKN and AAR must use reasonable endeavours to satisfy the Conditions Precedent as soon as possible and, in any event, within 120 days of the date of the Agreement. The parties may terminate the Agreement if the Conditions Precedent are not satisfied within this period.

EVENTS AFTER BALANCE SHEET DATE

There have been no other events since 30 June 2020 that impact upon the financial report, save and except for the following additional capital raising activities, designed to provide the Company with sufficient working capital to continue with the activities associated with the Koongie Park transaction outlined above:

- A further 8,000 convertible notes at a face value of $1 per note were issued to a director-related entity on 3 August 2020. The terms of the convertible notes are otherwise identical to those previously on issue by the Company, as summarised in Note 2 to the Consolidated Financial Statements set out below; and
- An unsecured loan agreement was entered into by the Company with a third party investor on 8 September 2020 for the sum of $150,000 upon the following additional terms:
  - The loan term is for a period of 3 months; and
  - Interest at the rate of 20% per annum is payable (in arrears) on the loan moneys.

As at the date of this Report, the Company is seeking to finalise all activities associated with the preparation and issue of a prospectus for the proposed raising of a minimum $6M in order to assist the Company to seek re-quotation of its securities on the ASX. More details about the proposed raising will be announced to the ASX in due course.

ASIC RELIEF

The Company is seeking ASIC Relief for the extension to the lodgement date of its reviewed half-year annual report. The Company will immediately notify the market if a material difference between its unaudited accounts and reviewed accounts presents.

Consolidated Statement of Comprehensive Income
For the half-year ended 30 June 2020

	Note	6 months ended June 2020 $	6 months ended June 2019 $
Finance income		377	-
Gain on disposal of financial assets		-	9,476
Employment and consultancy expenses		(313,510)	(276,748)
Depreciation expense		(519)	(1,352)
Administration expenses		(89,445)	(144,694)
Finance costs		(113,749)	(50,457)
Loss before income tax		(516,846)	(463,775)
Income tax expense		-	-
Loss for the period		(516,846)	(463,775)
Loss after income tax		(516,846)	(463,775)
Other comprehensive income/(loss)			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss		(516,846)	(463,775)
		Cents	**Cents**
Earnings per share			
Basic and diluted loss per share		(0.06)	(0.05)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Balance Sheet
As at 30 June 2020

	Note	June 2020 $	December 2019 $
CURRENT ASSETS			
Cash and cash equivalents		156,574	96,661
Trade and other receivables		9,161	3,865
Other current assets		-	7,032
TOTAL CURRENT ASSETS		165,735	107,558
NON-CURRENT ASSETS			
Other receivables		12,470	2,470
Other non-current assets		100,000	-
Plant and equipment		910	1,428
TOTAL NON-CURRENT ASSETS		113,380	3,898
TOTAL ASSETS		279,115	111,456
CURRENT LIABILITIES			
Trade and other payables		752,766	369,910
Borrowings	2	2,176,241	1,881,319
Employee benefit provisions		77,412	70,685
TOTAL CURRENT LIABILITIES		3,006,419	2,321,914
TOTAL LIABILITIES		3,006,419	2,321,914
NET ASSETS		**(2,727,304)**	**(2,210,458)**
EQUITY			
Share capital	3	42,630,609	42,630,609
Reserves		-	379,457
Accumulated losses		(45,357,913)	(45,220,524)
TOTAL EQUITY		**(2,727,304)**	**(2,210,458)**

The Consolidated Balance Sheet should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2020

Consolidated Entity	Share Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 January 2019	42,630,609	379,457	(44,077,969)	(1,067,903)
Transactions with owners in their capacity as owners				
Issue of share capital	-	-	-	-
Share issue costs	-	-	-	-
Comprehensive income				
Loss after income tax	-	-	(463,775)	(463,775)
Other comprehensive income	-	-	-	-
Balance at 30 June 2019	42,630,609	379,457	(44,541,744)	(1,531,678)
Balance at 1 January 2020	42,630,609	379,457	(45,220,524)	(2,210,458)
Transactions with owners in their capacity as owners				
Transfer of expired reserves	-	(379,457)	379,457	-
Comprehensive income				
Loss after income tax	-	-	(516,846)	(516,846)
Other comprehensive income	-	-	-	-
Balance at 30 June 2020	42,630,609	-	(45,357,913)	(2,727,304)

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Cash Flow Statement
For the half-year ended 30 June 2020

	Note	6 months ended June 2020 $	6 months ended June 2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(111,637)	(362,724)
Interest paid		(18,827)	-
Interest received		377	-
Net cash used in operating activities		(130,087)	(362,724)
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposits paid		(10,000)	-
Proceeds from the sale of financial assets		-	51,476
Net cash provided by/(used in) investing activities		(10,000)	51,476
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	2	200,000	250,000
Net cash provided by financing activities		200,000	250,000
Net increase/(decrease) in cash and cash equivalents		59,914	(61,248)
Cash and cash equivalents at the beginning of the period		96,661	80,295
Cash and cash equivalents at the end of the period		156,574	19,047

The Consolidated Cash Flow Statement should be read in conjunction with the Notes to the Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

AuKing Mining Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2020 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

b) Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report. The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 31 December 2019.

New and revised standards have been issued by the AASB and are effective for the half-year; however there are no material changes to the policies that affect the recognition or measurement of the results or financial position of the Consolidated Entity.

c) Accounting Policies

The accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 31 December 2019.

d) COVID-19 Impacts

The Company remained relatively unaffected during the period by COVID-19. Staff worked remotely when possible and followed enhanced social distancing and health and safety procedures when at the workplace. The Company did not receive any subsidies.

The Company is not expecting any significant impacts in the coming year.

e) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting period. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's has assessed the impact of these new standards that are not yet effective and determined that they are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

f) Going Concern

At 30 June 2020, the Consolidated Entity reported a net current asset deficiency and net asset deficiency of $2,840,684 and $2,727,304 respectively. The observed deficiencies are largely due to the Consolidated Entity's funding in the recent year being received by way of a loan from its largest shareholder and convertible notes.

The Consolidated Entity has obtained confirmation from its directors, including the managing director, that payment of directors' fees and salaries will be deferred until the Consolidated Entity completes a capital raising transaction associated with a re-quotation on the ASX. At this time, the Consolidated Entity and its directors anticipate settling the unpaid amount with the issue of new shares. The Consolidated Entity is also receiving the benefit of extended payment terms from a number of its suppliers of corporate and administrative services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Given the existence of the above deferral of directors' fees and salaries and the informal financial support of key suppliers, the Consolidated Entity's available cash at 30 June 2020 is sufficient to meet the Consolidated Entity's corporate and administrative activities in the short term but are not sufficient to:

- Fund the Consolidated Entity's corporate and administrative activities beyond 31 December 2020;
- Fund for the Consolidated Entity's due diligence, analysis and investment in known and emerging investment opportunities in the absence of ASX approval for the project interest on and "in principle" basis and beyond 31 December 2020; or
- Fund the repayment of the Consolidated Entity's shareholder loan and convertible notes and any accrued interest at maturity, if these amounts are not otherwise converted to ordinary share capital as part of a re-quotation of the ASX or as otherwise stipulated in the convertible note agreements.

The Consolidated Entity does not generate revenue to fund operations and ongoing investment in exploration activities. The ability of the Consolidated Entity to continue as a going concern is dependent on its ability to raise additional equity and the continued support of its creditors and financiers.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

If a project is acquired, the Consolidated Entity will need to conduct further capital raising activities, with both existing shareholders (by way of an entitlement offer) and to new investors, to fund the acquisition and evaluation of the project.

The Consolidated Entity has primarily been funded over the last year through a loan from its largest shareholder and the proceeds from the issue of convertible notes. Proceeds from future capital raising activities will be used to settle this shareholder loan and return the Consolidated Entity's net assets and working capital to a surplus.

As at the date of this report, no firm funding facilities are in place. If there are delays in sourcing equity funding for planned activities when the need arises, the Company has plans in place to scale back its activities and expenditure until adequate funding is obtained.

The Directors are confident of securing funds as and when necessary to meet the Consolidated Entity's obligations as and when they fall due. On this basis, the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. No adjustment has been made to the classification and amounts of recorded assets and liabilities should the Consolidated Entity be unable to continue as a going concern.

	June 2020 $	December 2019 $
NOTE 2 BORROWINGS		
Shareholder loan		
Opening balance	1,402,949	1,047,221
Drawdowns during the year	50,000	250,000
Interest accrued during the year	57,146	105,728
	1,510,095	1,402,949
Convertible notes		
Opening balance	384,620	-
Drawdowns during the year	150,000	375,000
Interest accrued during the year	276	9,620
	534,896	384,620
Derivative financial instruments arising from convertible notes		
Opening balance	93,750	-
Arising from convertible notes issued	37,500	93,750
	131,250	93,750
Total Borrowings	**2,176,241**	**1,881,319**

Shareholder loan

Shareholders loans are measured at amortised cost. Amortised cost is the amount at which the financial liability is measured at initial recognition less principal repayments and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial liability.

The shareholder loan is unsecured. The facility has a fixed interest rate of 8% per annum. The shareholder loan expires 30 September 2020. The fair value of the shareholder loan approximates its carrying amount at 30 June 2020.

Convertible notes

Convertible notes are measured at amortised cost. Amortised cost is the amount at which the financial liability is measured at initial recognition less principal repayments and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

NOTE 2 BORROWINGS

The terms of the convertible notes are as follows:

	Tranche 1 (Managing Director)	Tranche 2 (Private Investor)	Tranche 3 (Private Investor)
Issue date	19 July 2019	16 September 2019	30 June 2020
Principal amount	$75,000	$300,000	$150,000
Interest rate (payable quarterly in arrears)	10% per annum	10% per annum	10% per annum
Maturity date	30 September 2020	30 September 2020	30 September 2020
Conversion rights (at election of lender)	Convertible to ordinary shares at a 25% discount to the 20 prior trading day VWAP, subject to shareholder approval	Convertible to ordinary shares at a 25% discount to the 20 prior trading day VWAP	Convertible to ordinary shares at a 25% discount to the 20 prior trading day VWAP

NOTE 3 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.

	June 2020 $	December 2019 $
Fully paid ordinary shares	42,630,609	42,630,609

Ordinary Shares

	June 2020 $	December 2019 $	June 2020 Number	December 2019 Number
At the beginning of the period	42,630,609	42,630,609	932,584,461	932,584,461
Shares issued	-	-	-	-
Share issue expenses	-	-	-	-
At reporting date	42,630,609	42,630,609	932,584,461	932,584,461

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.

NOTE 4 SEGMENT REPORTING

Reportable Segments

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Consolidated Entity does not yet have any products or services from which it derives an income.

Management currently identifies the Consolidated Entity as having only one reportable segment, being exploration for minerals in Australia. The financial results from this segment are equivalent to the financial statements of the consolidated entity. All assets are located in Australia.

NOTE 5 EVENTS AFTER BALANCE SHEET DATE

There have been no other events since 30 June 2020 that impact upon the financial report, save and except for the following additional capital raising activities, designed to provide the Company with sufficient working capital to continue with the activities associated with the Koongie Park transaction outlined above:

- A further 8,000 convertible notes at a face value of $1 per note were issued to a director-related entity on 3 August 2020. The terms of the convertible notes are otherwise identical to those previously on issue by the Company, as summarised in Note 2 to the Consolidated Financial Statements set out below; and
- An unsecured loan agreement was entered into by the Company with a third party investor on 8 September 2020 for the sum of $150,000 upon the following additional terms:
    - The loan term is for a period of 3 months; and
    - Interest at the rate of 20% per annum is payable (in arrears) on the loan moneys.

As at the date of this Report, the Company is seeking to finalise all activities associated with the preparation and issue of a prospectus for the proposed raising of a minimum $6M in order to assist the Company to seek re-quotation of its securities on the ASX. More details about the proposed raising will be announced to the ASX in due course.