Auking Mining Limited
ABN 29 070 859 522
ASX Code: AKN, AKNO

AUKING

AKN

ANNUAL REPORT 2022

aukingmining.com

Corporate Directory

AuKing Mining Limited

Board of Directors

Mr Asimwe Kabunga (Executive Co-Chair)
Ms Anna Nahajski-Staples (Non-Executive Co-Chair)
Mr Peter Tighe (Non-Executive Director)
Mr Ian Hodkinson (Non-Executive Director)
Mr Shizhou Yin (Non-Executive Director)

Chief Executive Officer
Mr Paul Williams

Company Secretary
Mr Paul Marshall

Head Office and Registered Office

Suite 2208, Level 22
127 Creek 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

Stock Exchange Listing

Australian Securities Exchange
ASX Code: AKN
AKNO Listed $0.25 30 June 2023 Options

Australian Business Number

29 070 859 522

CONTENTS

REVIEW OF OPERATIONS

Koongie Park Project

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

Koongie Park Location, Tenure and Potential

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

The tenure holding comprises an area of more than 500km^2 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 predominant focus of drilling has been at the Sandiego and Onedin deposits.

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

These types of base metal massive sulphide deposits associated with chemical, clastic and volcanic sediments, formed during the Proterozoic age in tectonic active zones where ore fluids have produced multiple, large high-grade orebodies in other terrains. The Koongie Park Project is underexplored and has the potential for a major discovery.

Outstanding Onedin Assay Results

In late February/early March 2022, AKN announced significant high-grade assay results from the seven (7) drill holes from the Onedin drilling program at Koongie Park that was conducted between November and December 2021. These holes were all diamond drillholes at the Onedin deposit, drilled specifically for the purpose of obtaining suitable drill core samples for the proposed Onedin metallurgy testwork program. A total of 1433m of drilling was completed with these holes, with a maximum depth of 243m at hole AORD006.

[For full details refer to ASX announcements dated 21 February 2022, 24 February 2022 and 2 March 2022]

All seven drill holes contained significant copper, zinc, silver and other mineralisation. Certain highlighted results are as follows:

Hole AORD004

105.3m @ 1.94% Cu, 0.76% Zn, 0.70% Pb, 50g/t Ag and 106ppm Mo from 46m including:

- **11m @ 1.19% Cu, 1.28% Zn, 2.69% Pb, 4g/t Ag and 269ppm Mo** from 99.6m
- **18.3m @ 9.32% Cu, 0.96% Zn, 0.48% Pb, 288g/t Ag and 89ppm Mo** from 128.3m
- **16.6m @ 10.20% Cu, 1.03% Zn, 0.46% Pb, 316g/t Ag and 76ppm Mo** from 130m and
- **2m @ 0.25% Cu, 2.55% Zn, 0.05% Pb, 2g/t Ag & 7ppm Mo** from 76m

Hole AORD003

64m @ 0.97% Cu, 1.73% Zn, 2.52% Pb, 129g/t Ag, 0.38g/t Au and 569ppm Mo from 19m including:

- **31.6m @ 1.60% Cu, 2.85% Zn, 3.77% Pb, 258g/t Ag, 0.64g/t Au g/t and 0.10% Mo from 50.6m**
- **7.5m @ 2.77% Cu, 1.11% Zn, 3.12% Pb, 121g/t Ag, 0.70g/t Au and 0.11% Mo from 57.7m**
- **7.4m @ 0.86% Cu, 6.94% Zn, 3.89% Pb, 273g/t Ag, 0.78g/t Au and 0.116% Mo from 67m and**
- **5.2m @ 3.07% Cu, 0.65% Zn, 6.66% Pb, 908g/t Ag, 0.87g/t Au and 0.195% Mo from 74.4m**

18m @ 0.48% Cu, 2.05% Zn, 0/58% Pb, 82g/t Ag, 0.19g/t Au and 58ppm Mo from 172m including:

- **9.5m @ 0.66% Cu, 2.53% Zn, 0.62% Pb, 99g/t Ag, 0.31g/t Au and 74ppm Mo from 177.5m**

100ppm Mo cutoff zone

- **33.2m @ 1.54% Cu, 2.75% Zn, 3.69% Pb, 245g/t Ag, 0.62g/t Au & 0.11% Mo from 49m**

Hole AORD005

66m @ 1.67% Cu, 17.57% Zn, 4.03% Pb, 94.68g/t Ag, 0.38g/t Au and 1718ppm Mo from 77m including:

- **49m @ 1.88% Cu, 19.06% Zn, 3.21% Pb, 73g/t Ag and 2312ppm Mo from 80m**
- **8.7m @ 3.28% Cu, 22.71% Zn, 8.01% Pb, 190g/t Ag and 3776ppm Mo from 119m and**
- **5m @2.70% Cu, 22.79% Zn, 12.78% Pb, 332g/t Ag and 0.85g/t Au from 135.5m**

100ppm Mo cutoff zones

- **22.7m @ 1.51% Cu, 19.64% Zn, 4.82% Pb, 89g/t Ag, 0.49g/t Au & 4953ppm Mo from 105m**

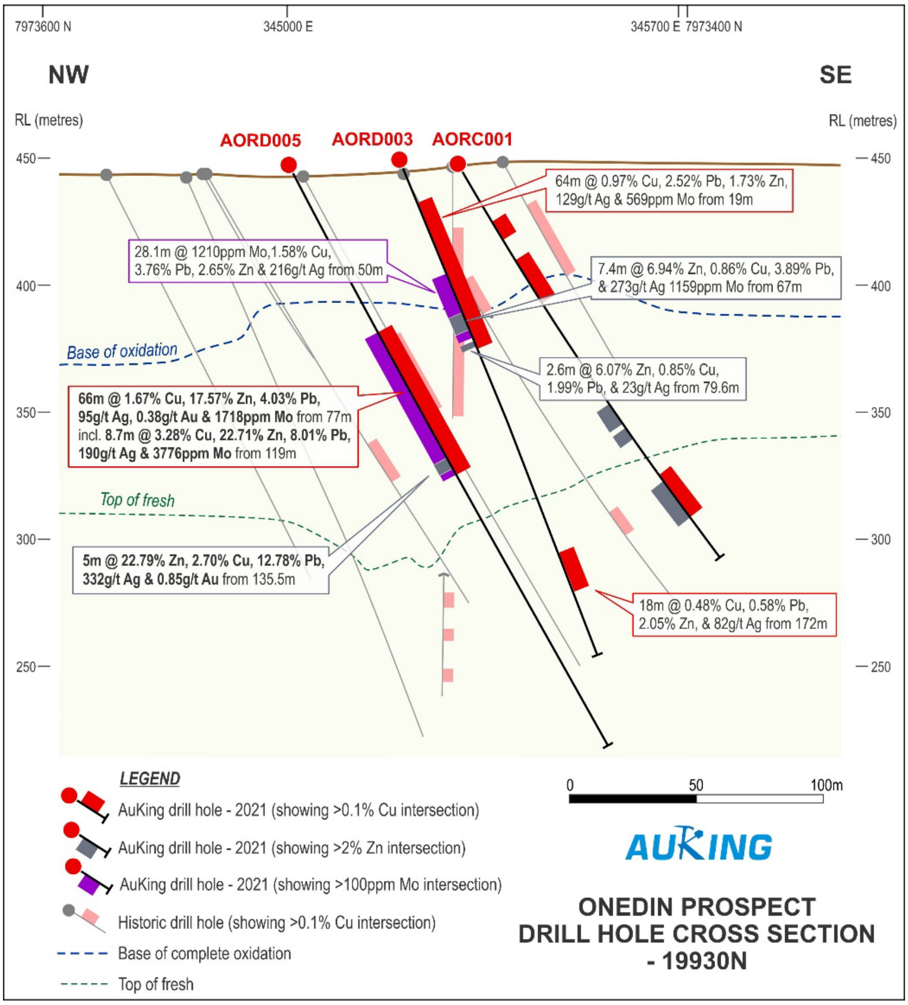

Figure 1 - Onedin cross-section diagram showing holes AORD003, AORD005 and AORC001

The significant features of the assay results from the seven Onedin drill holes include the following:

- More wide zones of high-grade near-surface Cu, Zn, and Ag across all holes, despite some of the holes being set back from previous holes and intersecting the high-grade zones at greater depth;
- Confirmation of significant mineralisation across the known Onedin deposit extending from the south-west of drill holes AORD004, AOWB003 and AORC004 which previously reported substantial intersections; and
- Further evidence of significant Mo mineralisation throughout the Onedin deposit.

Koongie Park (Sandiego and Onedin) Resource Estimate Upgrade

On 7 April 2022, AKN announced that it had completed an upgrade of its existing JORC (2012) Mineral Resource Estimate (MRE) at its Koongie Park copper/zinc project in respect of the Onedin and Sandiego deposits.

The Company has significantly increased its MRE by 30% and the new total resources estimate is as follows:

8.9Mt @ 1.01% Cu, 3.67% Zn, 0.16g/t Au, 32g/t Ag and 0.77% Pb.

AKN engaged CSA Global to undertake an independent MRE for the Onedin and Sandiego deposits. Full details of the new estimates are set out below.

The considerable increases in the Koongie Park MRE are due largely to the following factors:

a) The results from AKN's drilling program at both Onedin and Sandiego completed in late 2021;

b) The findings from a recently completed structural geology study at Onedin and Sandiego commissioned by AKN; and

c) An overall improved understanding of the geological controls on mineralisation in this region.

Each of the above factors have provided the confidence to allow the updated Koongie Park MRE to be almost entirely (97%) included in the Indicated Resource classification.

No provision has been made at this stage for the cobalt and molybdenum discoveries, pending further drilling and assessment of the potential extent of these minerals across the two deposits.

2022 Drilling Program

AKN commenced its 2022 exploration drilling program at Koongie Park in May 2022 and completed the program at the end of September. A total of 7,438m reverse circulation (RC) and diamond drilling was carried out across 40 holes (36 RC and 4 diamond) across the tenure package. The drilling program was focussed on the following target areas:

- Emull;
- Cosmo prospect;
- Onedin and Sandiego – downhole electromagnetic (EM) survey targets; and
- Sandiego North (near water bore ASWB001).

The Company designed this drilling program with the intention to expand the overall project resources – both by identifying new project areas, and expanding the existing known resources at Sandiego and Onedin.

Emull

On 12 August 2022, AuKing confirmed a broad, near surface copper/zinc sulphide deposit at Emull, at its Koongie Park Project.

The Company's eleven-hole RC program for 1,912 metres at Emull found copper mineralisation that was mostly in the primary zone as sulphides (chalcopyrite and sphalerite) and remains open at depth and along strike. These findings are consistent with previous exploration conducted by Northern Star Resources and underpin the potential for a large bulk tonnage open pit mining operation. Furthermore, significant magnetic anomalies exist to the north-west and to the south-west of the main mineralised zone, which remain to be tested for a similar style of mineralization.

A summary of significant assays from the drilling at Emull includes:

EMRC22_001 **13m @ 0.22% Cu, 0.03% Zn and 2g/t Ag from 146m**

EMRC22_003 **16m @ 0.23% Cu, 0.16% Zn and 9g/t Ag from 66m**

- **11m @ 0.32% Cu, 1.07% Zn and 5g/t Ag from134m including:**
  - **2m @ 0.71% Cu, 5.29% Zn and 13g/t Ag from 137m and**
  - **1m @ 0.55% Cu, 9.83% Zn and 9g/t Ag from 138m**

EMRC22_006 **5m @ 0.40% Cu, 2.83% Zn and 8g/t Ag from 32m including:**

- **2m @ 0.58% Cu, 5.95% Zn and 11g/t Ag from 33m**
- **15m @ 0.30% Cu, 0.03% Zn and 6g/t Ag from 185m and**
- **16m @ 0.26% Cu, 0.46% Zn and 6g/t Ag from 212m**

EMRC22_007 **41m @ 0.34% Cu, 0.52% Zn and 6g/t Ag from 122m including:**

- **2m @ 1.23% Cu, 0.02% Zn and 9g/t Ag from 126m**
- **24m @ 0.28% Cu, 0.04% Zn and 2g/t Ag from 167m**
- **9m @ 0.33% Cu, 0.06% Zn and 3g/t Ag from 194m including:**
    - **2m @ 0.54% Cu, 0.05% Zn and 6g/t Ag from 200m and**
    - **2m @ 1.23% Cu, 0.02% Zn and 9g/t Ag from 237m**

EMRC22_010 **16m @ 0.17% Cu, 0.25% Zn and 6g/t Ag from 84m**

EMRC22_011 **21m @ 0.19% Cu, 0.18% Zn and 5g/t Ag from 34m**

[Refer AKN release to ASX on 14 November 2022 for further details]

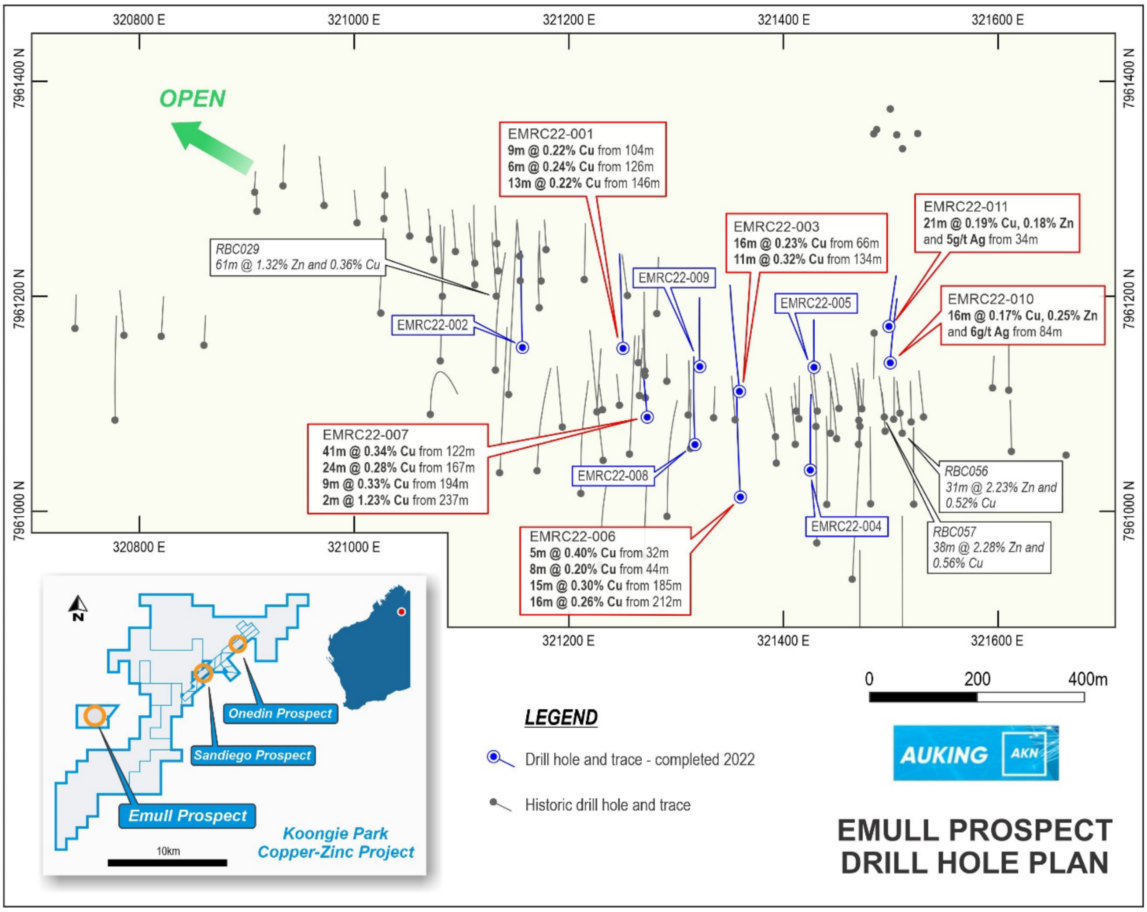

Figure 2 – Emull Deposit showing location of drill holes and potential mineralised extensions to the north-west.

Cosmo

On 24 August 2022, AKN confirmed significant intersections of near-surface copper, zinc and silver mineralisation at its Cosmo prospect, south-west of the Onedin deposit, at Koongie Park. The first nine holes of the Company's 13-hole RC program over 2,418m at Cosmo discovered mineralisation across different areas of the prospect, creating the potential to establish a significant additional near-surface deposit area that is only 500m to the south-west of the Onedin deposit.

The Company's drilling program was focused on certain magnetic anomalies identified in previous magnetic surveying at Cosmo. Despite the proximity to Onedin, the Cosmo area had largely been untested by exploration and drilling activities previously.

Subsequent drilling at Cosmo was unsuccessful and as a result, further review and assessment of this prospect is needed before more drilling is conducted at Cosmo.

Sandiego/Onedin

During September 2022, diamond drilling was carried out on certain DHEM (downhole electro-magnetic) conductor sources at Onedin and Sandiego that were identified by the Company's downhole geophysics survey in the year. Unfortunately, the drilling was unable to detect any significant zones of mineralisation in these target areas.

Sandiego North

On 30 November 2021, AKN reported the discovery of an additional zone of copper mineralization approximately 700m to the north of the main Sandiego deposit. The reported results were as follows:

Hole ASWB001 *(Shallow hole (102m) a water bore at Sandiego):*

- **5m @ 1.37% Cu from 50m; and**
- **2m @ 1.71% Cu from 85m**

The two intervals of copper mineralisation in water bore ASWB001 displayed the now typical Sandiego geochemical association with elevated cobalt and Ce/La/Y grades. This allowed a largely untested target zone to be delineated between the main area of drilling at Sandiego and the new discovery. The new discovery was essentially along strike of the main mineralised zone and had only previously been tested by a handful of shallow RC and RAB holes to very limited depth.

An RC drillhole was completed by AKN nearby ASWB001 in late September 2022 and further significant copper mineralization has been identified as follows:

ASNRC22_001

- **6m @ 1.02% Cu from 81m;**
- **10m @ 0.49% Cu from 93m; and**
- **2m @ 0.68% Cu from 136m**

This drill hole was set 40m to the west of ASWB001 and drilled back towards that water bore hole. The hole was designed to test mineralization and add definition to the dip of that mineralized zone. Due to a heavy rainfall event further RC drilling was curtailed in this area.

The results from ASNRC22_001 are very encouraging in that they confirm the extension of near-surface copper mineralization that was first identified at the water bore late last year. Further significant drilling will be required around these drill holes and along the 700m target zone back to the main Sandiego deposit.

[See AKN release to ASX on 30 November 2022 for further details]

<u>Significant Cobalt Mineralisation Identified at Sandiego</u>

AKN has previously identified significant areas of cobalt mineralisation that were intersected by drilling carried out more than ten years ago and reported to the ASX by AAR (*refer ASX announcement 19 October 2021).* In addition, as part of its own drilling program at Sandiego last year, AKN reported the intersection of zones of cobalt mineralisation across the various holes that were drilled.

A detailed review of the historic drilling database at Sandiego indicated that a significant number of drill holes had not been assayed for cobalt mineralisation prior to 2010. AKN's exploration team was able to identify approximately 400 remnant drill core samples still being stored at its Halls Creek facility from ten historic drill holes that were in a condition suitable for further assaying. These samples were despatched for assay and highlighted results are as follows:

- **60m @ 1.79% Cu, 5.96% Zn, 58g/t Ag & 0.1% Co from 191m (SRCD07)** including 12m @ 2.95% Cu, 9.80% Zn, 76g/t Ag & 0.24% Co from 214m
- **21m @ 2.55% Cu, 0.18% Zn, 17g/t Ag & 0.13% Co from 289m (SRCD07)** including 7m @ 3.79% Cu, 0.15% Zn, 20g/t Ag & 0.27% Co from 298m
- **18.4m @ 6.22% Cu, 1.02% Zn, 8g/t Ag & 0.07% Co from 108.6m (SRCD03)** including 2m @ 1.52% Cu, 0.04% Zn, 7g/t Ag & 0.12% Co and
- **8.87m @ 0.18% Cu, 9.41% Zn, 38g/t Ag & 0.14% Co from 156m** (SND9A)

[Refer ASX announcement dated 26 April 2022 for full results]

Eight out of the ten drill holes that were re-assayed by AKN intersected anomalous cobalt mineralisation, with the highlighted results shown above.

A strong spatial coincidence is noted between the higher-grade copper mineralisation and the associated cobalt assays, suggesting a genetic relationship. Drilling results indicates a broad distribution of anomalous to high-grade Co mineralisation across the Sandiego deposit. It is important to note that AKN only sampled those remnant core materials that were physically available and appeared viable for re-assay and with a sole focus on mineralised zones and the periphery of those zones.

Therefore, the true distribution of cobalt across the Sandiego mineralised zone remains unclear due to the absence of cobalt assays in much of the early drilling.

AKN believes that these recent assays provide a strong foundation for ongoing exploration initiatives focused on identifying additional cobalt mineralisation at Sandiego. The Company's latest Mineral Resource Estimate does not include Co mineralisation and AKN intends to progress additional work for the inclusion of this aspect in future resource estimates.

Onedin Metallurgical Testwork Program

The Company's metallurgical testwork program on the near-surface Onedin ores commenced in early 2022 and continued to make progress throughout the year.

Significant early activities of the testwork program included the conduct of sequential recovery analyses and also completion of a mineralogy scan ("mineral liberation analysis" or "MLA") on certain indicative samples from Onedin. AKN has confirmed that although more detailed testwork is required (on larger samples and across a broader range of samples at Onedin), the initial testwork has established the following:

a) The existence of secondary carbonate species in the Onedin mineralised zone; and

b) The potential to achieve recovery rates (>75%) for the Cu, Zn and other minerals that are hosted within those carbonates using non-acid leaching.

These are significant initial findings for AKN as this was the fundamental basis for the Company to proceed with Koongie Park acquisition from the outset.

Another feature of the Onedin material that has been observed in early testwork is that, in the heavily weathered material (from depths of approx. 0-85m), a significant amount of the lower grade Cu, Zn and other mineralisation appears to be dominated by the existence of Fe oxide/hydroxide material. It should be noted that traditional acid-leaching techniques show low recovery rates on these materials. The distribution and extent of this mineralisation style across this section of the Onedin deposit is yet to be established, but AKN's technical group is focusing on establishing a recovery pathway for this material because it would otherwise be discarded as overburden in an open pit mining operation. AKN believes the solution to recovering commercial quantities of Cu, Zn and other minerals from the Fe oxide/hydroxide material will be achieved from a combination of the following factors:

- Pre-treatment reagents and reductants, prior to the ammonia leaching process (all of which is part of the AmmLeach® process;
- Time over which the treatment agents are applied; and
- operational conditions under which the agents are applied to the material.

With these considerations in mind, as a result of further testwork, two significant results have been achieved, namely:

- An ammonia leach in conjunction with certain reagents has shown that some copper (and, to a lesser extent, zinc) is releasing from the iron oxide/hydroxide material that is prevalent in the upper sections of the Onedin oxide zone; and
- Confirmation of a supergene blanket beneath the oxide zone that contains high grade copper oxide minerals (eg: cuprite and native copper).

After the initial testwork results, AKN developed a further set of initial tests designed to achieve better recoveries from these weathered oxide areas of the Onedin deposit. The tests were conducted on seven different samples taken from the Onedin diamond drilling core samples and a series of different processes were applied to those samples including:

- Both acid and ammonia leaching
- Different processing reagents;
- A range of sample grain sizes; and
- 24 and 48 hour testing periods.

The overall purpose of these further tests was to narrow the scope of AKN's proposed major testwork program to be implemented in 2023.

As noted, a focus of the latest round of testing has been on the near-surface oxide materials at Onedin that appear to be dominated by the existence of Fe oxide/hydroxide material due to the heavy weathering profile of this mineralized zone. A summary of the key results that AKN has identified from the latest testwork (utilizing the ammonia leaching process) are as follows:

- Excellent Cu recoveries (>90%) have been seen in some of the oxide samples;
- Cu and Zn recoveries have not been affected in some samples by the size fraction of the material tested – in other words, the coarser grain sized material generally saw a similar Cu and Zn rate of recovery compared to the finer, ground material;
- In some of the lower grade Cu samples, there appears to be a more optimal size fraction from a recovery perspective;
- The Cu recoveries appear to increase significantly over time – comparing 24 vs 48 hour testing. This leaves open the possibility that optimal Cu recoveries are possible over longer processing times; and
- Zn recoveries are generally not as high as the observed Cu recoveries, due mainly to the likelihood that the Zn is mostly trapped within the weathered Fe oxide/hydroxide material. However, in terms of the observations around size fractions and processing times, it appears possible that higher Zn recoveries can still be achieved.

The current testing program has also identified heap leaching as the most likely form of metallurgical processing at least for the Onedin oxide material. In that context, as the testwork observed significant silica gel formation after treatment by acid leaching agents, the prospect of utilizing acid in a final processing solution has now almost been entirely discounted.

In the course of conducting this latest testwork program, AKN identified certain other findings including the following:

- The test results were not consistent across the mineralized oxide and transition zones at Onedin. A key intended outcome of the future detailed testwork program will be to create a metallurgical solution that has more consistent results; and
- In the transition ore zone at Onedin there appears to be very high carbonate content – while the occurrence of carbonates was always predicted, some attention will be required with future testwork that addresses the optimal recovery processes for material that is heavily dominated by carbonates.

AKN lodged an R&D Tax Incentive application with AusIndustry in respect of the Onedin metallurgical testwork program during the year. That application achieved registration and a refund of $556,911 was received from the ATO in relation to research works completed during AKN's 2021 Financial Year.

Maiden Emull Resource Estimate

On 1 December 2022 AKN announced a maiden mineral resource estimate (MRE) for the Emull deposit which significantly increased the overall mineral resources at Koongie Park. The Emull MRE comprises:

- **12.2Mt @ 0.27% Cu, 0.38% Zn, 0.09% Pb, and 4.9g/t Ag.**

AKN's total MRE for Koongie Park now stands at 21.1 million tonnes (Mt) after these further 12.2Mt were added to the Company's existing 8.9Mt resources at the Sandiego and Onedin deposits to the east. Total metal content now comprises 121,800 tonnes of copper; 372,600 tonnes of zinc; 46,000 ounces of gold; 11 million ounces of silver and 79,300 tonnes of lead.

Emull's MRE has been classified as an Indicated and Inferred resource and was based upon 99 drill holes totaling 11,051m, comprising 88 historic reverse circulation (RC) drill holes by Northern Star Resources (ASX:NST) between 2003 and 2012 for 9,141m, and 11 RC holes by AKN during 2022 for 1,910m. Follow-up extensional resource drilling both to the north-west and the south-west will be a key feature of proposed drilling in 2023 and support an upgrading of the resource classification.

The Emull deposit extends to a depth of 280 vertical metres and is currently modelled with a strike length of approximately 600m, with mineralisation still open at depth and along strike to the north-west.

The Emull Mineral Resource is reported at a 0.15% copper cutoff grade and is summarised on page 17.

[See AKN release to ASX on 1 December 2022 for further details]

Increase in Koongie Park JV Interest

AKN announced to ASX on 4 February 2022 that it had completed the second earn-in milestone of $1.5M under the Koongie Park Earn-in and then held a 75% interest in the Koongie Park JV.

As a consequence of additional exploration expenditure being incurred during the year, AKN expanded its interest in the Koongie Park project to 80%. Furthermore, AAR advised AKN of its intention not to contribute to budgeted expenditure for the 22/23 financial year. This will likely see AKN's ownership of Koongie Park increase further.

Mining Study Commences at Sandiego/Cazaly Resources MoU

Wave International was engaged in December 2022 to assist with the preparation of a study ("Scoping Study") which will consider all aspects of a proposed mine development and is expected to be completed by the end of March 2023. The Scoping Study will form a "base case" scenario that involves a combined open pit and underground mining operation at Sandiego and will include the following:

- Preliminary mine planning
- Project design
- Preliminary processing flowsheets
- Concept layouts
- Mechanical equipment requirements
- Capex/Opex estimates
- High level economic assessment.

In addition, consideration will be given to nearby deposits with similar mineralogy that are likely to process via flotation techniques – these include the following options:

- Additional resources (at depth) at Sandiego
- Emull deposit
- Mt Angelo North (Cazaly asset – see MoU details below)
- Bommie (Cazaly asset – see MoU below)

The intention with these additional deposits is to create an optimal economic mine development case utilising deposits that are all situated within a radius of approximately 10kms from the Sandiego deposit.

There is already a substantial body of available study and technical data for Sandiego, based on the prefeasibility work undertaken several years ago by AAR. This material will be referred to for the purposes of the Scoping Study wherever possible.

At this stage, the Onedin deposit will continue to operate under a separate metallurgical testwork program and not be included in the Scoping Study. In the event of a successful process being established for the near-surface Onedin oxide and transition ores, the process is likely to be different to the planned flotation circuit at Sandiego.

On 19 December 2022 the Company signed a Memorandum of Understanding ("MoU") with Cazaly Resources Limited (ASX:CAZ) agreeing to collaborate for the development of their respective mining deposits in the Halls Creek region utilising a common processing facility centred on the Sandiego deposit.

Cazaly holds two significant deposits situated no more than 10kms from the Sandiego deposit –Mt Angelo North and Bommie (See Figure below). These deposits both have published Resource Estimates as follows (See CAZ release to ASX on 2 December 2022):

- **Mt Angelo North – 1.72Mt @ 1.4% Cu, 1.4% Zn and 12.3g/t Ag**
- **Bommie – 95Mt @ 0.27% Cu**

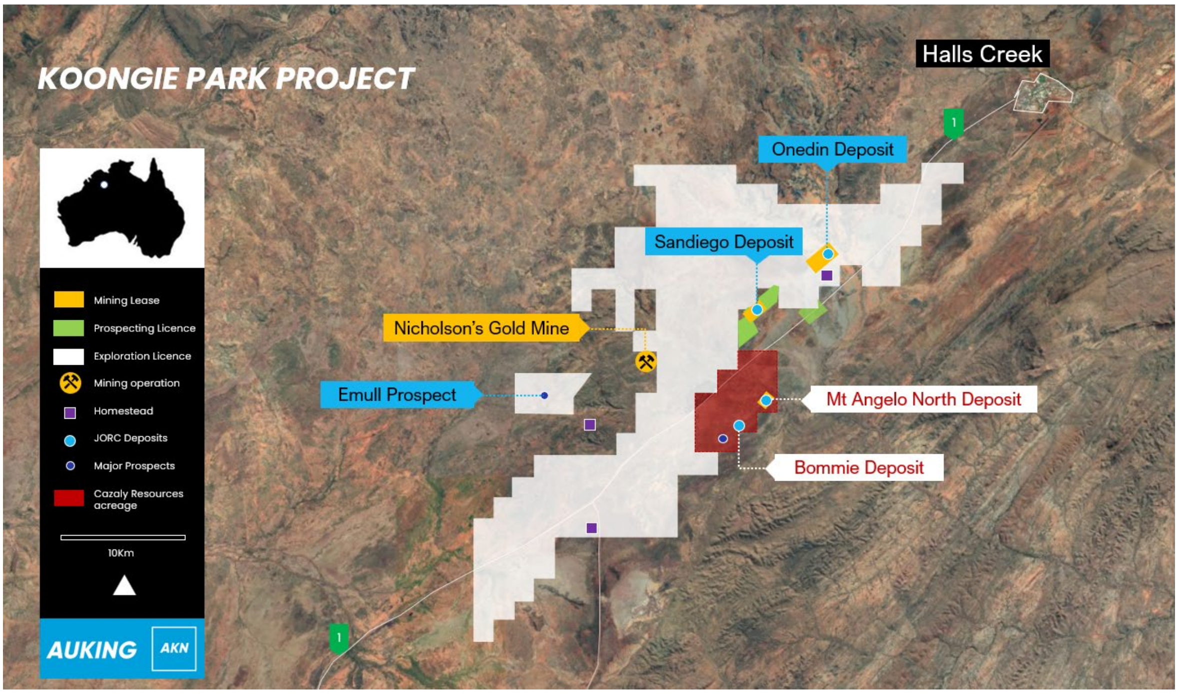

Figure 3 Locations of Cazaly Resources' tenures, nearby Sandiego

There are strong indications that the Mt Angelo North and Bommie deposits could have metallurgical characteristics that are consistent with the Sandiego deposit – thereby making these additional deposits extremely complementary to a proposed flotation processing flowsheet at Sandiego.

AKN and Cazaly have agreed to make available all relevant technical data to support the Scoping Study under the MoU, which contemplates a more formal commercial arrangement between the companies pending positive outcomes from the Study exercise.

Tanzanian Acquisition

On 19 October 2022, in a transformational move for the Company, AKN announced the acquisition of a 100% interest in six projects in Tanzania. Four of the projects are prospective for uranium (Manyoni, Mkuju, Itigi and Magaga) and the other two are prospective for copper (Mpanda and Karema).

The acquisition was by way of issuance of shares and options in AKN and completion occurred on 30 January 2023.

The principal vendor is Tanzanian born Perth based entrepreneur, Mr Asimwe Kabunga, who joined the Board of AKN as Co-Chair in October.

The key focus of early activity for AuKing in 2023 will be a detailed review and assessment of the available Manyoni project data that formed the basis of the 2010 resource estimate and then to use that exercise for two purposes:

- Firstly, to publish an upgraded resource estimate for Manyoni to JORC 2012 classification; and
- Define the key target areas for a detailed drilling and exploration program at Manyoni.

At Mkuju (nearby the world-class Nyota uranium project), previous work in the area included, airborne radiometrics, ground scintillometer surveys, soil and grab sampling and auger drilling.

AuKing's initial exploration program for Mkuju has been designed to systematically cover the anomalies that were identified from airborne radiometrics and other anomalies identified from sampling. Therefore the first pass of exploration will include systematic ground spectrometer surveys and systematic auger drilling.

On 31 January 2023 AuKing announced that it had completed the Tanzanian acquisition, with all conditions precedent having been satisfied.

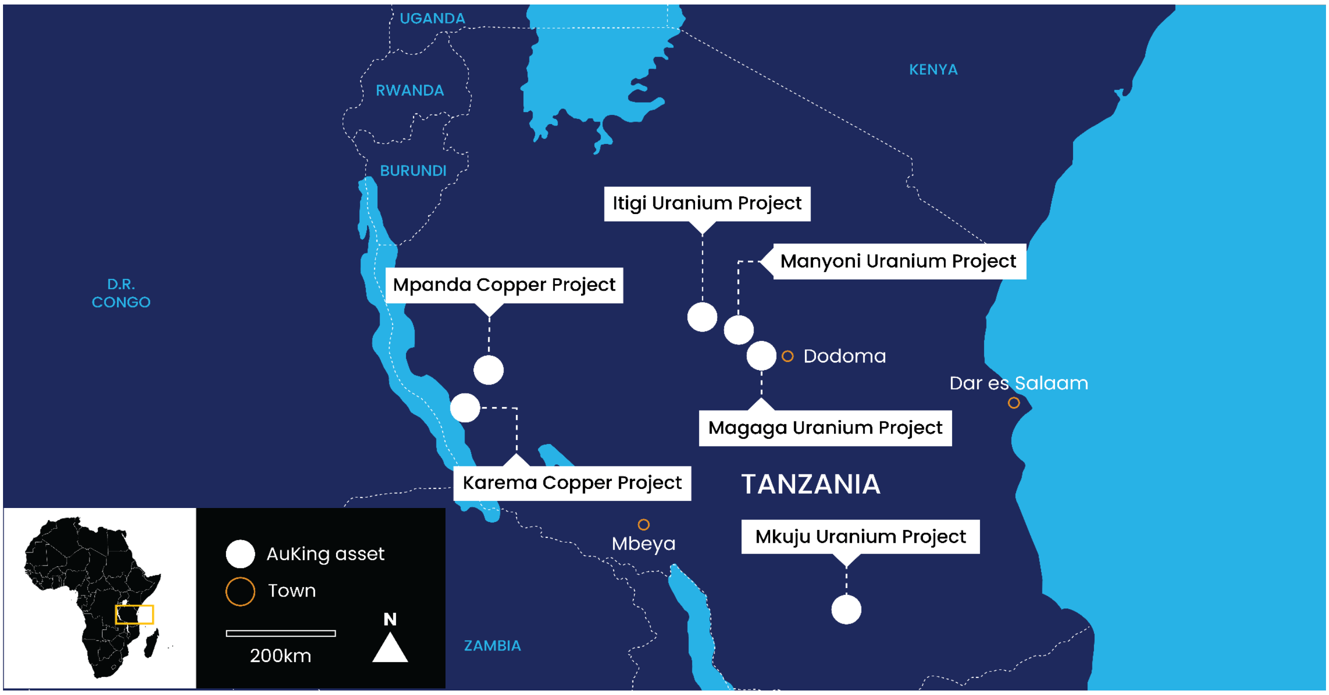

Figure 4 Locations of Tanzanian uranium and copper projects

Corporate Activities

Proposed Koongie Park Acquisition

On 5 April 2022, AKN announced that it had entered into an agreement with AAR to progress the acquisition of the following existing interests:

a) 25% participating interest in the Koongie Park Joint Venture (allowing AKN to achieve a 100% ownership interest in the project); and

b) The gold and platinum group elements (PGEs) rights held in respect of the Koongie Park tenures.

The proposed AAR acquisition would have secured for AKN a 100% interest in all the base metals, gold, silver, PGEs and other minerals across the entire Koongie Park tenure package.

The purchase price payable by AKN to secure these rights was a total of A$6M payable in three instalments:

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

Certain other features of the proposed acquisition involved the following:

- Completion of the purchase was subject to AKN securing sufficient funding to enable it to complete the first $3M payment to AAR, such condition to be satisfied on or before 16 May 2022;
- The shares to be issued to AAR were to be issued at a price that is calculated by reference to the 20-day VWAP for AKN's shares on the ASX prior to the date of issue (proposed to be immediately after AKN's AGM to be held in May 2022);
- AAR agreed to a voluntary restriction of their shares for a three month period from the date of issue; and
- AKN had the right to elect to defer payment of the final cash component to AAR until 31 March 2023, but on the basis that the final payment is then increased to $2M.

The Company was seeking a fully subscribed rights issue entitlement offer ("Offer") – thereby raising an estimated $3.5M in funds, most of which would have been directed towards payment of the first $3M cash instalment to AAR. Unfortunately, the Offer was only successful in securing approximately $376,000 in applications from existing shareholders, leaving a substantial shortfall of nearly $3.1M under the Offer. On 25 May 2022 the Company received a notice from Vert Capital exercising its rights to terminate its underwriting obligations in respect of the Offer shortfall. As a result of Vert's withdrawal as underwriter of the Offer shortfall, AKN gave notice to AAR of its intention not to proceed with the AAR Acquisition Agreement.

Capital Raising

In May/June 2022, the Company sought to raise a total $7.1M by way of the following capital raising activities:

c) A two-tranche Placement totalling $3.6M to sophisticated and professional investors through the issue of new shares at an issue price of $0.14 per share (Placement); and

d) A non-renounceable rights issue to eligible shareholders, on the basis of one (1) new fully paid ordinary share for every three (3) shares held at an issue price of $0.14 per share (New Share), to raise approximately $3.5M (before costs) (Offer).

In the case of both the Placement and the Offer, free-attaching options (of the same class as AKN's existing ASX-listed options) ("Options") were issued on the basis of one (1) new Option for every three (3) New Shares applied for. The Placement also proceeded in two tranches namely, first tranche issuing 18,822,412 New Shares immediately and a second tranche of 7,000,000 New Shares.

Both tranches of the Placement were successfully completed although it should be noted that, due to the difficult prevailing market conditions, while the second tranche of the Placement (7,000,000 New Shares) was completed, there were free-attaching options made available on the basis of three (3) new Options for every five (5) applied for (as opposed to the originally proposed one Option for every three shares applied for).

The Offer was only successful in securing approximately $376,000 in applications from existing shareholders, leaving a substantial shortfall of nearly $3.1M under the Offer. On 25 May 2022 the Company received a notice from the underwriter (being Vert Capital) exercising its rights to terminate its underwriting obligations in respect of the Offer shortfall.

As a result of Vert's withdrawal as underwriter of the Offer shortfall, AKN gave notice to AAR of its intention not to proceed with the AAR Acquisition Agreement (as noted above).

In October 2022, after announcement to the ASX of the proposed Tanzanian acquisition, the Company successfully completed a proposed two-tranche Placement totaling $3.5M to sophisticated and professional investors through the issue of new shares at an issue price of $0.10 per share (Placement). In the case of both tranches of the Placement, free-attaching options (Options) were issued on the basis of one (1) new Option for every two (2) New Shares applied for. The Options are exercisable at 10c on or before 31 September 2025.

Tranche 1 of the Placement was completed in October, giving rise to the issue of 13,740,000 New Shares at 10c each and 6,870,000 Options. Tranche 2 of the Placement is scheduled to be effected after financial close of the Tanzanian acquisition has occurred. A further 21,260,000 New Shares and 10,630,000 will be issued under Tranche 2.

Issue of Director and Employee Incentive Options

In accordance with approvals obtained from the Company's shareholders and pursuant to the terms of the Option Incentive Plan that was also approved at the AGM in May 2022, the following incentive options were issued to Directors and employees of AKN during the year:

- 3,500,000 options exercisable at 17c on or before 31 May 2025 to the Directors; and
- 2,700,000 options exercisable at 11c on or before 31 May 2025 to certain employees of the Company.

Unmarketable Parcels Sale Facility

On 29 September 2022, the Company announced a facility to enable shareholders who hold an Unmarketable Parcel to sell their Shares without having to act through a broker or pay brokerage or handling fees. This facility was completed in November with 979 small holdings being sold (representing a total 466,280 shares).

The sale of these Unmarketable Parcels will be beneficial to AKN, as it is expected to reduce the administrative costs associated with maintaining a large number of small shareholdings on AKN's share register.

Competent Persons' Statements

The information relating to Exploration Results as outlined above is extracted from previous ASX announcements made by the Company. These reports are available to view on the Company's website www.aukingmining.com. This report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Annual Mineral Resource Statement

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 31 December each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

The Company during the financial year has reported a JORC 2012 resource estimate for the Koongie Park project (Sandiego and Onedin) of **8.9Mt @ 1.01% Cu, 3.67% Zn, 0.16g/t Au, 32g/t Ag and 0.77% Pb,** details of which are set out below:

Onedin Mineral Resource Estimate and Metal Tonnes

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

Note: *(1) Reported tonnes and grade are rounded*
(2) Reporting cut-off grades of 0.4% Cu and 1% Zn have been applied to the Onedin deposit

Sandiego Mineral Resource Estimate and Metal Tonnes

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

Note: *(1) Reported tonnes and grade are rounded*

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

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

During the financial year the Company also reported a JORC 2012 resource estimate for the Koongie Park project (Emull) of **12.2Mt @ 0.27% Cu, 0.38% Zn, 0.09% Pb, and 4.9g/t Ag,** details of which are set out below:

Emull Mineral Resource Estimate and Metal Tonnes

December 2022 Mineral Resource Estimate (0.15% Cu Cut-off)

Type	Indicated Mineral Resource								
	Tonnage Mt	Cu %	Zn %	Pb %	Ag g/t	Cu t	Zn t	Pb t	Ag koz
Oxide	0.26	0.28	0.72	0.16	5.4	700	1,800	400	50
Transitional	0.34	0.29	0.68	0.17	7.0	1,000	2,300	600	80
Fresh	1.8	0.31	0.57	0.14	6.6	5,600	10,400	2,400	390
Total	**2.4**	**0.30**	**0.60**	**0.14**	**6.6**	**7,300**	**14,500**	**3,400**	**510**

Type	Inferred Mineral Resource								
	Tonnage Mt	Cu %	Zn %	Pb %	Ag g/t	Cu t	Zn t	Pb t	Ag koz
Oxide	0.04	0.24	0.23	0.05	3.1	100	100		
Transitional	0.05	0.25	0.18	0.04	3.4	100	100		10
Fresh	9.7	0.26	0.33	0.08	4.6	25,200	32,300	7,400	1,420
Total	**9.8**	**0.26**	**0.33**	**0.08**	**4.5**	**25,400**	**32,500**	**7,400**	**1,430**

Type	Total Mineral Resource								
	Tonnage Mt	Cu %	Zn %	Pb %	Ag g/t	Cu t	Zn t	Pb t	Ag koz
Oxide	0.29	0.28	0.66	0.14	5.2	800	1,900	400	50
Transitional	0.39	0.28	0.61	0.15	6.6	1,100	2,400	600	80
Fresh	11.5	0.27	0.37	0.09	4.9	30,800	42,700	9,800	1,810
Total	**12.2**	**0.27**	**0.38**	**0.09**	**4.9**	**32,700**	**47,000**	**10,800**	**1,940**

The information in this Report that relates to the Mineral Resource Estimate for Emull is based on information compiled by Mr Shaun Searle who is a Member of the Australasian Institute of Geoscientists. Mr Searle is an employee of Ashmore Advisory Pty Ltd and independent consultant to AuKing Mining Limited. Mr Searle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Searle consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

In completing the review for the period ended 31 December 2022, the historical resource factors were reviewed and found to be relevant and current. The Koongie Park project has not been converted to an active operation yet and hence no material resource depletion has occurred for the review period.

Material Changes and Resource Statement Comparison

The completion of the updated 2012 JORC resource at Koongie Park (Sandiego and Onedin) and the maiden Emull resource (as shown above) are the only revisions to the Mineral Resource estimates during the review period from 1 January 2022 to 30 December 2022. The information in this Annual Report that relates to Mineral Resources was prepared and first disclosed under the JORC Code 2012 Edition. The Company is not aware of any new information or data that materially affects the information as previously released and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Governance Arrangements and Internal Controls

AKN has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by suitably qualified personnel who are experienced in best practices in modelling and estimation methods, and AKN has also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate.

Annual Review Competent Persons Statement

The information in this Annual Report that relates to the mineral resources and ore reserves statement as a whole has been reviewed and approved by Mr Ian Hodkinson who is a member of the Australian Institute of Geoscientists and the Society for Geology Applied to Mineral Deposits. Mr Hodkinson is a non-executive director of AuKing Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hodkinson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS AND OFFICERS

The following persons were directors of AuKing Mining Limited ('AKN' or 'the Company') during the whole of the financial period and up to the date of this report, unless stated:

Current Directors

Mr Asimwe Kabunga (Appointed 19 October 2022)
Executive Co-Chair, BSc (Mathematics and Physics)

Asimwe Kabunga is a Tanzanian born Australian entrepreneur with multiple interests in mining and IT businesses around the world.

Mr Kabunga has extensive experience in the mining industry, logistics, land access, tenure negotiation and acquisition, as well as a developer of technology businesses. Mr Kabunga has been instrumental in establishing the Tanzania Community of Western Australia Inc., and served as its first President. Mr Kabunga was also a founding member of Rafiki Surgical Missions and Safina Foundation, both NGOs dedicated to helping children in Tanzania.

Mr Kabunga has been a director of the following ASX listed companies in the prior 3 years:

- Lindian Resources Limited (appointed June 2017)
- Resource Mining Corporation (appointed May 2022)
- Volt Resources Limited (appointed August 2017)

Ms Anna Nahajski-Staples (Appointed 1 October 2022)
Non-Executive Co-Chair, BA Bus, F Fin, ACIS, GAICD

Ms Nahajski-Staples is an investment banker, public company director and manager, with nearly 30 years' experience (15 years in mining) representing over half a billion dollars in global transactions.

Currently, Perth-based Ms Nahajski-Staples is Executive Director of Paloma Investments and Founding Director of copper-gold explorer Larvotto Resources and Nevada-focused Moneghetti Minerals. She was also a Founding Director of New Zealand-focused gold explorer Siren Gold.

She is a Fellow of Finsia, a graduate of the Governance Institute of Australia (2009) and the Australian Institute of Company Directors (2007) and studied accounting at Harvard University (1993) before receiving a Bachelor of Business Administration with a scholarship from the University of Washington.

Ms Nahajski-Staples has been a director of the following ASX listed companies in the prior 3 years:

- Larvotto Resources Limited (appointed November 2020)

Mr Peter Tighe (Appointed 9 June 2021)
Non-Executive Director

Mr Tighe started his working career in the family-owned JH Leavy & Co business, which is one of the longest established fruit and vegetable wholesaling businesses in the Brisbane Markets at Rocklea and has been trading since the late 1800s. As the owner and managing director of JH Leavy & Co, Mr Tighe expanded the company along with highly respected farms and packhouses that have been pleased to supply the company with top quality fruit and vegetables for wholesale/export for over 40 years. JH Leavy & Co is considered one of the most successful businesses operating within the Brisbane Markets.

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 $350m asset portfolio. As the proprietor of the site, BML has over 250 leases in place including selling floors, industrial warehousing, retail stores and commercial offices. BML acknowledges its role as an economic hub of Queensland, facilitating the trade of $1.5 billion worth of fresh produce annually, supporting local and regional businesses of the horticulture industry. As a Board member Mr Tighe has held roles in various sub-committees which include Chairman of Safety and Tenant Advisory Committee, BML Strategy Investment Committee, and Legal and Compliance Committee.

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

He has not been a Director of any other Australian listed company in the last three years.

Mr Ian Hodkinson (Appointed 9 June 2021)
Non-Executive Director

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

He has not been a Director of any other Australian listed company in the last three years.

Mr ShiZhou Yin (Appointed 9 June 2021)
Non-Executive Director

Mr. Yin is a Chinese national without any foreign permanent residence, holds a Master of Professional Accounting degree and is a Chinese Certified Public Accountant and a Senior Accountant. From September 1994 to September 2010, Mr. Yin served successively as Accountant of Beijing No. 2 Water Pipe Factory, Audit Manager and Audit Partner of Yuehua Certified Public Accountants Firm, and Senior Partner of Zhongrui Yuehua Certified Public Accountants Co., Ltd. From October 2010 to May 2011, Mr Yin served as Chief Financial Officer of JCHX Mining Management Co., Ltd. From May 2011 to April 2017, Mr Yin served as Chief Financial Officer and Secretary of the Board of Directors of JCHX Mining Management Co., LTD (Shanghai Stock Exchange Code: 603979).

From April 2017 Mr Yin has been Vice President, Chief Financial Officer and Secretary of the Board of JCHX Group Co., Ltd. Mr. Yin has been the chairman of the Board of Supervisors of JCHX Mining Management Co., Ltd (Shanghai Stock Exchange Code: 603979) since May 2017.

Mr Yin has been an Independent Director of:

- Beijing Century Real Technology Co.,Ltd. (Shenzhen Stock Exchange Code: 300150) since September 2018;
- Beijing Yiqiao Shenzhou Technology Co., LTD. (which is to be listed on Growth Enterprise Market ("GEM") of Shenzhen Stock Exchange) since March 2020; and
- previously, from October 2009 to March 2015, Dalian East New Energy Development Co., Ltd. (Shenzhen Stock Exchange Code: 300125).

He has not been a Director of any other Australian listed company in the last three years.

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of AuKing Mining Limited are shown in the table below:

Director	Ordinary Shares	Options
Asimwe Kabunga	36,000,000	18,000,000
Anna Nahajski-Staples	128,205	1,000,000
Peter Tighe	2,816,889	500,000
Ian Hodkinson	-	500,000
ShiZhou Yin *	9,425,092	500,000

* Shares are held by Bienitial International Industrial Co Ltd. Mr Yin has the capacity to control the voting of the shares held by Bienitial International Industrial Co Ltd.

Former Directors

Dr Mark Elliott (resigned 1 October 2022)
Non-Executive Chairman, Dip Appl Geology, PhD, FAICD, FAusIMM(CP Geol), FAIG

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

COMPANY SECRETARY

Mr Paul Marshall was the Secretary of AuKing Mining Limited throughout the period and until the date of this report.

Paul Marshall
Company Secretary and Chief Financial Officer, LLB, ACA

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

PRINCIPAL ACTIVITIES

The principal activity of the Company and its controlled entities ('Consolidated Entity') during the period was mineral exploration. There were no significant changes in the nature of the Consolidated Entity's principal activity during the period.

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the period (2021: $nil).

FINANCIAL RESULTS

Capital structure

Shares and Options on issue at 31 December 2022

At 31 December 2022 the Company had 117,843,707 ordinary shares and 55,941,380 options on issue.

Shares and Options issued after year end

On 31 January 2023 AKN issued 60,000,000 ordinary shares and 30,000,000 options exercisable at 20c on or before 30 September 2025 to the vendors of the Tanzanian projects.

AKN also issued to Vert Capital Pty Ltd and clients a total of 5,000,000 new shares and 10,000,000 options (exercisable at 20c on or before 30 September 2025) in recognition of the introduction of these project interests to AKN and assistance in securing the acquisition.

Treasury policy

The Consolidated Entity does not have a formally established treasury function. The Board is responsible for managing the Consolidated Entity's currency risks and finance facilities. The Consolidated Entity does not currently undertake hedging of any kind.

Liquidity, funding and going concern

As at 31 December 2022 the Consolidated Entity had cash reserves of $1,656,292 and net current assets of $1,377,530. The Consolidated Entity requires further capital to fund future exploration activity and meet other necessary corporate expenditure.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Consolidated Entity's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has funded its activities through issuance of equity securities, and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and

- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating based on the Company's cash flow forecast.

Should the Consolidated Entity 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 financial statements. This financial report 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 the Consolidated Entity be unable to continue as a going concern.

Operating Results

Revenue
As an exploration company, AuKing Mining Limited does not generate any recurring income.

Expenses
The Consolidated Entity's main expenses compared to the prior period are as follows:

	2022 $	2021 $
Employment and consultancy expenses	1,073,750	841,787
Depreciation expense	38,939	13,666
Costs related to the Tanzania transaction	89,208	-
Costs related to the Koongie Park transaction	-	97,922
Other expenses	1,143,326	703,740
Finance costs	-	688,180
Total expenses during the year	2,345,223	2,345,295

Excluding finance costs and costs related to the Tanzanian and Koongie Park transactions, which are one-off in nature and will not be incurred moving forward, expenses increased by 45% on the prior year.

This cost increase was commensurate with the scale up in activities compared to the prior year, with the Consolidated Entity completing its relisting process and recommencing operational activities in June 2021.

The Company expects a similar operating cost structure for the 2023 year, with some additional costs attributed to the new Tanzanian projects.

OPTIONS

As at the date of this report there were 95,941,380 options on issue.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year AKN entered into an agreement to acquire of a substantial portfolio or tenures in Tanzania that are prospective for uranium and copper development opportunities. AuKing proposed to acquire all of the issued shares in Australian-incorporated 92 U Pty Ltd (92 U). 92 U is the legal and beneficial owner of all the shares in two Tanzanian companies – 92 U Tanzania Limited and Monaco Copper Limited. These entities in turn, own various Prospecting Licences (PL) and PL applications. Under the terms of the acquisition, completion cannot occur under the vendors have secured the grant of certain PLs which have been prioritized due to prospectivity. The remaining applications will be processed for grant in due course. Consideration for the acquisition was 60,000,000 AKN ordinary shares and 30,000,000 options exercisable at $0.20 on or before 30 September 2025.

The acquisition was completed on 31 January 2023.

AFTER BALANCE DATE EVENTS

On 31 January 2023 AKN completed the purchase of various prospective uranium and copper licences in Tanzania. The purchase price was discharged by AKN through the issue of 60,000,000 ordinary shares and 30,000,000 options exercisable at 20c on or before 30 September 2025.

AKN also issued to Vert Capital Pty Ltd and clients a total of 5,000,000 new shares and 10,000,000 options (exercisable at 20c on or before 30 September 2025) in recognition of the introduction of these project interests to AKN and assistance in securing the acquisition.

FUTURE DEVELOPMENTS, PROSPECTS, STRATEGIES AND BUSINESS RISKS

Tanzania

AKN intends to take an aggressive approach towards its exploration program in Tanzania, summarized as follows:

- Mkuju – sampling and ground spectrometer surveys; follow up field sampling and auger drilling and trenching
- Manyoni – prepare initial 2012 JORC resource estimate, review existing data and identify additional information needed to carry out further drilling to expand existing resources
- Itigi/Magaga – develop initial sampling programs
- Mpanda/Karema – initial site access, soil sampling, review of available historic data.

Koongie Park

Various project development activities at Koongie Park will continue during 2023, highlighted by the following:

- Completion of the mining scoping study in March 2023 for the proposed development of a mining operation at Sandiego, which may include additional resources from Cazaly Resources' nearby projects
- Conduct of a detailed metallurgical testwork program on the Onedin oxide and transition ores, based upon the successful initial tests carried out during 2022.

The results from both of these programs could lead to additional studies and testwork.

In addition, AKN intends to continue its focus on exploration opportunities across its Eastern Kimberley tenure package during the course of 2023.

Material Business Risks

Exploration and Evaluation Risks

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 and Tanzanian tenure portfolios. 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.

Furthermore, while the Company has confidence in the future prospects of the 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.

Tenure Risks

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.

Even though the Company intends to commit significant exploration expenditure there is 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.

Access Risks

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:

- 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 heritage, culture and objects; or
- access procedures and compensation requirements in relation to privately held land.

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 prospects.

ENVIRONMENTAL ISSUES

In the conduct of exploration activities at Koongie Park, the Company is subject to compliance with various environmental and traditional owner cultural heritage regulations. The Company is not aware of any circumstances where a breach of these obligations may have occurred.

On 17 November 2021, the Company announced that it had adopted the World Economic Forum's "Environment, Social and Governance" ("ESG") framework and instructed management to set up an impact measurement plan for each sustainability area. These areas include governance, anti-corruption practices, ethical behaviour, health and safety, GHG emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and economic contribution. To ensure that AKN can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the outcomes measurement and ongoing ESG reporting process. These reports will appear quarterly in the Company's future Quarterly Activities Reports to ASX.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for Directors and Key Management Personnel of the Company.

Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

Remuneration Committee

The Board does not have a Remuneration and Nomination Committee. The full Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team.

The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company.

Remuneration structure

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and other Key Management Personnel fairly and appropriately with reference to relevant employment market conditions for similar companies.

To assist in achieving this objective, the Board considers the nature and amount of Directors' and Officers' emoluments alongside the Company's operational performance, specifically considering their success in:

- the identification of prospective tenements;
- subsequent design and execution of exploration programs;
- negotiating joint venture arrangements on terms favourable to the Company;
- investigating other potential acquisition opportunities and negotiating the completion of those acquisitions;
- expanding the level of mineral resources under the control of the company;
- carrying out exploration programs in a timely and cost effective manner; and
- liaising with stockbrokers, investment banks and market participants generally.

The expected outcomes of the remuneration structure are the retention and motivation of key Executives, the attraction of quality management to the Company and performance incentives which allow Executives to share the rewards of the success of the Company.

In accordance with best practice corporate governance, the structure of Non-Executive Director remuneration and Executive Officers and Senior Management remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution of AuKing Mining Limited and the ASX Listing Rules specify that the Non-Executive Directors are entitled to remuneration as determined by the Company in the Annual General Meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The maximum aggregate remuneration currently approved by shareholders for non-executive Directors' fees is for a total of $250,000 per annum.

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. Non-Executive Directors are entitled to be paid travel 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.

Executive remuneration

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of Executives may from time to time be fixed by the Board. As noted above, the Board's policy is to align Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives. The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board, and the process consists of a review of both the Company's operational performance and individual performance, relevant comparative remuneration in the market and where appropriate, external advice provided by executive remuneration consultants.

In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual.

Employment contracts

Non-Executive Co-Chair Arrangements

The Company entered a service arrangement with Ms Anna Nahajski-Staples as Non-Executive Co-Chair of the Company commencing from 1 October 2022. The key terms of the arrangement during the financial year were:

- Ongoing contract – no fixed term;
- Fee of $50,000 per annum plus statutory superannuation;
- 1,000,000 director incentive options exercisable at $0.17 on or before 31 May 2025;
- No retirement benefits

Executive Co-Chair Arrangements

The Company entered a service arrangement with Mr Asimwe Kabunga as Non-Executive Co-Chair of the Company commencing from 19 October 2022. The key terms of the arrangement during the financial year were:

- Ongoing contract – no fixed term;
- Fee of $240,000 per annum, reduced to $15,000 per month until completion of the Tanzanian transaction;
- 3 month notice period;
- No retirement benefits

Non-Executive Director Arrangements

The Company has entered service arrangements with Mr Peter Tighe, Mr Ian Hodkinson and Mr ShiZhou Yin as Non-Executive Directors of the Company commencing from 9 June 2021. The key terms of the arrangement are:

- Ongoing contract – no fixed term;
- Fee of $35,000 per annum
- No retirement benefits

Non-Executive Director Consulting Arrangement

The Company has entered into a consultancy agreement dated 16 February 2021 with Cornubian Resources Pty Ltd, an entity associated with the Ian Hodkinson. The agreement provides that Cornubian will procure the services of Mr Hodkinson, on a as-needed basis, in the role of Senior Geological Consultant of the Company.

Under the terms of the Hodkinson Consultancy Agreement, Cornubian will receive consultancy fees calculated on a service rate of $1,350.00 per day. 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 may be terminated by the Company immediately with cause (on the grounds of inappropriate conduct) and by either party with 1 months' notice (without cause).

Chief Executive Officer

The Company entered into an executive services agreement with Paul Williams to serve as Chief Executive Officer of the Company. Mr Williams' appointment in the role of Chief Executive Officer commenced on 9 June 2021. The agreement provides that Mr Williams will be paid an annual remuneration (inclusive of statutory superannuation) of $300,000.

The agreement may be terminated by the Company immediately with cause (e.g. serious misconduct, breach of the agreement, criminal offence or bankruptcy) and by 6 months' notice (without cause). Mr Williams may terminate the agreement by 3 months' notice in writing.

Company Secretary and CFO

The Company Secretary and CFO, Mr Paul Marshall, is engaged on an on-going consultancy style agreement for the provision of services as company secretary and chief financial officer at a rate of $52,000 per annum. Services are invoiced monthly based on services provided. The contract provides for a three-month notice period.

(a) Details of Directors and other Key Management Personnel

Directors

- Asimwe Kabunga — Executive Co-Chair (appointed 19 October 2022)
- Anna Nahajski-Staples — Non-Executive Co-Chair (appointed 1 October 2022)
- Peter Tighe — Non-Executive Director (appointed 9 June 2021)
- Ian Hodkinson — Non-Executive Director (appointed 9 June 2021)
- ShiZhou Yin — Non-Executive Director (appointed 9 June 2021)

Former Directors

- Mark Elliott — Non-Executive Chairman (resigned 1 October 2022)

Key Management Personnel

- Paul Williams — CEO (from 9 June 2021) (Managing director until 9 June 2021)
- Paul Marshall — Company Secretary and CFO

(b) Remuneration of Directors and other Key Management Personnel

December 2022	Short Term			Post-Employment		Share-based Payments			
	Salary & Fees	Consulting Fees	Other	Superannuation	Retirement benefits	Options	Total	Performance Related %	% consisting of equity
Directors									
A Kabunga	36,429	-	-	-	-	-	36,429	-	-
A Nahajski-Staples	12,500	-	-	1,313	-	10,272	24,085	43%	43%
P Tighe	35,000	-	-	-	-	14,682	49,682	30%	30%
I Hodkinson	35,000	42,525	-	-	-	14,682	92,207	16%	16%
S Yin	35,000	-	-	-	-	14,682	49,682	30%	30%
Former Directors									
M Elliott	50,000	-	-	-	-	54,200	104,200	52%	52%
Key Management Personnel									
P Williams	273,710	-	-	26,290	-	13,581	313,581	4%	4%
P Marshall	52,000	-	-	-	-	6,790	58,790	12%	12%
	529,639	**42,525**	**-**	**27,603**	**-**	**128,889**	**728,656**		

December 2021	Short Term			Post-Employment		Share-based Payments			
	Salary & Fees	Consulting Fees	Other	Superan-nuation	Retirement benefits	2021 fee equity settled (3)	**Total**	Performance Related %	% consisting of equity
Directors									
M Elliott	33,667	-	-	-	-	-	33,667	-	-
P Tighe	19,639	-	-	-	-	-	19,639	-	-
I Hodkinson	19,639	29,979	-	-	-	-	49,618	-	-
S Yin	19,639	-	-	-	-	-	19,639	-	-
Former Directors									
H Peng	-	-	-	-	-	15,900	15,900	-	-
Q Wang	-	-	-	-	-	13,250	13,250	-	-
P Williams (1)	15,879	-	-	23,437	-	120,113	159,429	-	-
Z Yang	-	-	-	12,074	-	71,555	83,629	-	-
Key Management Personnel									
P Williams (2)	149,782	-	-	15,701	-	-	165,483	-	-
P Marshall	28,167	-	-	-	-	17,875	46,042	-	-
	286,412	**29,979**	**-**	**51,212**	**-**	**238,693**	**606,296**	**-**	**-**

Notes

1 Paul Williams was engaged as Managing Director up until 9 June 2021.

2 Paul Williams was engaged as CEO effective from 9 June 2021.

3 2021 fee equity settled represents the gross value of remuneration for services in the 2021 year that were settled in shares.

Former Director Remuneration – Fees Foregone

During the 2021 financial year (up until the date of readmission on the ASX) and prior years, all Key Management Personnel deferred payment for their fees until the Company's financial position had improved. As part of the ASX readmission and capital raising process, Key Management Personnel entered into an agreement with the Company to receive ordinary shares (at an issue price of $0.20 per share) in lieu of unpaid remuneration. The total amounts owing, settled by shares issued, and gain on extinguishment of financial liability were as follows:

	Remuneration owing at 15 June 2021 $	Shares issued as consideration #	Shares issued as consideration $	Gain on extinguishment of financial liability $
Huaisheng Peng	114,900	420,000	84,000	30,900
Qinghai Wang	95,750	350,000	70,000	25,750
Paul Williams	424,532	1,114,445	222,889	201,643
Zewen Yang	263,702	635,485	127,097	136,605
Paul Marshall	69,875	262,150	52,434	17,441
	968,759	**2,782,080**	**556,420**	**412,339**

(c) Shares issued on exercise of remuneration options or performance shares

There were no shares issued on the exercise of compensation options or performance shares during the period.

(d) Director and Key Management Personnel Equity Holdings

Director/Key Management Personnel shareholdings (number of shares)

December 2022	Opening Balance	Recognised on Appointment	Purchased	Sold	Options Converted	Derecognised on Resignation	Closing Balance
Directors							
Asimwe Kabunga [1]	-	-	-	-	-	-	-
Anna Nahajski-Staples	-	128,205	-	-	-	-	128,205
Peter Tighe	1,883,500	-	933,389	-	-	-	2,816,889
Ian Hodkinson	-	-	-	-	-	-	-
ShiZhou Yin [2]	9,425,092	-	-	-	-	-	9,425,092
Former Directors							
Mark Elliott	35,750	-	11,917	-	-	(47,667)	-
Key Management Personnel							
Paul Williams	1,667,981	-	-	-	-	-	1,667,981
Paul Marshall	287,170	-	-	-	-	-	287,170
	13,299,493	**128,205**	**945,306**	**-**	**-**	**(47,667)**	**14,325,337**

Notes

1 36,000,000 shares were issued to Asimwe Kabunga after year end on 31 January 2023 as consideration for sale of his interest in the Tanzanian projects.

2 9,425,092 shares are held by Bienitial International Industrial Co Ltd. ShiZhou Yin discloses these shares in his capacity a representative of Bienitial International Industrial Co Ltd.

Director/Key Management Personnel options (number of options)

December 2022	Tranche	Opening Balance	Granted	Derecognised on Resignation	Lapsed	Closing Balance
Directors						
Asimwe Kabunga [1]		-	-	-	-	-
Anna Nahajski-Staples	5	-	1,000,000	-	-	1,000,000
Peter Tighe	3	-	500,000	-	-	500,000
Ian Hodkinson	3	-	500,000	-	-	500,000
ShiZhou Yin	3	-	500,000	-	-	500,000
Former Directors						
Mark Elliott	3	-	1,000,000	(1,000,000)	-	-
Key Management Personnel						
Paul Williams	4	-	600,000	-	-	600,000
Paul Marshall	4	-	300,000	-	-	300,000
		-	**4,400,000**	**(1,000,000)**	**-**	**21,400,000**

[1] 18,000,000 options were issued to Asimwe Kabunga after year end on 31 January 2023 as consideration for sale of his interest in the Tanzanian projects.

Option Terms	Tranche 3	Tranche 4	Tranche 5
Grant date	31 May 2022	30 June 2022	16 December 2022
Exercise price	$0.17	$0.11	$0.17
Vesting conditions/vesting date	Ongoing employment until 30 June 2023 [1]	Ongoing employment until 30 June 2023	Ongoing employment until 1 October 2023
Share price at grant date	$0.100	$0.080	$0.093
Expiry date	31 May 2025	31 May 2025	31 May 2025
Fair value per option	$0.0542	$0.0449	$0.0412

[1] The Board exercised its discretion to vest in full 1,000,000 options granted to Mark Elliott upon his retirement.

(e) Additional Information

The factors that are considered to affect shareholder return since over the last 5 financial periods are summarised below:

Measures	December 2022 $	December 2021 $	December 2020 $	December 2019 $	December 2018 $
Share price at end of financial period [1]	0.096	0.135	0.002	0.002	0.002
Market capitalisation at end of financial period ($M)	11.31	10.16	1.87	1.87	1.87
Loss for the financial period	2,345,223	1,762,610	1,427,002	1,142,555	1,248,372
Director and Key Management Personnel remuneration	728,656	606,296	561,120	561,120	574,120

[1] AKN shares were suspended from the ASX official quotation from 30 September 2019 to 15 June 2021. The share price for 31 December 2020 and 31 December 2019 represents the last trade price before suspension. During 2021, AKN shares were subject to a 200:1 share consolidation.

Given that the remuneration is commercially reasonable, the link between remuneration, Company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration.

The Company may issue options to provide an incentive for directors and key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of directors and key management personnel with those of the Company's shareholders.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITOR

Each Director and the Secretary of the Company has the right of access to all relevant information. The Company has insured all of the Directors of AuKing Mining Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of directors) held during the period and the number of meetings attended by each Director was as follows:

	Directors' Meetings	
	A	B
Asimwe Kabunga	2	2
Anna Nahajski-Staples	2	2
Peter Tighe	8	9
Ian Hodkinson	9	9
ShiZhou Yin	9	9
Mark Elliott	7	7

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the period

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-audit related firms:

Taxation Services – income tax preparation and tax compliance services $30,054

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report.

Signed in accordance with a resolution of the directors.

Director

15 February 2023

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF AUKING MINING LIMITED

As lead auditor of AuKing Mining Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AuKing Mining Limited and the entities it controlled during the period.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 15 February 2023

ADDITIONAL STOCK EXCHANGE INFORMATION

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows.

The information is current as at 6 February 2023.

(a) Distribution of equity securities – AKN Ordinary Fully Paid Shares

Range	Securities	No. of holders	%
100,001 and Over	161,231,618	127	88.18%
10,001 to 100,000	19,617,155	545	10.73%
5,001 to 10,000	1,680,892	203	0.92%
1,001 to 5,000	294,470	78	0.16%
1 to 1,000	19,572	167	0.01%
Total	182,843,707	1,120	100.00%
Unmarketable Parcels	161,585	215	0.09%

Distribution of equity securities – AKNO Listed $0.25 30 June 2023 Options

Range	Securities	No. of holders	%
100,001 and Over	36,587,086	74	85.34%
10,001 to 100,000	5,592,541	170	13.04%
5,001 to 10,000	276,943	35	0.65%
1,001 to 5,000	402,427	95	0.94%
1 to 1,000	12,383	52	0.03%
Total	42,871,380	426	100.00%

(b) Twenty largest holders – AKN Ordinary Fully Paid Shares

Rank	Name	No. Shares	%
1	KABUNGA HOLDINGS PTY LTD	36,000,000	19.69%
2	HASHIMU MUSEDEM MILLANGA	13,500,000	7.38%
3	BIENTIAL INTERNATIONAL INDUSTRIAL CO LTD	9,245,092	5.06%
4	ROPA INVESTMENTS (GIBRALTAR) LIMITED	7,600,000	4.16%
5	MR PAVLE TOMASEVIC	5,500,000	3.01%
6	MR WILLI RUDIN	5,144,000	2.81%
7	MS LETICIA KOKUTENGENEZA KABUNGA	4,500,000	2.46%
8	VEN CAPITAL PTY LTD	3,850,000	2.11%
9	MR BRIAN LAURENCE EIBISCH	2,415,000	1.32%
10	MR MARC DOMINIQUE SENGES	2,250,000	1.23%
11	MR PETER GERARD TIGHE & MRS PATRICIA JOAN TIGHE	2,233,556	1.22%
12	N&M GREENHALGH NOMINEES PTY LTD	2,222,224	1.22%
13	ALLEKIAN EXCHANGE PTY LTD	1,927,250	1.05%
14	MR DONATO IACOVANTUONO	1,844,997	1.01%
15	MR BRIAN THOMAS CLAYTON & MRS JANET CLAYTON	1,785,715	0.98%
16	SUNCITY CAPITAL PTY LTD	1,766,281	0.97%
17	YUNNAN COPPER INDUSTRY (GROUP) CO LIMITED	1,499,612	0.82%
18	MS PHAROTH SAN & MR KADEN SAN <PKSAN SUPERFUND A/C>	1,464,917	0.80%
19	SCINTILLA STRATEGIC INVESTMENTS LIMITED	1,400,000	0.77%
20	LADYMAN SUPER PTY LTD	1,398,809	0.77%
	Total	107,547,453	58.82%
	Balance of register	75,296,254	41.18%
	Grand total	182,843,707	100.00%

(c) Voting Rights

All fully paid ordinary shares carry one vote per share without restriction.

(d) Twenty largest holders – AKNO Listed $0.25 30 June 2023 Options

Rank	Name	No. Options	%
1	MR WILLIAM JOHN REID	7,813,000	45.37%
2	FIRST INVESTMENT PARTNERS PTY LTD	2,904,541	16.87%
3	HUNTERLAND HJDN PTY LTD	1,840,000	10.68%
4	MR MARK RICHARD JENSEN	1,661,604	9.65%
5	MR LUKE WILLIAM DAVIS	1,205,703	7.00%
6	MR GARY NEALE BRYSON	1,067,411	6.20%
7	MR BRIAN THOMAS CLAYTON & MRS JANET CLAYTON	1,055,429	6.13%
8	SCINTILLA STRATEGIC INVESTMENTS LIMITED	837,501	4.86%
9	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	750,000	4.36%
10	DR GARY OWEN ROOKE	750,000	4.36%
11	MRS JUDITH SUZANNE PIGGIN & MR DAMIEN JAYE PIGGIN & MR GLENN ADAM PIGGIN	750,000	4.36%
12	JHB SUPER INVESTMENTS PTY LTD <THE JHB SUPER FUND A/C>	700,000	4.06%
13	SUNCITY CAPITAL PTY LTD <SUNCITY SUPER FUND A/C>	667,429	3.88%
14	MR DONATO IACOVANTUONO	600,000	3.48%
15	MR PAVLE TOMASEVIC	533,225	3.10%
16	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	514,286	2.99%
17	ROCKET FUEL HOLDINGS PTY LTD <INFINITY A/C>	500,000	2.90%
18	MR TIMOTHY FRANCIS BENNETT	500,000	2.90%
19	MR ALEXANDER LEWIT	500,000	2.90%
20	RIYA INVESTMENTS PTY LTD	500,000	2.90%
	Total	25,650,129	59.83%
	Balance of register	17,221,251	40.17%
	Grand total	42,871,380	100.00%

(e) Substantial Shareholders

The Company has received the following substantial shareholder notices as at 6 February 2023:

- Kabunga Holdings Pty Ltd holds an interest in 36,000,000 shares (19.69%)
- Hashimu Musedem Millanga holds an interest in 13,500,000 shares (7.38%)
- Bienitial International Industrial Co., Ltd. hold an interest in 10,015,092 shares (5.48%)

(f) Unquoted Securities

There are the following unquoted securities as at 6 February 2023. Each option is convertible into one fully paid ordinary share.

Nos	Option Terms
2,700,000	ESOP Unlisted $0.11 options expiry date 31/5/25
3,500,000	ESOP Unlisted $0.17 options expiry date 31/5/25
46,870,000	Unlisted $0.20 options expiry date 30/9/25 – Kabunga Holdings Pty Ltd holds 38.4% of the options issued.

(g) Restricted Securities

The Company has the following securities subject to escrow as at 6 February 2023

ASX Escrow

4,429,096 Shares have been classified as restricted securities by ASX and are subject to restriction for a period of 24 months ending on 15 June 2023.

Voluntary Escrow

6,500,000 Shares are subject to voluntary escrow for a period of 24 months from 15 June 2021 - the date of official quotation of the Shares.

(h) Interests in Exploration Tenements

The Company holds the following tenement interests as at the date of this Report:

Project/Location	Tenement Reference	Current Holder	AKN % Interest	Comment
WESTERN AUSTRALIA				
Koongie Park, Halls Creek	E80/ 4389	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	E80/ 4766	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	E80/ 4957 (Emull)	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	E80/ 4960	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	E80/ 5076	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	E80/ 5087	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	E80/ 5127	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	E80/ 5263	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	M80/ 276 (Sandiego)	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	M80/ 277 (Onedin)	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	E80/ 5707	Koongie Park Pty Ltd	80	Refer Note 1 and 2
Koongie Park, Halls Creek	P80/ 1878	Koongie Park Pty Ltd	80	Refer Note 1, 2 and 3
Koongie Park, Halls Creek	P80/ 1879	Koongie Park Pty Ltd	80	Refer Note 1, 2 and 3
Koongie Park, Halls Creek	P80/ 1880	Koongie Park Pty Ltd	80	Refer Note 1, 2 and 3
Koongie Park, Halls Creek	P80/ 1881	Koongie Park Pty Ltd	80	Refer Note 1, 2 and 3
Koongie Park, Halls Creek	P80/ 1882	Koongie Park Pty Ltd	80	Refer Note 1, 2 and 3
Tanami Region	E80/ 5688 (Blondie)	Auking Mining Limited	100	Now granted
Kununurra Region	E80/ 5794 (Bow River)	Auking Mining Limited	100	Refer Note 3
TANZANIA				
Manyoni	PL12188	92U Tanzania Ltd	100	
Manyoni	PL12190	92U Tanzania Ltd	100	
Manyoni	PL12191	92U Tanzania Ltd	100	
Manyoni	PL12193	92U Tanzania Ltd	100	
Manyoni	PL12194	92U Tanzania Ltd	100	
Mkuju	PL12184	92U Tanzania Ltd	100	
Mkuju	PL12185	92U Tanzania Ltd	100	
Mkuju	PL12186	92U Tanzania Ltd	100	
Mkuju	PL12187	92U Tanzania Ltd	100	
Mkuju	PL12189	92U Tanzania Ltd	100	
Mkuju	PL12192	92U Tanzania Ltd	100	
Karema	PL12179	Monaco Copper Ltd	100	

Notes:

1. *AKN has now acquired a 80% interest in the Koongie Park Joint Venture, which was established by an agreement dated 8 February 2021*

2. *Koongie Park Pty Ltd is a wholly owned subsidiary of Astral Resources NL*

3. *This tenure has either been granted or is pending grant by the WA DMRIS, now that the heritage agreement with the Kimberley Land Council has been finalised and signed.*

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2022

	Note	2022 $	2021 $
Gain on extinguishment of financial liability - employee liabilities	8	-	460,730
Gain on extinguishment of financial liability - loan	10	-	121,955
Employment and consultancy expenses	4	(1,073,750)	(841,787)
Depreciation expense	7	(38,939)	(13,666)
Costs related to the Tanzania transaction		(89,208)	-
Costs related to the Koongie Park transaction		-	(97,922)
Other expenses	3	(1,143,326)	(703,740)
Finance costs – derivative financial instruments	10	-	(544,417)
Finance costs – other		-	(143,763)
Loss before income tax		(2,345,223)	(1,762,610)
Income tax expense	15	-	-
Loss for the period		(2,345,223)	(1,762,610)
Loss after income tax		(2,345,223)	(1,762,610)
Other comprehensive income/(loss)		-	-
Total comprehensive loss		**(2,345,223)**	**(1,762,610)**

		Cents	Cents
Earnings per share			
Basic and diluted loss per share	14	(2.44)	(4.69)

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

Consolidated Balance Sheet
As at 31 December 2022

	Note	December 2022 $	December 2021 $
CURRENT ASSETS			
Cash and cash equivalents	2	1,656,292	2,500,076
Trade and other receivables	5	93,042	225,727
Other assets		45,503	-
TOTAL CURRENT ASSETS		1,794,837	2,725,803
NON-CURRENT ASSETS			
Other receivables		3,185	2,470
Exploration and evaluation assets	6	8,318,408	4,865,744
Plant and equipment	7	165,473	131,286
TOTAL NON-CURRENT ASSETS		8,487,066	4,999,500
TOTAL ASSETS		10,281,903	7,725,303
CURRENT LIABILITIES			
Trade and other payables	8	290,593	554,813
Employee benefit provisions	9	126,714	27,527
TOTAL CURRENT LIABILITIES		417,307	582,340
NON-CURRENT LIABILITIES			
Employee benefit provisions		-	44,137
TOTAL NON-CURRENT LIABILITIES		-	44,137
TOTAL LIABILITIES		417,307	626,477
NET ASSETS		**9,864,596**	**7,098,826**
EQUITY			
Share capital	11	13,592,798	8,721,436
Reserves	13	379,631	140,000
Accumulated losses		(4,107,833)	(1,762,610)
TOTAL EQUITY		**9,864,596**	**7,098,826**

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 year ended 31 December 2022

Consolidated Entity	Share Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 January 2021	42,630,609	-	(46,097,623)	(3,467,014)
Transactions with owners in their capacity as owners				
Section 258F Corporations Act share capital adjustment [1]	(46,097,623)	-	46,097,623	-
Issue of share capital	13,600,297	-	-	13,600,297
Share issue costs	(1,411,847)	140,000	-	(1,271,847)
Total	(33,909,173)	140,000	46,097,623	12,328,450
Comprehensive income				
Loss after income tax	-	-	(1,762,610)	(1,762,610)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(1,762,610)	(1,762,610)
Balance at 31 December 2021	**8,721,436**	**140,000**	**(1,762,610)**	**7,098,826**
Balance at 1 January 2022	8,721,436	140,000	(1,762,610)	7,098,826
Transactions with owners in their capacity as owners				
Issue of share capital	5,415,468	-	-	5,415,468
Share issue costs	(544,106)	-	-	(544,106)
Share based payments	-	239,631	-	239,631
	4,871,362	239,631	-	5,110,993
Comprehensive income				
Loss after income tax	-	-	(2,345,223)	(2,345,223)
Other comprehensive income	-	-	-	-
	-	-	(2,345,223)	(2,345,223)
Balance at 31 December 2022	**13,592,798**	**379,631**	**(4,107,833)**	**9,864,596**

1 On 31 December 2021, AuKing Mining Limited reduced its share capital by $46,097,623 in accordance with section 258F of the Corporations Act 2001, reducing accumulated losses deemed to be of a permanent nature by the same amount.

There is no impact on shareholders from the capital reduction as no shares have been cancelled or rights varied, and there is no change in the net asset position of the Company. There is also no impact on the availability of the Company's tax losses from this capital reduction.

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

Consolidated Cash Flow Statement
For the year ended 31 December 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,758,353)	(1,618,574)
Payments for Tanzania transactions costs		(89,208)	-
Payments for other Koongie Park transactions costs		-	(97,922)
Interest and other borrowing costs paid		-	(129,877)
Net cash used in operating activities		(1,847,561)	(1,846,373)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment	7	(88,372)	(144,566)
Proceeds from the sale of plant and equipment	7	16,000	-
Payments for security deposits		(715)	-
Payments for exploration and evaluation assets	6	(4,354,503)	(4,400,201)
Receipts from government grants	6	556,912	-
Net cash provided by/(used in) investing activities		(3,870,678)	(4,544,767)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	11	5,365,968	9,475,000
Cost associated with the issue of shares	11	(491,513)	(1,204,940)
Proceeds from borrowings		-	750,000
Repayment of borrowings		-	(150,000)
Net cash provided by financing activities		4,874,445	8,870,060
Net increase/(decrease) in cash and cash equivalents		(843,784)	2,478,920
Cash and cash equivalents at the beginning of the period		2,500,076	21,156
Cash and cash equivalents at the end of the period		1,656,292	2,500,076

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

Introduction

This financial report 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 for the purpose of preparing the financial statements.

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.

Authorisation of financial report
The financial report was authorised for issue on 15 February 2023.

Comparative figures
When required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial period.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, and the Corporations Act 2001.

Compliance with IFRS
The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

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.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes below.

Accounting policies

(a) Going Concern

As at 31 December 2022 the Consolidated Entity had cash reserves of $1,656,292 and net current assets of $1,377,530.

The Consolidated Entity requires further capital to fund future exploration activity and meet other necessary corporate expenditure.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Consolidated Entity's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has funded its activities through issuance of equity securities, and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and

- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating based on the Company's cash flow forecast.

Should the Consolidated Entity 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 financial statements. This financial report 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 the Consolidated Entity be unable to continue as a going concern.

(b) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year.

Several other amendments and interpretations applied for the first time during the year but these changes did not have an impact on the Consolidated Entity's financial statements and hence, have not been disclosed.

The Consolidated Entity has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(c) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the Group's financial assets or financial position, financial performance or disclosure.

NOTE 2 CASH AND CASH FLOW INFORMATION

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of financing and investing activities, which are disclosed as operating cash flows.

	December 2022	December 2021
	$	$
Reconciliation of cash flows used in operations with loss after income tax		
Loss after income tax	(2,345,223)	(1,762,610)
Non-cash items in loss after income tax		
Depreciation	38,939	13,666
Accrued/non-cash interest expense	-	13,886
Fair value movement - derivative	-	544,417
Gain on extinguishment of financial liabilities	-	(582,685)
Share based payments	169,631	-
Gain on sale of plant and equipment	(754)	-
Movements in assets and liabilities		
Other receivables	132,685	(216,571)
Other assets	(45,504)	-
Trade payables and accruals	147,614	143,486
Provisions	55,051	38
Cash flow from operations	(1,847,561)	(1,846,373)

Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash on hand and at bank	1,645,865	2,489,649
Cash on deposit	10,427	10,427
	1,656,292	2,500,076

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Reconciliation of cash and non-cash movements in borrowings for the year (*refer to Note 10 for further details*)

Opening balance at 1 January	-	2,424,319
Cash movements in borrowings		
Drawdowns	-	750,000
Repayments - principal	-	(150,000)
Repayments - interest	-	(93,658)
Non-cash movements in borrowings		
Accrued interest	-	107,544
Conversion to equity	-	(2,783,000)
Fair value finance movement - derivative	-	(133,250)
Gain on extinguishment of financial liability	-	(121,955)
Closing balance	-	-

NOTE 2 CASH AND CASH FLOW INFORMATION (continued)

Reconciliation of cash and non-cash movements in share capital for the year (*refer to Note 11 for further details*)

	December 2022 $	December 2021 $
Opening balance at 1 January	8,721,436	42,630,609
Cash movements in share capital		
Shares issued – cash settled	5,365,968	9,475,000
Share issue expenses – cash settled	(491,513)	(1,204,940)
Non-cash movements in share capital		
Director and employee fees – equity settled	-	627,130
JCHX shareholder loan – equity settled	-	1,500,000
Convertible notes – equity settled	-	1,283,000
Broker success shares – equity settled	-	37,500
Share issue expenses – trade creditors	66,907	(66,907)
Share issue expenses – equity settled	(70,000)	(140,000)
Settlement of derivative financial instruments arising from convertible notes	-	677,677
Section 258F Corporations Act share capital adjustment	-	(46,097,623)
Closing balance	13,592,798	8,721,436

Non-cash movements in investing activities

Exploration and evaluation assets amounts included in trade and other creditors at 31 December 2022 were $20,616 (2021: $365,543).

NOTE 3 OTHER EXPENSES

Corporate compliance and insurance expenses	418,897	292,017
Administration expenses	311,909	298,874
Investor relation and capital market advisory expenses	359,919	72,841
Telecom and IT expenses	52,601	40,009
	1,143,326	703,740

NOTE 4 EMPLOYEE EXPENSES

Employee wages and director fees	761,674	724,674
Superannuation	102,472	77,578
Share based payments – employee and director options	169,631	-
Other employments expenses	39,973	39,653
	1,073,750	841,787

NOTE 5 TRADE & OTHER RECEIVABLES

GST receivable	93,042	255,727

NOTE 6 EXPLORATION AND EVALUATION ASSETS

	December 2022 $	December 2021 $
Opening balance	4,865,744	-
Transfer of Koongie Park deposit from other non-current assets	-	100,000
Exploration expenditure during the period	4,009,575	4,765,744
Government grants relating to exploration	(556,911)	-
	8,318,408	4,865,744

Exploration costs are capitalised only when the Consolidated Entity has either a granted tenement in its name or an interest through a earn-in and 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.

The Company lodged an R&D Tax Incentive application with AusIndustry in respect of the Onedin metallurgical test work program during the year. That application achieved registration and a refund of $556,911 was received from the ATO in relation to research works completed during 2021 financial year.

AKN announced to ASX on 4 February 2022 that it had completed the second earn-in milestone of $1.5M under the Koongie Park Earn-in and then held a 75% interest in the Koongie Park JV. As a consequence of additional exploration expenditure being incurred during the year, AKN expanded its interest in the Koongie Park project to 80%.

NOTE 7 PLANT AND EQUIPMENT

	December 2022 $	December 2021 $
Field equipment at cost	8,603	22,587
Accumulated depreciation	(878)	(1,160)
	7,725	21,427
Motor vehicles at cost	145,126	67,689
Accumulated depreciation	(28,704)	(6,361)
	116,422	61,328
Office equipment at cost	61,890	54,290
Accumulated depreciation	(20,564)	(5,759)
	41,326	48,531
Total plant and equipment	**165,473**	**131,286**

Movements during the year

December 2022	Field Equipment	Motor Vehicles	Office Equipment	Total
Opening balance	21,427	61,328	48,531	131,286
Additions	3,336	77,436	7,600	88,372
Disposals	(15,246)	-	-	(15,246)
Depreciation	(1,792)	(22,342)	(14,805)	(38,939)
Closing balance	**7,725**	**116,422**	**41,326**	**165,473**

NOTE 7 PLANT AND EQUIPMENT (continued)

December 2021	Field Equipment	Motor Vehicles	Office Equipment	Total
Opening balance	-	-	385	385
Additions	22,587	67,689	54,290	144,566
Depreciation	(1,160)	(6,361)	(6,144)	(13,666)
Closing balance	**21,427**	**61,328**	**48,531**	**131,286**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Class of Fixed Asset	Depreciation Rates
Field equipment	10% - 20%
Motor vehicles	20%
Office equipment	20% - 25%

	December 2022 $	December 2021 $
NOTE 8 TRADE & OTHER PAYABLES		
Trade payables	55,272	465,483
Other payables and accrued expenses	220,321	69,691
Accrued wages and fees payable to Directors	15,000	19,639
	290,593	554,813

During the prior year and, the below Key Management Personnel and other employees entered into an agreement with the Company to receive ordinary shares (at an issue price of $0.20 per share) in lieu of unpaid remuneration. The total amounts owing, settled by shares issued, and forgiven:

	Remuneration owing at 15 June 2021 $	Shares issued as consideration #	Shares issued as consideration $	Remuneration forgiven $
Huaisheng Peng	99,000	420,000	84,000	30,900
Qinghai Wang	82,500	350,000	70,000	25,750
Paul Williams	304,420	1,114,445	222,889	201,643
Zewen Yang	192,147	635,485	127,097	136,605
Paul Marshall	57,200	262,150	52,434	17,441
Other employees	119,101	353,550	70,710	48,391
	1,087,860	3,135,630	627,130	460,730

	December 2022	December 2021
	$	$

NOTE 9 EMPLOYEE BENEFITS PROVISIONS

	December 2022 $	December 2021 $
CURRENT		
Employee benefits	126,714	27,527
NON-CURRENT		
Employee benefits	-	44,137

<u>Short-term obligations</u>
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

<u>Other long-term employee benefit obligations</u>
The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

NOTE 10 BORROWINGS

	December 2022 $	December 2021 $
<u>Shareholder loans</u>		
Opening balance	-	1,730,283
Drawdowns during the period	-	-
Interest accrued/(paid) during the period	-	41,672
Converted to share capital during the period	-	(1,500,000)
Gain on extinguishment of financial liability	-	(121,955)
Repaid during the period	-	(150,000)
	-	-
<u>Convertible notes</u>		
Opening balance	-	560,786
Drawdowns during the period	-	750,000
Interest accrued/(paid) during the period	-	(27,786)
Converted to share capital during the period	-	(1,283,000)
	-	-
<u>Derivative financial instruments arising from convertible notes</u>		
Opening balance	-	133,250
Arising from convertible notes issued	-	544,417
Settled through issue of share capital	-	(677,667)
	-	-

NOTE 10 BORROWINGS (continued)

Shareholder loans

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 terms of the shareholder loans are as follows:

JCHX Loan Agreement

The Company and JCHX entered into a $1 million loan agreement, details of which were announced to ASX on 31 October 2017 (JCHX Loan). The primary features of the JCHX Group loan included:

- interest being payable on the loan, in arrears, at the rate of 8% per annum;
- the loan being unsecured; and
- repayment of the loan as soon as possible out of the proceeds of a capital raising.

The Company reached agreement with JCHX 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 $0.20 per share. The shares were issued in June 2021 prior to the ASX re-listing. JCHX has agreed to enter a voluntarily escrow agreement pursuant to which trading in the ordinary shares issued to repay the JCHX Loan are restricted for a two-year period from the date of issue.

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 accrued on the loan at the rate of 20%. The loan and accrued interest was repaid in full in June 2021.

NOTE 10 BORROWINGS (continued)

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.

The terms of the convertible notes are as follows:

	Tranche 1 (Paul Williams)	Tranche 2 (Private Investor)	Tranche 3 (Peter Tighe)	Tranche 4 (Zewen Yang)	Tranche 5 (Private Investors)
Issue date	19 July 2019	16 September 2019	30 June 2020	3 August 2020	Between 23 February and 5 March 2021
Principal amount	$75,000	$300,000	$150,000	$8,000	$750,000
Interest rate (payable quarterly in arrears)	10% per annum	10% per annum	10% per annum	10% per annum	10% per annum
Maturity date	30 September 2020	30 September 2020	30 September 2020	30 September 2020	31 December 2021
Conversion rights to ordinary shares	25% discount to issue price	25% discount to issue price	25% discount to issue price	25% discount to issue price	40% discount to issue price
Number of shares issued to note holders (post 200:1 share consolidation)	500,000	2,000,000	1,000,000	53,333	6,250,000

On 26 April the expiry date of convertible notes were all extended to 15 June 2021.

All convertible notes were converted to ordinary shares on 8 June 2021.

All interest amounts on convertible notes were settled in cash.

NOTE 11 SHARE CAPITAL

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

	December 2022 $	December 2021 $
Fully paid ordinary shares	13,592,798	8,721,436

Ordinary Shares

	December 2022 $	December 2021 $	December 2022 Number	December 2021 Number
At the beginning of the period	8,721,436	42,630,609	75,289,651	932,584,461
Share consolidation (200:1)	-	-	-	(927,921,293)
Shares issued – Placement March 2022				
Share placement [1]	49,500	-	300,000	-
Shares issued – Placement May 2022				
Share placement [2]	2,635,138	-	18,822,412	-
Shares issued – Rights Issue May 2022				
Rights issue [3]	376,830	-	2,691,644	-
Shares issued – Placement June 2022				
Share placement [4]	980,000	-	7,000,000	-
Shares issued – Placement October 2022				
Share placement [5]	1,374,000	-	13,740,000	-
Shares issued – Public Offer June 2021				
Director and employee shares ($0.20 per share) [6]	-	627,130	-	3,135,650
JCHX shareholder loan ($0.20 per share) [7]	-	1,500,000	-	7,500,000
Convertible notes tranches 1 – 4 ($0.20 per share) [8]	-	710,667	-	3,553,333
Convertible notes tranche 5 ($0.20 per share) [8]	-	1,250,000	-	6,250,000
Public offer shares ($0.20 per share) [9]	-	7,000,000	-	35,000,000
Broker success shares ($0.20 per share) [10]	-	37,500	-	187,500
Shares issued – Placement November 2021				
Share placement [11]	-	2,475,000	-	15,000,000
Share issue expenses	(544,106)	(1,411,847)	-	-
Share capital reduction – Section 285F [12]	-	(46,097,623)	-	-
At reporting date	13,592,798	8,721,436	117,843,707	75,289,651

NOTE 11 SHARE CAPITAL (continued)

Notes

1. 300,000 shares issued to Vert Capital in March 2022 in relation to the November 2021 placement.
2. 18,822,412 shares issued through a share placement at $0.14 per share.
3. 2,691,644 shares issued through a rights issue at $0.14 per share.
4. 7,000,000 shares issued through a share placement at $0.14 per share.
5. 13,740,000 shares issued through a share placement at $0.10 per share.
6. 3,135,650 shares issued in full satisfaction of unpaid remuneration.
7. 7,500,000 shares issued in full satisfaction of unpaid loan monies.
8. 9,803,333 shares issued on conversion of convertible notes.
9. 35,000,000 shares issued under the June 2021 public offer.
10. 187,500 shares issued to Novus Capital under the agreed Lead Manager Mandate.
11. 15,000,000 shares issued under the share placement plan.
12. On 31 December 2021, AuKing Mining Limited reduced its share capital by $46,097,623 in accordance with section 258F of the Corporations Act 2001, reducing accumulated losses deemed to be of a permanent nature by the same amount. There is no impact on shareholders from the capital reduction as no shares have been cancelled or rights varied, and there is no change in the net asset position of the Company. There is also no impact on the availability of the Company's tax losses from this capital reduction.

Options

			Movements				
Tranche	**Expiry Date**	**Exercise Price**	**1 January 2022**	**Issued**	**Exercised**	**Expired**	**31 Dec 2022**
Tranche 1	30 June 2023	0.25	17,500,000	11,371,380	-	-	28,871,380
Tranche 2	30 June 2023	0.25	-	14,000,000			14,000,000
Tranche 3	31 May 2025	0.17	-	2,500,000	-	-	2,500,000
Tranche 4	31 May 2025	0.11	-	2,700,000	-	-	2,700,000
Tranche 5	31 May 2025	0.17	-	1,000,000	-	-	1,000,000
Tranche 6	30 September 2025	0.20	-	6,870,000	-	-	6,870,000
			17,500,000	38,441,380	-	-	55,491,380

Tranche 1 options were issued to shareholders as part of previous capital raises. The options have an exercise price of $0.25 and no vesting conditions. Tranche 1 options were issued on the following dates:

- 17,500,000 options issued on 9 June 2021
- 6,274,137 options on 2 May 2022
- 897,243 options issued on 23 May 2022
- 3,268,175 options issued on 16 June 2022
- 299,682 options issued on 20 June 2022
- 632,143 options issued on 27 June 2022

Tranche 2 options were issued to the lead manager of the November 2021 and the current periods capital raising programs, Vert Capital Pty Ltd, 14,000,000 options exercisable at 25c on or before 30 June 2023. Tranche 2 options were issued on the following dates:

- 4,000,000 options issued on 31 March 2022
- 10,000,000 options on 27 June 2022

Tranche 3 options were issued to the Directors under the Employee Share and Option Plan. The options have an exercise price $0.17 and a 1 year service vesting condition. Tranche 3 options were issued on 30 June 2022.

Tranche 4 options were issued to employees under the Employee Share and Option Plan. The options have an exercise price $0.11 and a 1 year service vesting condition. Tranche 4 options were issued on 30 June 2022.

Tranche 5 options were issued to a Director under the Employee Share and Option Plan. The options have an exercise price $0.17 and a 1 year service vesting condition. Tranche 5 options were issued on 16 December 2022.

Tranche 6 options were issued to shareholders as part of the October share placement The options have an exercise price of $0.20 and no vesting conditions. Tranche 5 options were issued on 22 December 2022.

NOTE 12 DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the period. There are no franking credits available to the shareholders of the Company.

	December 2022 $	December 2021 $
NOTE 13 RESERVES		
Share based payment reserve	379,631	140,000

Movements during the year

	December 2022 $	December 2021 $
Opening balance	140,000	-
Director and employee options	169,631	-
Consultant options	70,000	140,000
	379,631	140,000

The share based payment reserve is used to record the value of share based payments provide to employees and consultants for capital raising services.

NOTE 14 EARNINGS PER SHARE

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Total losses used to calculate basic and dilutive EPS	(2,345,223)	(1,762,610)

	2022 Number	2021 Number
Weighted average number of ordinary shares outstanding during the period	96,232,257	37,619,484
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in calculating EPS and dilutive EPS	93,232,257	37,619,484
Basic and diluted loss per share - cents	**(2.44)**	**(4.69)**

At 31 December 2022, there were 55,941,380 (2021: 17,500,000) options outstanding which could potentially dilute basic earnings per share in the future. Because there is a loss from operations, these would have an anti-dilutive effect and therefore diluted earnings per share is the same as the basic earnings per share.

Refer to Note 23 for issuance of ordinary shares after balance sheet date. These issuances would have changed significantly the number of ordinary shares outstanding at the end of the reporting period if occurred before the end of the reporting period.

NOTE 15 INCOME TAX

Income tax expense

The income tax expense for the period comprises current income tax expense and deferred tax expense. Current income tax expense charged to profit or loss is the tax payable on taxable income.

A reconciliation of income tax expense/(benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Consolidated Entity's effective income tax rate for the periods ended 31 December 2022 and 31 December 2021 is as follows:

NOTE 15 INCOME TAX (continued)

	December 2022 $	December 2021 $
Accounting loss before income tax	(2,345,223)	(1,762,610)
Tax at the Australian tax rate of 25.0% (2021: 26.0%)	(586,306)	(458,279)
Non-deductible/(assessable) items	66,830	(985)
Deferred tax assets not bought to account	519,476	459,264
Income tax expense	-	-

Current tax liabilities

Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority. The Consolidated Entity did not have any current tax liabilities at 31 December 2022 (2021: Nil).

Deferred tax balances

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses. Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Current and deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised directly in equity, in which case the deferred tax is adjusted directly against equity. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Future income tax benefits in relation to tax losses have not been brought to account at this stage as it is not probable the benefit will be utilised. The temporary differences and tax losses do not expire under current tax legislation. Availability of the tax losses is dependant on satisfying the continuity of ownership test or same business test at the time of use.

	December 2022 $	December 2021 $
Unrecognised temporary differences and tax losses		
Tax losses	39,866,437	34,838,449
Recognised temporary differences and tax losses		
<u>Deferred tax assets and liabilities are attributable to the following:</u>		
Provisions	31,679	18,633
Exploration and evaluation assets	(2,079,602)	(1,265,093)
Deferred tax attributed to temporary differences not recognised	2,047,923	1,246,460
Tax losses carried forward	-	-
Net deferred tax liability/(asset)	-	-

Goods & Services Tax

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. In these circumstances GST is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

NOTE 16 RELATED PARTY AND KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity.

	December 2022 $	December 2021 $
Summary		
Short-term employee benefits	572,164	316,391
Post-employment benefits	27,603	51,212
Share-based payments	128,889	238,693
	728,656	606,296

Detailed remuneration disclosures are provided in the remuneration report on pages 25 to 31.

Amounts owed to Key Management Personnel

$15,000 is owed to Key Management Personnel for unpaid remuneration (December 2021: $19,639). These amounts were at call and did not bear interest.

During the prior year, Key Management Personnel entered into an agreement with the Company to receive ordinary shares (at an issue price of $0.20 per share) in lieu of unpaid remuneration. The total amounts owing, settled by shares issued, and gain on extinguishment of financial liability were as follows:

December 2021	Remuneration owing at 15 June 2021 $	Shares issued as consideration #	Shares issued as consideration $	Gain on extinguishment of financial liability $
Huaisheng Peng	114,900	420,000	84,000	30,900
Qinghai Wang	95,750	350,000	70,000	25,750
Paul Williams	424,532	1,114,445	222,889	201,643
Zewen Yang	263,702	635,485	127,097	136,605
Paul Marshall	69,875	262,150	52,434	17,441
	968,759	2,782,080	556,420	412,339

NOTE 16 RELATED PARTY AND KEY MANAGEMENT PERSONNEL

Other related party transactions

During the prior year, the Company entered into a loan agreement with the JCHX Group, an entity associated with Mr Qinghai Wang, and convertible note arrangements with entities associated with Paul Williams and Zewen Yang. Transactions in relation to these agreements during the prior year were as follows:

	December 2022 $	December 2021 $
JCHX loan		
Opening balance	-	1,570,995
Drawdowns during the period	-	-
Interest accrued during the period	-	50,960
Extinguishment of financial liability	-	(121,955)
Converted to share capital during the period	-	(1,500,000)
	-	-
Convertible notes – P Williams		
Opening balance	-	79,067
Drawdowns during the period	-	-
Interest accrued during the period	-	3,267
Interest paid during the period	-	(7,334)
Converted to share capital during the period	-	(75,000)
	-	-
Convertible notes – Z Yang		
Opening balance	-	8,329
Drawdowns during the period	-	-
Interest accrued during the period	-	348
Interest paid during the period	-	(677)
Converted to share capital during the period	-	(8,000)
	-	-

NOTE 17 FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The main risk arising from the financial instruments is foreign exchange risk.

There have been no substantive changes in the Consolidated Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Consolidated Entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for day to day management of these risks to the Chief Executive Officer and the Chief Financial Officer. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Consolidated Entity's competitiveness and flexibility. Further details regarding these policies are set out below:

NOTE 17 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Consolidated Entity incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Consolidated Entity.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There is no collateral held as security at 31 December 2022.

Credit risk is reviewed regularly by the Board. It arises from deposits with financial institutions.

The Consolidated Entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Consolidated Entity.

The credit quality of cash and cash equivalents is considered strong. The counterparty to these financial assets are large financial institutions with strong credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity may encounter difficulties raising funds to meet financial obligations as they fall due.

Liquidity risk is reviewed regularly by the Board.

The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are maintained. The Consolidated Entity did not have any financing facilities available at balance date.

Refer to Note 1 *"Going Concern"* for details on the Consolidated Entity's current financial position, funding arrangements and its ability to meet its future obligations.

(c) Market Risk

Market risk arises from the use of interest bearing, tradeable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

The Consolidated Entity does not have any material exposure to market risk.

(d) Capital Risk Management

When managing capital, the director's objective is to ensure the entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the Consolidated Entity may seek to issue new shares.

The Consolidated Entity has no minimum capital requirements.

Refer to Note 1 *"Going Concern"* for details on the Consolidated Entity's current financial position, funding arrangements and its ability to meet its future obligations.

(e) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial statements.

NOTE 18 SHARE BASED PAYMENTS

Options

Lead Manager Options

December 2022

Tranche	Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted	Exercised	Lapsed	Balance at end of year	Vested and exercisable at end of year
Nov 2021	14 Mar 2022	30 June 2023	$0.25	-	4,000,000	-	-	4,000,000	4,000,000
Jun 2022	27 Jun 2022	30 June 2023	$0.25	-	10,000,000	-	-	10,000,000	10,000,000
				-	14,000,000	-	-	14,000,000	14,000,000
Weighted average exercise price					$0.25	-	-	$0.25	$0.25

The weighted average remaining contractual life of Lead Manager share options outstanding at the end of the year was 0.5 years.

November 2021 Placement

As part of the November 2021 share placement, the Company agreed to issue to the lead manager, Vert Capital Pty Ltd, 4,000,000 options exercisable at 25c on or before 30 June 2023. The options were issued in March 2022 following shareholder approval.

The assessed fair value at the date of grant of options issued ($0.035) was determined with reference to the fair value of AKN quoted options (ASX: AKNO). A total of $141,000 was recognised in the share based payment reserve in the prior year.

June 2022 Placement

As part of the June 2022 share placement, the Company issued to the lead manager, Vert Capital Pty Ltd, 10,000,000 options exercisable at 25c on or before 30 June 2023.

The assessed fair value at the date of grant of options issued ($0.007) was determined with reference to the fair value of AKN quoted options (ASX: AKNO). A total of $70,000 was recognised in the share based payment reserve in the current year, being the period in which the lead manager provided services.

Director and Employee Options

The Company has granted options over ordinary shares to employees (including directors) in recognition of services provided to the Company. The options were granted for nil consideration and are not quoted on the ASX. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

December 2022

Tranche	Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted	Exercised	Lapsed	Balance at end of year	Vested and exercisable at end of year
Directors Jun 2022	30 Jun 2022	31 May 2025	$0.17	-	2,500,000	-	-	2,500,000	1,000,000
Employees Jun 2022	30 Jun 2022	31 May 2025	$0.11	-	2,700,000	-	-	2,700,000	-
Directors Dec 2022	16 Dec 2022	31 May 2025	$0.17	-	1,000,000	-	-	1,000,000	-
				-	6,200,000	-	-	6,200,000	14,000,000
Weighted average exercise price					$0.144	-	-	$0.144	$0.170

The weighted average remaining contractual life of director and employee share options outstanding at the end of the year was 2.4 years.

Fair value of options granted
The assessed fair value at the date of grant of options issued is determined using an option pricing model that takes into account the exercise price, the underlying share price at the time of issue, the term of the option, the underlying share's expected volatility, expected dividends and the risk free interest rate for the expected life of the instrument. The value of the options was calculated using the inputs shown below:

NOTE 18 SHARE BASED PAYMENTS (continued)

Inputs into pricing model	Directors June 2022	Employees June 2022	Directors December 2022
Mutually agreed terms	31 May 2022	30 June 2022	1 October 2022
Grant date	31 May 2022	30 June 2022	16 December 2022
Exercise price	$0.17	$0.11	$0.17
Vesting conditions	Ongoing employment until 30 June 2023 [1]	Ongoing employment until 30 June 2023	Ongoing employment until 1 October 2023
Share price at grant date	$0.100	$0.080	$0.093
Life of the options	3.00 years	2.92 years	2.67 years
Underlying share price volatility	103%	100%	99%
Expected dividends	Nil	Nil	Nil
Risk free interest rate	2.86%	3.16%	3.14%
Pricing model	Binomial	Binomial	Binomial
Fair value per option	$0.0542	$0.0449	$0.0412

[1] The Board exercised its discretion to vest in full 1,000,000 options granted to Mark Elliott upon his retirement.

Total expenses arising from employee share-based payment transactions recognised during the period as part of employment benefit expenses were as follows:

	December 2022 $	December 2021 $
Share based payments – employee and director options	169,631	-

NOTE 19 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 20 COMMITMENTS

Future exploration

The Consolidated Entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Consolidated Entity.

Exploration obligations to be undertaken:		
Payable within one year	525,420	417,100
Payable between one year and five years	1,438,860	993,400
Payable after five years	273,000	273,000
	2,237,280	1,683,500

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements or to meet expenditure requirements by joint venture or farm in agreements.

The Consolidated Entity currently does not have any other obligations to expend minimum amounts on either operating leases or exploration in tenement areas.

NOTE 21 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at 31 December 2022 (31 December 2021: Nil).

	December 2022	December 2021
	$	$
NOTE 22 AUDITORS' REMUNERATION		
Remuneration paid for:		
- *Auditing and reviewing the financial report*	62,495	53,179
- *Investigating accountants report*	-	25,000
Other services		
- *Tax compliance*	30,054	21,979

NOTE 23 EVENTS AFTER BALANCE SHEET DATE

On 31 January 2023 AKN completed the purchase of various prospective uranium and copper licences in Tanzania. The purchase price was discharged by AKN through the issue of 60,000,000 ordinary shares and 30,000,000 options exercisable at 20c on or before 30 September 2025. The total value of the consideration ($7,702,230) will be allocated as exploration and evaluations assets.

AKN also issued to Vert Capital Pty Ltd a total of 5,000,000 new shares and 10,000,000 options (exercisable at 20c on or before 30 September 2025) in recognition of the introduction of these project interests to AKN and assistance in securing the acquisition. The total value of this consideration ($992,410) will be recognised as an expense in the 2023 year.

NOTE 24 PARENT ENTITY INFORMATION

The Parent Entity of the Consolidated Entity is AuKing Mining Limited.

	December 2022	December 2021
	$	$
Parent Entity Financial Information		
Current assets	1,663,839	2,488,253
Non-current assets	8,435,637	4,953,400
Total assets	10,099,475	7,441,653
Current liabilities	336,964	161,922
Non-current liabilities	-	44,137
Total liabilities	336,964	206,059
Net assets	9,762,511	7,235,594
Share capital	13,592,798	8,721,436
Reserves	379,631	140,000
Accumulated losses	(4,209,918)	(1,625,842)
Total equity	9,762,511	7,235,594
Loss after income tax	(2,584,076)	(1,621,939)
Other comprehensive income	-	-
Total comprehensive loss	(2,584,076)	(1,621,939)

NOTE 24 PARENT ENTITY INFORMATION (continued)

Controlled Entities of the Parent Entity

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

Intercompany transactions, balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

	Percentage Owned		
	2022	2021	
	%	%	Country of Incorporation
AKN (Koongie Park) Pty Ltd	100%	100%	Australia

Commitments, Contingencies and Guarantees of the Parent Entity

The minimum committed expenditure for future periods of the Parent Entity is the same as those for the Consolidated Entity. The Parent Entity has no contingent assets, contingent liabilities or guarantees at balance date.

DIRECTORS' DECLARATION

In the Directors opinion:

(a) the attached consolidated financial statements and notes that are set out on pages 36 to 59 and the remuneration report set out on pages 25 to 30 in the Directors' Report are in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements, including:

   (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the financial period ended on that date.

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1 to the consolidated financial statements; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of directors.

Anna Staples

Director

15 February 2023

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of AuKing Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AuKing Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration and evaluation assets

Key audit matter	*How the matter was addressed in our audit*
The Group carries exploration and evaluation assets in accordance with the Group's accounting policy for exploration and evaluation assets as set out in Note 6. • The recoverability of exploration and evaluation asset is a key audit matter due to the significance of the total balance as a proportion of total assets and the level of procedures undertaken to evaluate management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ('AASB 6') in light of any indicators of impairment that may be present.	Our procedures included: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation such as licence agreements and also considering whether the Group maintains the tenements in good standing. • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest. • Enquiring of management, reviewing ASX announcements and reviewing directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 30 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of AuKing Mining Limited, for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

TMann

T R Mann
Director

Brisbane, 15 February 2023