

MARCH 2018 QUARTERLY ACTIVITIES REPORT



27 April 2018

AuKing Mining Limited

(previously Chinalco Yunnan Copper Resources Ltd)

ABN 29 070 859 522

(ASX Code: AKN)

AKN is a resource exploration and development company seeking to become a mid-tier copper/gold producer.

Issued Capital:

932,584,461
Ordinary shares

Directors:

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

Company Secretary:

Paul Marshall

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Activities during the three months to 31 March 2018 included:

- The Bonito Minerals exploration team completed the initial phase of drilling at the La Dura project in Mexico, and submitted the results of that program to AKN in late March 2018.
- Eleven (11) drill holes were completed in the program at La Dura for a total of 1648m of drilling. Positive results were obtained and the drilling has significantly enhanced the understanding of the geological system.
- Highlights of the assays received include:
 - LD-001 - 3m @ 0.73g/t Au and 64 g/t Ag
 - LD-003 - 5m @ 1.27g/t Au and 74 g/t Ag
 - LD-004 - 4m @ 1.41g/t Au and 5 g/t Ag
 - LD-005 - 5m @ 0.58g/t Au and 56 g/t Ag
 - LD-007 - 26m @ 0.47g/t Au and 25 g/t Ag including 3m @ 3.05g/t Au and 103 g/t Ag
 - LD-011 - 3m @ 2.53g/t Au and 116 g/t Ag
- The Bonito exploration team believes there is strong potential for the discovery of gold/silver mineralisation within the La Dura concessions and in particular, along the known 5km structural trend where the La Dura mine occurs.
- Bonito has recommended a detailed program of geological mapping and soil sampling in order to identify targets for future drilling programs.
- Discussions will continue between AKN and Bonito in relation to the funding for future exploration programs at La Dura as there are no current funding arrangements in place.
- AKN management is continuing to assess copper, gold and other base and precious metal project opportunities in Australia and other regions.

The Board of AuKing Mining Limited (ASX:AKN) continues to focus on transforming the Company into a substantial mid-tier mining group, with a primary focus on acquiring and developing near-term copper, gold and other base and precious metal production activities (both locally and overseas).

The activities of AuKing Mining Limited (“AuKing” or “AKN”) during the three months to 31 March 2018 were as follows:

Exploration Drilling at La Dura

Introduction

The La Dura project consists of a total of 2,052ha (hectares) in northern Durango State, Mexico. The La Dura Project consists of historic underground workings to approximately 180 meters (m) below the surface.

Total gold and silver production since the 1920’s has been estimated by previous owners to be in the order of 400,000 tonnes mined is 100,000 ounces (Au) and 5.5 million ounces (Ag).

Bonito’s exploration team initiated ground exploration at the project in May 2017. During that time:

- Multiple accessible underground workings were visited by the team;
- Geological mapping was conducted at several of the mine sites, a preliminary geological map was completed over the main La Dura historic mine area as well as along strike;
- 122 rock chip samples were collected by the Bonito team and analysed at ALS Chihuahua laboratory and of this total;
- Bonito conducted aerial surveys for topographical construction using a drone and licensed external software;
- Priority targets were selected and a Durango based environmental consultancy was contracted to assist with the necessary permitting for the drilling program; and
- The initial RC (reverse circulation) drilling program was carried out between November 2017 and January 2018 consisting of 11 angled RC drill holes for a total of 1,648m.

Location

The project is located within the San Fernando Mining Region and the Copalquin Mining District of Durango in the Tamazula Municipality (shown in yellow below in Figure 1) of the State of Durango, Mexico approximately 275 kilometres northwest of Durango and 380 kilometres southwest of Parral, Chihuahua. The historic mines and prospects which make up La Dura are located in the San Fernando Mining Region and the Copalquin Mining District of Durango.

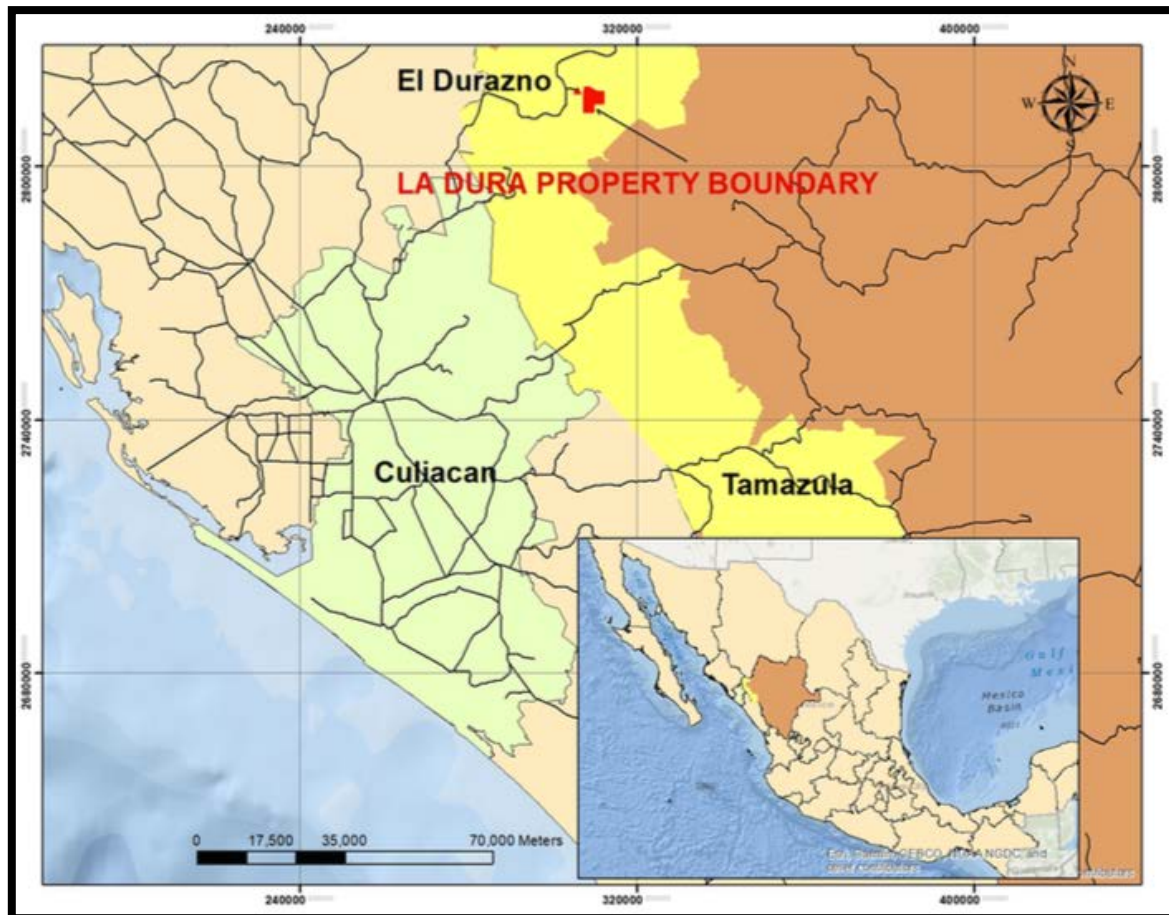


Figure 1 – La Dura Location Map

Geology

Past development and mining activity at La Dura has taken place along three principal NW trending structures, normal faults with the main veins formed along these structures, informally referred to as vetas (veins) 1, 2 and 3 respectively. Additional mining to feed the mill took place from the Plan 3, Polvorin, Becerros mine workings and approximately three kilometres to the south of the mill from the small prospect developments at Barbuson and possibly San Pedro. Other parallel structures to the NW such as Becerros appear to have been less explored, possibly because of access concerns.

During the course of the exploration activity carried out at La Dura, Bonito's exploration team documented numerous other small gambusino exploration sites, some of which long pre-date the involvement of the current owners. Numerous remnants of this early activity can still be found throughout the area.

Bonito's geological mapping concentrated on defining the main lithological units, structures, veins and alterations in close proximity to the La Mine workings. This was intended as a 'start' for later detailed mapping but was required to be fast tracked because of the drill program being promoted before targets were fully defined. Mapping started with first conducting very preliminary evaluations of the existing underground workings at La Dura that were safely accessible. After those reviews, underground mapping was completed at

Plan 3 and Polvorin.

The La Dura area comprises classic, high grade silver-gold, epithermal vein deposits, characterized by low sulphidation mineralization and adularia-sericite alteration. (Note the alteration is based on visual observations as there has been no petrological work completed). The mineralization within the veins are typical of most other epithermal silver-gold vein deposits in Mexico in that they are primarily hosted in either a volcanic series of andesite flows, pyroclastics and epiclastics or sedimentary sequences of mainly shale and their metamorphic counterparts.

At La Dura although the primary host rocks are within the upper volcanic sequence the degree of silicification has resulted in rocks capable of hosting epithermal style deposits and may lie close to the lower volcanic andesites- this is only speculation at this point. Low-sulphidation epithermal veins in Mexico typically have a well-defined, sub horizontal ore horizon about 300 m to 500 m in vertical extent where the bonanza grade ore shoots have been deposited due to boiling of the hydrothermal fluids. **Neither the top nor the bottom of the mineralized horizons at La Dura has yet been established.**

Surface exposures and underground rocks at La Dura suggest the top of the boiling zone is just below surface, since mineralization is spotty on the surface, above the deposit. **The bottom is not currently known. In other deposits where veins contain weak mineralization, it has extended into deeper bonanza grades.**

Drilling Program

Bonito conducted the initial RC drill program based on early sampling results and before full geological mapping or target definition was completed within the concession area. Drill sites were selected based on existing roads, minimal site disturbance, ease of access and quickest environmental approval rather than geological merit as the primary factor. This approach was at the request of AKN. Bonito attempted to select drill sites within the time and environmental constraints that may intersect mineralised zones similar to those exploited by the previous mining activity. Care had to be taken not to intersect existing workings since the survey accuracy of the workings had not been verified. This further affected the outcome of the drilling program, with drill holes being located at safe distances from the old mine workings, which may also have limited the goals of the program.

During the 2017/2018 drilling program 11 drill holes were drilled at 10 drill sites. Drill hole number LD-006 was lost because of encountering bad ground condition, including historic workings that were not anticipated. LD-007 was drilled on the same drill pad but at a small offset and at a steeper angle.

Eleven RC drill holes were drilled at the La Dura project for a total of 1,648m.

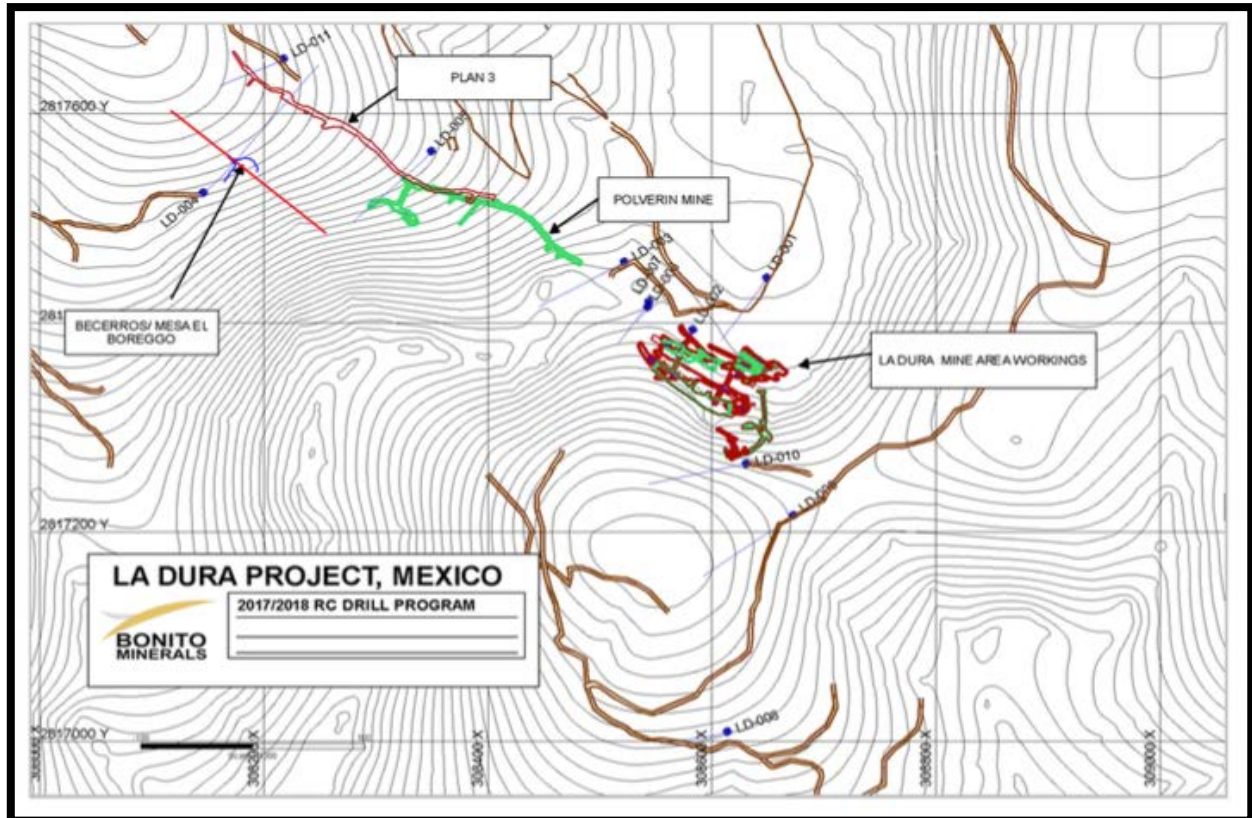


Figure 2 – Drill Hole locations for LD-001 to LD-011

Assay Results

Both gold and silver assays were less than anticipated. However, the zones of mineralization intersected could be in the upper levels of an epithermal system and should be further tested by core drilling deeper into the system. Gold assays were from below detection to a high of 7.83g/t and a corresponding silver assay of 187g/t (hole LD-007). Silver values ranged from below detection to a high of 297 g/t Ag and a corresponding gold grade of 6.86 g/t Au (hole LD-011).

A summary of the highlighted assay results is set out below:

HOLE	FROM	TO	METRES	Au g/t	Ag g/t
LD-001	160	183	23	0.20	19
including	180	183	3.0	0.73	64
LD-002	26	30	4.0	0.47	19
including	29	30	1.0	1.81	45
	57	66	9.0	0.20	32
LD-003	39	63	24	.032	23
including	45	50	5.0	1.27	74
LD-004	23	27	4	1.41	5.0
including	26	27	1.0	3.75	7.0
LD-005	40	56	16	0.29	19.0
	114	119	5.0	0.58	56.0
LD-006	11	17	6.0	0.14	12.0
including	18	21	No recovery workings		
including	21	34	13	0.23	27.0
LD-007	14	41	26	0.47	25
including	23	26	3.0	3.05	103
LD-008	No significant assays				
LD-009	32	36	4.0	0.10	29
	45	52	7.0	0.07	12
LD-010	0	12	12	.005	25
LD-011	52	82	30	0.30	19.0
including	71	74	3	2.53	116

Figure 3 – Highlighted Assays from La Dura Drilling

Interpretation and Conclusions

The Bonito exploration team has postulated that the main mineralized 'veta'1 was the primary means for providing the plumbing system for the area. This is a major (3-5km) system. Major and probably deep-seated structures such as this are important for providing fluids for potentially large epithermal deposits. La Dura mineralization was locally concentrated as a result of the fracture and stockwork system created by multiple down drop block as a result of small caldera collapse.

The multiple structures resulted in ideal host environments for the epithermal fluids consisting of brecciated channel ways and the parallel structures as barriers for the migrating fluids. La Dura was the most obvious but not necessarily the only, such host along this 5km structure. Future work could develop multiple targets although they appear less obvious than La Dura.

Bonito believes that there is high potential for the discovery of additional gold/silver mineralisation within the La Dura concessions. The principal structure extends for nearly 5kms. Over the past 9 months, Bonito has carried out the first modern and systematic exploration in the area. Further mapping and sampling particularly to the south of La Dura is required. Pilot soil sampling programs should be tested in several areas along the extension of the main veta 1 trend. The silicified veins and stockworks are usually obvious however the more intensely crushed and altered and potential hosts rocks may not be

exposed and the use of the soil sampling may prove valuable.

Future Bonito Funding

The drilling program at La Dura has almost exhausted the funds previously contributed by AKN to Bonito. To carry out further exploration activities, Bonito will need to raise additional funding. As AKN has advised previously to the market, the Option Agreement between AKN and Bonito (whereby an additional \$1.5M may have been contributed by AKN) lapsed. There are no agreements in place at the present time for future funding of Bonito activities at La Dura. Discussions are continuing between AKN and Bonito as to how additional funding may be obtained.

Exploration Activities

See commentary above re La Dura. No other exploration was carried out by AKN during the period.

Exploration Expenditure for March 2018 Quarter

Nil exploration expenditure was incurred for the March 2018 Quarter other than miscellaneous (and minor) tenure administration fees.

Corporate Update

Acquisition Activities

The AKN Board continues to work closely with JCHX Group in the ongoing assessment and acquisition of new project opportunities – not just limited to copper projects but also gold and other metals. The Board continues to hold a view that the improving commodities market remain suitable for business development and acquisition activities. Further news about these activities will be made available to the market as soon as possible.

JCHX Group Loan

During the March 2018 Quarter, AKN did not draw down any funds under this loan facility.

Board Composition

Dr Huaisheng Peng, Chairman
Mr Paul Williams, Managing Director
Mr Robert Yang, Executive Director
Mr Qinghai Wang, Non-Executive Director
Mr Paul Marshall, Company Secretary

Annual General Meeting

AKN is due to hold its AGM before the end of May 2018. More details about the meeting and the agenda for the AGM will be provided to the ASX shortly.

Financial Position

As at 31 March 2018, AKN had cash reserves of \$162k. Together with the JCHX Group loan (referred to above) AKN will have sufficient funding to carry out project assessment review and transaction activities for the immediate future. However, it remains the intention of the AKN Board to carry out an additional fundraising during the course of 2018, depending on market conditions and the current status of AKN's activities. Details of any future fundraising will be provided to shareholders and the market at the first available opportunity.

Further details of AKN's financial activities during the March 2018 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this Report.

Top 10 shareholders of AKN as 24 April 2018:

Rank	Name	24 Apr 2018	%
1	BIENTIAL INTERNATIONAL INDUSTRIAL CO LTD #	349,018,230	37.43%
2	YUNNAN COPPER INDUSTRY (GROUP) CO LIMITED #	299,922,326	32.17%
3	MR DUDLEY ROY LEITCH	15,204,108	1.63%
4	TRIMIN PTY LTD	15,163,208	1.63%
4	BILLY FLESHMAN	15,163,208	1.63%
6	MR PAUL ROBERT WILLIAMS & MS JILL CAROLINE STRACHAN	10,357,173	1.11%
7	MR PETER GERARD TIGHE & MRS PATRICIA JOAN TIGHE	10,033,333	1.08%
8	MR BARRY EDWARD TANTON & MRS ELIZABETH MARY TANTON	7,500,000	0.80%
9	ELLIOTT NOMINEES PTY LTD	7,150,000	0.77%
10	MR NORMAN JOSEPH ZILLMAN	6,980,343	0.75%
Total		736,491,929	78.99%
Balance of register		195,912,532	21.01%
Grand total		932,404,461	100.00%

Denotes Substantial Shareholder

Share Information

Issued share capital of 932,584,461 ordinary shares.

Quarter high traded price of \$0.007 (3,4,5,9 & 11 January 2018) and low of \$0.004 (8 March 2018).

Market capitalisation – high \$6.528M, low \$3,730M.

Average daily volume of shares traded – 205,878 shares (\$1,110 average daily volume value).

Other Details:

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Phone: +61 7 3041 1306
Website: www.aukingmining.com

Share Registry
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Brisbane Q 4000
Phone: 1300 554 474

On behalf of the Board

Paul Williams
Managing Director
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+61 419 762 487

Competent Person's Statement

The information regarding exploration activities and information set out in this ASX Release is based on information compiled by Mr John Skeet, a Competent Person, a Fellow of the Australasian Institute of Mining and Metallurgy and is the Managing Director of Bonito Minerals Pty Ltd. Mr John Skeet has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr John Skeet consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

AKN's mining tenement interests

Project/Location	Tenement Reference	AKN % Interest	Comment
AUSTRALIA			
Pentland	ML 1631	Nil	Refer Note 1
MEXICO			
La Dura, Durango	Bonito Minerals Pty Ltd	30	Refer Note 2

Notes:

- 1. The surrender of this mining lease interest was approved by the Qld Department of Natural Resources and Mines during the Quarter.*
- 2. AKN has acquired a 30% shareholding interest in Bonito Minerals Pty Ltd, the holder of an option to acquire the 5 mining concessions which comprise the La Dura project in Durango State, Mexico.*