



19 March 2021

The Manager
Listings Compliance
ASX, SYDNEY

**RE: PUBLIC OFFER AND KOONGIE PARK COPPER/ZINC TRANSACTION –
SUPPLEMENTARY PROSPECTUS**

Please see attached a copy of a Supplementary Prospectus, in relation to the public offer of up to 35,000,000 fully paid ordinary shares (**Shares**) at an issue price of 20c per Share to raise up to \$7million lodged on 9 March 2021. The supplementary prospectus has been lodged with ASIC this morning.

This announcement is authorised by:

Paul Williams
Managing Director
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AuKing Mining Limited ACN 070 859 522 (Company)

Supplementary Prospectus

Supplementary Prospectus to a Prospectus dated 9 March 2021

Important Information

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

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

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

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

1. Background

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

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

2. Additional information - the AmmLeach® Process

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

2.1 Introduction¹

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

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

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

2.2 Application at other projects

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

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

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

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

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

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

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

2.3 Potential application at Onedin (Koongie Park)

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

Leon – malachite, azurite, digenite, covellite and chalcocite

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

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

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

2.4 Risks with commercial application

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

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

2.5 Additional information

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

3. Timetable

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

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

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

4. Consents to be named

4.1 David Williams, Competent Person

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

4.2 Accudo Metals Pty Ltd

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

5. Other Material Information

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

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

6. Director Consent

Directors' authorisation and consent

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



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Paul Williams
Director
Auking Mining Limited