

DUKETON MINING LTD

ABN 76 159 084 107

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2013

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by Duketon Mining Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DUKETON MINING LTD

31 DECEMBER 2013

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DUKETON MINING LTD

31 DECEMBER 2013

DIRECTORS' REPORT

Your directors are pleased to present their report on Duketon Mining Ltd for the half-year ended 31 December 2013.

DIRECTORS

The names of the directors who held office during or since the end of the period are:

Seamus Cornelius

Stuart Fogarty (appointed 30 October 2013)

Dennis Wilkins

Mark Gunther (resigned 31 October 2013)

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the period is set out below:

	2013	
	Revenues	Results
	\$	\$
Duketon Mining Ltd	34,232	(474,705)

Corporate and Operating Review

Duketon's strategy is to grow shareholder value through the successful identification exploration and subsequent definition and development of significant mineral resources. The Duketon Project is a large strategic tenement holding over a greenstone belt within the Eastern Yilgarn Mineral Province in Western Australia. The exploration focus will be on gold and nickel within the tenement holding and during the year, the Company continued in exploration and evaluation activities on its tenements.

Finance Review

The Company recorded a net loss after tax of \$474,705 for the 6 months ended 31 December 2013 and included in the loss for the year was exploration expenditure of \$270,676. In line with the Company's accounting policies, all exploration expenditure is written off in the year incurred. Total Company cash on hand at the end of the year was \$2.033 million.

On 2 August 2013, the Company announced the successful completion of the non-renounceable pro rata rights issue which raised \$1,584,160 (before costs) through the issue of 15,841,604 new ordinary shares at \$0.10 each. The funds raised will be used for exploration activities on the gold and nickel targets within the Duketon Project and working capital purposes.

DUKETON MINING LTD

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DIRECTORS' REPORT (continued)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

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



Stuart Fogarty

Managing Director

Perth, 12 March 2014

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Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Duketon Mining Ltd
31 Ventnor St
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2013 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham R Swan (Lead auditor)

Rothsay

Dated 12th March 2014



Chartered Accountants

DUKETON MINING LTD**31 DECEMBER 2013****STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
REVENUE	34,232	-
EXPENDITURE		
Administration and corporate expenses	(47,854)	(1,836)
Employee benefits expense	(3,213)	-
Exploration expenses	(270,676)	(122,048)
Fair value loss on financial assets at fair value through profit or loss	(187,194)	-
LOSS BEFORE INCOME TAX	(474,705)	(123,884)
Income tax benefit/(expense)	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF DUKETON MINING LTD	(474,705)	(123,884)
Basic and diluted loss per share	(0.01)	(61,942.00)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

DUKETON MINING LTD**31 DECEMBER 2013****STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Notes	31 December 2013 \$	30 June 2013 \$
CURRENT ASSETS			
Cash and cash equivalents		2,033,324	1,285,940
Trade and other receivables		24,305	14,063
Financial assets at fair value through profit or loss		935,958	1,123,152
TOTAL CURRENT ASSETS		2,993,587	2,423,155
TOTAL ASSETS		2,993,587	2,423,155
CURRENT LIABILITIES			
Trade and other payables		33,109	16,214
TOTAL CURRENT LIABILITIES		33,109	16,214
TOTAL LIABILITIES		33,109	16,214
NET ASSETS		2,960,478	2,406,941
EQUITY			
Issued capital		7,866,697	7,324,455
Reserves		683,175	197,175
Accumulated losses		(5,589,394)	(5,114,689)
TOTAL EQUITY		2,960,478	2,406,941

The above statement of financial position should be read in conjunction with the accompanying notes.

DUKETON MINING LTD

31 DECEMBER 2013

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Contributed Equity \$	Share-based Payments Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2012	2	-	-	2
Loss for the period	-	-	(123,884)	(123,884)
TOTAL COMPREHENSIVE LOSS	-	-	(123,884)	(123,884)
BALANCE AT 31 DECEMBER 2012	2	-	(123,884)	(123,882)
BALANCE AT 1 JULY 2013	7,324,455	197,175	(5,114,689)	2,406,941
Loss for the period	-	-	(474,705)	(474,705)
TOTAL COMPREHENSIVE LOSS	-	-	(474,705)	(474,705)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	1,043,242	-	-	1,043,242
Share issue transaction costs	(501,000)	-	-	(501,000)
Supplier options	-	486,000	-	486,000
BALANCE AT 31 DECEMBER 2013	7,866,697	683,175	(5,589,394)	2,960,478

The above statement of changes in equity should be read in conjunction with the accompanying notes.

DUKETON MINING LTD**31 DECEMBER 2013****STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for exploration expenditure	(240,853)	(122,048)
Payments for administration and other expenses	(65,541)	(1,836)
Interest received	25,536	-
Net cash outflow from operating activities	(280,858)	(123,884)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for share issue transaction costs	(15,000)	-
Proceeds from issue of shares	1,043,242	-
Proceeds of borrowings from South Boulder Mines Limited	-	123,884
Net cash inflow from financing activities	1,028,242	123,884
Net increase in cash and cash equivalents	747,384	-
Cash and cash equivalents at the beginning of the half-year	1,285,940	2
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	2,033,324	2

The above statement of cash flows should be read in conjunction with the accompanying notes.

DUKETON MINING LTD

31 DECEMBER 2013

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Duketon Mining Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2013, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

NOTE 2: SEGMENT INFORMATION

Industry and geographical segment

The Company operates on one segment, being mining exploration segment in Australia.

In determining operating segments, the Company has had regard to the information and reports the chief executive decision maker uses to make strategic decisions regarding resources. The Chief Executive Officer is considered to be the chief executive decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the Company.

DUKETON MINING LTD

31 DECEMBER 2013

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 3: EQUITY SECURITIES ISSUED

	2013 Shares	2013 \$	2012 Shares	2012 \$
As at 1 July	37,092,391	7,324,455	2	2
Issues of ordinary shares during the half-year				
Rights issue @ \$0.10 per share	10,432,421	1,043,242	-	-
Share issue costs ⁽¹⁾	-	(501,000)	-	-
As at 31 December	<u>47,524,812</u>	<u>7,866,697</u>	2	2

	Number of options	
	2013	2012
As at 1 July	8,250,000	-
Movements of options during the half-year		
Options issued, exercisable at 20 cents, expiring 1 August 2019 ⁽¹⁾	15,000,000	-
As at 31 December	<u>23,250,000</u>	-

(1) During the 2013 half-year, 15,000,000 options with an exercise price of 20 cents and expiring on 1 August 2019 were issued as part consideration for underwriting fees on the rights issue. The fair value of the options granted during the half-year was 3.24 cents, for a total value of \$486,000 included within share issue costs of \$501,000. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2013	2012
Exercise price (cents)	20.00	-
Life of the option (years)	6.00	-
Underlying share price (cents)	10.00	-
Expected share price volatility	50.00%	-
Risk free interest rate	2.96%	-

NOTE 4: CONTINGENCIES

There has been no material change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 5: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2013, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

DUKETON MINING LTD

31 DECEMBER 2013

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Duketon Mining Ltd will be able to pay its debts as and when they become due and payable.

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



Stuart Fogarty

Managing Director

Perth, 12 March 2014



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
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Independent Review Report to the Members of Duketon Mining Ltd

The financial report and directors' responsibility

The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Duketon Mining Ltd for the period ended 31 December 2013.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2013 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Duketon Mining Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Duketon Mining Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position as at 31 December 2013 and of the performance for the period ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Graham R Swan
Partner

Dated 12th March 2014



Chartered Accountants