



ASX Announcement

2 December 2014

Assay results confirm high-grade nickel sulphide discovery – 7.09% nickel, 0.50% copper and 3.76g/t platinum + palladium from first hole

HIGHLIGHTS

- Assay results show the first hole at Duketon's 100 per cent-owned Nariz prospect intersected **5.65m of massive sulphide at 7.09% nickel, 0.50% copper and 3.76g/t platinum + palladium**, within a broader intersection of **9.22m @ 4.96% nickel, 0.41% copper and 2.41g/t platinum + palladium**
- **Follow-up drilling well advanced, targeting mineralisation down-dip**
- **Down-hole electromagnetic (DHEM) survey of first hole commencing this week**

Duketon Mining Limited (ASX: DKM) advises that assays from the massive sulphide section of the first hole at its Nariz prospect, within its 100 per cent-owned Duketon Project in WA, have returned grades of **7.09% nickel, 0.50% copper and 3.76g/t combined platinum and palladium** over **5.65m** from 438.41 metres within a broader zone of massive and stringer mineralisation of **9.22m @ 4.96% nickel, 0.41% copper and 2.41g/t combined platinum and palladium**.

This intersection is 120 metres from the previous most southerly intersection of nickel-copper mineralisation – south east of the Rosie Ni-Cu deposit. The discovery hole also sits on the same granted mining lease as Rosie (M38/1252).

Hole DKMDD-0005 was also reported as intersecting 28.4 metres of disseminated sulphides but after detailed review of the drill core the same zone can be seen over a 56.1 metre section separated by several intrusive bodies. The assays for the disseminated portion of the hole are still pending and should be returned in the next week.

The massive sulphide intersection with visible pentlandite (nickel sulphide) and chalcopyrite (copper sulphide) is shown below in Figure 1. A plan, long-section and cross-section are shown in figures 2, 3 and 4.

Drilling continues at Nariz, with a further five holes planned as part of an immediate follow-up drill program. In addition, a DHEM crew has been mobilised to site to commence surveying.

The follow-up drilling is all diamond drilling and has been designed to test positions down dip, up dip and along strike of DKMDD005. At the completion of each drill hole, DHEM results will be considered to help refine the position of the subsequent holes and determine if further drilling is required.

Duketon Managing Director Stuart Fogarty said that the high grades intersected at Nariz were an outstanding result and a significant step in the evolution of DKM.



Figure 1: Photo of massive sulphide zone from hole DKMDD005

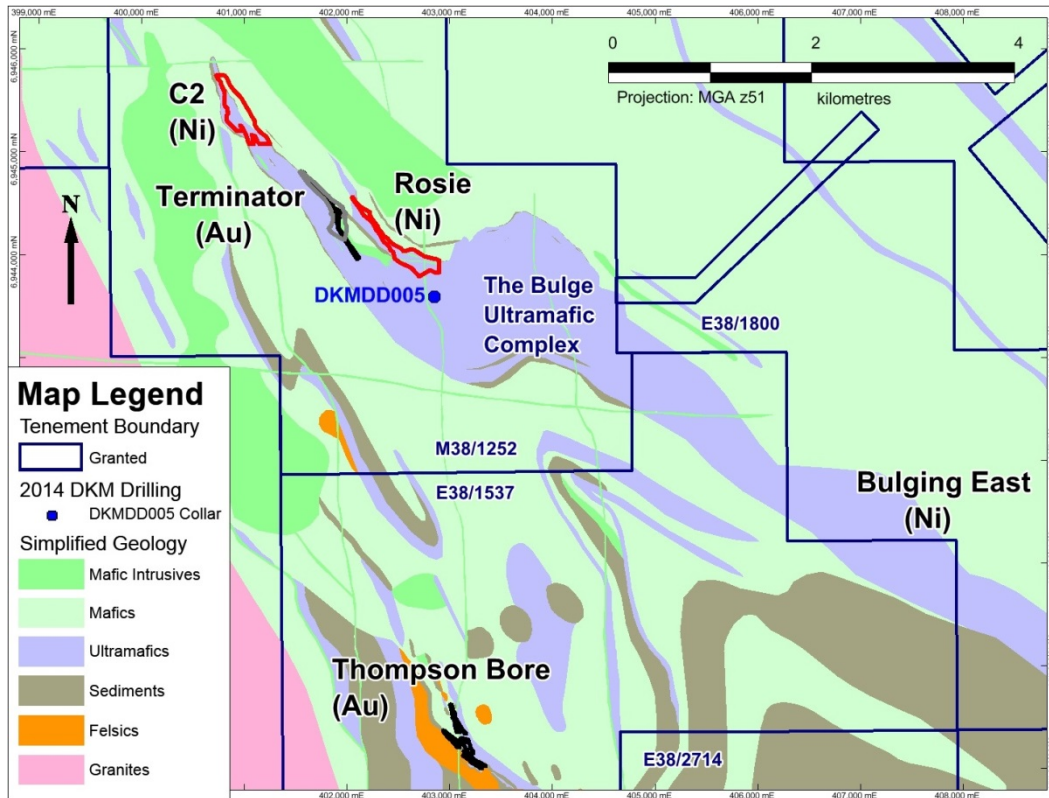


Figure 2: Plan showing collar location of DKMDD005

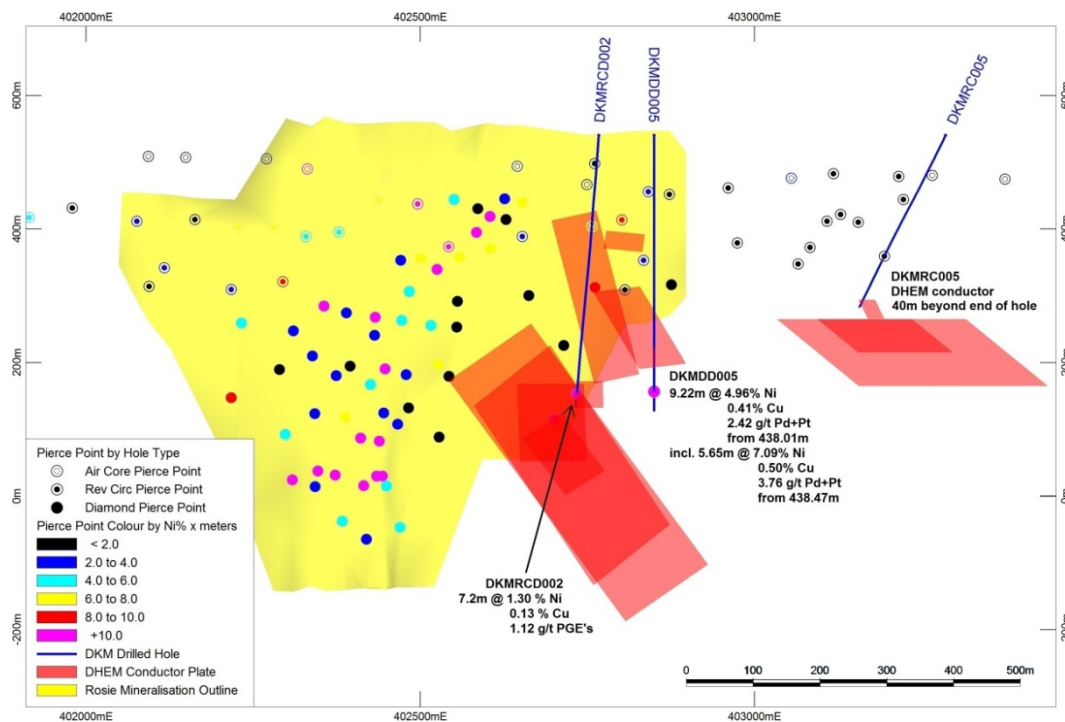


Figure 3: Long-section looking north showing the Rosie mineralisation in yellow, DKMDD-005 and the relevant DHEM plates in red.

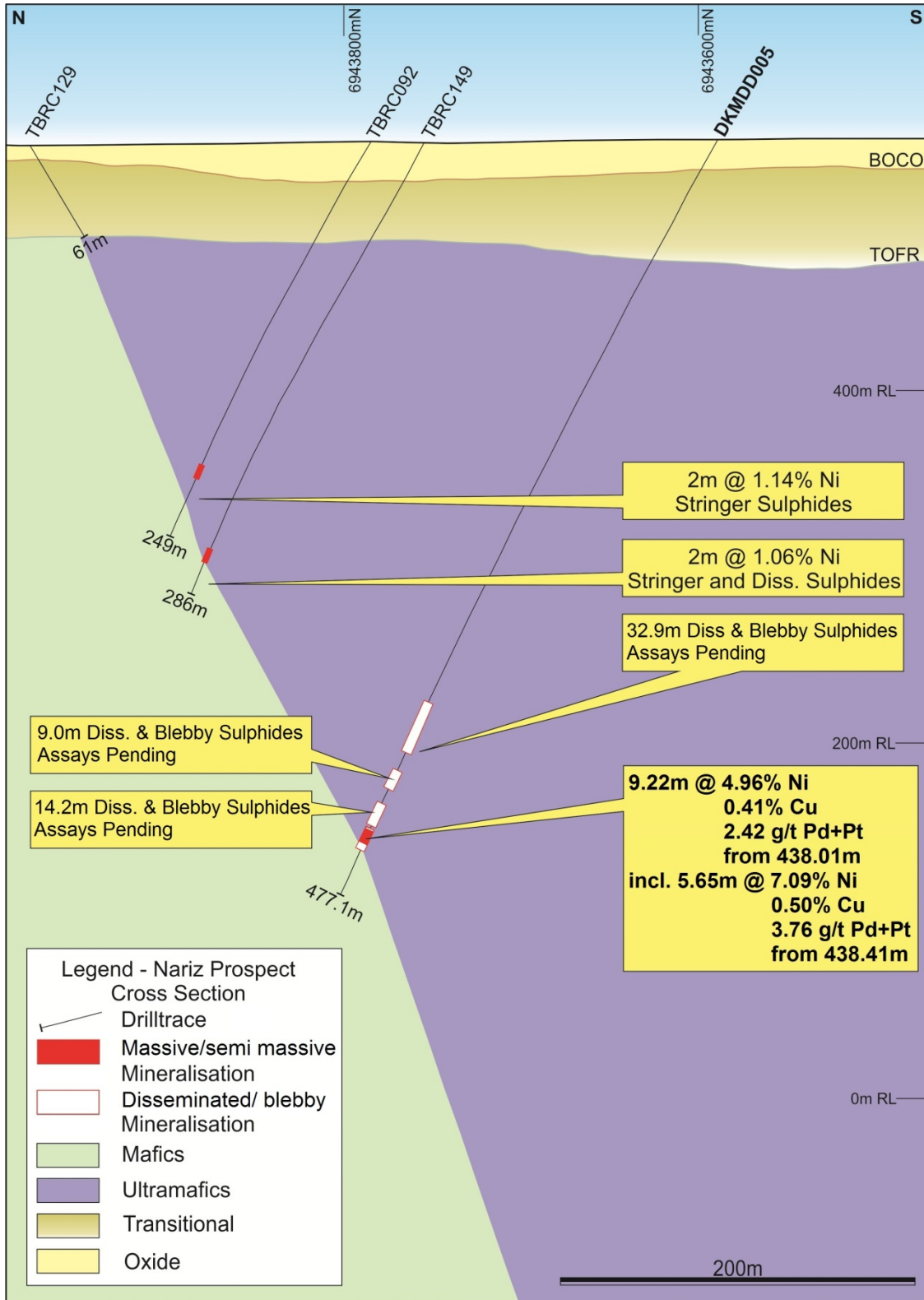


Figure 4: Interpreted cross-section looking east showing DKMDD-005. TBRC129. TBRC092 and TBRC149 are historical drill holes.



HOLE_ID	Easting (m)	Northing (m)	rL (m)	Dip (deg)	Azi (deg)	From (m)	To (m)	Ni (%)	Cu (%)	Co (%)	Pt+Pd (g/t)
DKMDD005	402850	6943590	540	-60	360	438.01	438.41	1.04	0.09	0.02	0.68
						438.41	439.06	5.07	0.15	0.11	1.97
						439.06	439.5	7.71	0.11	0.16	4.28
						439.5	440	7.94	0.49	0.16	3.71
						440	440.5	8.02	0.87	0.16	3.37
						440.5	441	7.88	0.56	0.16	3.03
						441	441.5	7.87	1.29	0.17	5.27
						441.5	442	7.46	0.50	0.16	3.28
						442	442.5	7.81	0.44	0.16	4.12
						442.5	442.94	7.69	0.25	0.16	4.06
						442.94	443.5	6.23	0.43	0.13	3.57
						443.5	444.06	5.35	0.44	0.12	5.22
						444.06	444.5	2.51	0.50	0.06	1.05
						444.5	445	1.21	0.13	0.03	0.68
						445	445.5	1.28	0.07	0.03	0.09
						445.5	446	1.2	0.38	0.03	0.08
446	446.5	1.31	0.29	0.03	0.06						
446.5	447.23	2.33	0.39	0.05	0.16						

Table 1: Significant Intercepts, Nariz Prospect

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The information in this report that relates to exploration results is based on information compiled by Mr Trevor Saul, Member of the Australian Institute of Mining and Metallurgy ("AusIMM") and a consultant for Duketon Mining Limited. Mr Saul has sufficient experience which is 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 JORC Code 2012. Mr Saul consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report – Duketon Project

Section 1 Sampling Techniques and Data – Rosie, C2, Nariz, Terminator and Thompson Bore

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<p>Sampling techniques</p>	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • The Rosie deposit and C2 prospect were sampled using Reverse Circulation (RC) and Diamond Drill (DD) holes on sections spaced at 100m or less down to approximately 30m x 30m in places. The primary method of drilling for the Rosie deposit and the Nariz prospect has been oriented diamond core (NQ2) using the Ace and EziMark orientation tools. • Current Drillhole collars were surveyed using handheld GPS to 5m accuracy. All previous Drillholes were surveyed using DGPS equipment to sub 0.5m accuracy. A combination of licensed surveyors and company field technicians was used during various programs to determine accurate collar positions. Co-ordinates were surveyed in the MGA94z51 grid system. No local grid has been established as yet. RC drillholes have been sampled initially as 4m composites, and subsequently 1m samples. RC 1m samples were split with a riffle splitter into calico bags where mineralisation has been encountered. Diamond core (NQ2) has been sampled as half core in areas of mineralisation with a 5m buffer sampled at either side of the mineralised zone. The samples are generally 1m intervals, however can be less than 20cm in places based on geology and mineralisation styles. Geological boundaries are deemed sample boundaries, in order to gain multi-element analysis of the complete suite of rocktypes observed, and not to contaminate one rock type with another, and/or mineralisation. • Diamond holes at Rosie and C2 have also been systematically analysed on 1m intervals using a handheld XRF machine (Innov-X Systems) where no physical sampling has taken place. Also, the XRF machine is used to analyse the mineralisation prior to core-cutting and prior to the receipt of the assay results from the lab. The XRF data have not been used in the resource estimate and are purely used as a guide to the geological interpretation.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> The Terminator and Thompson Bore were sampled using Aircore(AC), RC and in places DD holes that are randomly spaced as a result of the early exploration stage that these prospects are in. DD holes were part of the Rosie drilling and therefore have the same criteria as described above. The aircore and RC drilling was sampled on a 4 meter length and then subsequently subsampled to 1m where appropriate. Drillhole collars were surveyed to an accuracy of +/- 5m although some drill holes are historical and the survey methods cannot be confirmed. MGA94z51. Co-ordinates were used for all grids and no local grids were established. DHTEM has been surveyed on many holes in the project with variable station spacing based on the geological logging and EM results to ensure that anomalies are optimally sampled. At least two readings were taken at each station to ensure data repeatability. Quality assurance and quality control of the DHTEM data was independently verified by Southern Geoscience consultants in Perth. DHTEM used a: Receiver: SMARTem 24 Transmitter: HP 100+ Sensor: DigiAtlantis Probe
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> The Rosie deposit and the C2, Nariz, Terminator and Thompson bore prospects have been drilled with a combination of Aircore, RC and Diamond drilling (NQ2). The primary method of drilling for the Rosie deposit and Nariz prospect has been oriented diamond core (NQ2) using the Ace and EziMark orientation tools from surface to a vertical depth of approximately 600m over a strike length of ~1500m, however at Rosie mineralisation has been intersected over a strike length of ~1km and is still open to the east and down-dip. .
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential</i> 	<ul style="list-style-type: none"> The majority of the drilling to date has been diamond core and sample quality on the whole was excellent. Wet samples have been recorded for RC drilling, however the wet samples were not used in the resource estimate. At Rosie, RC sample weights (total for 1m) were noticeably variable through each 6m rod run, tending to increase with penetration depth per rod. In addition, individual

Criteria	JORC Code explanation	Commentary
	<p><i>loss/gain of fine/coarse material.</i></p>	<p>sample weights per 1m drilled also varied considerably. The cone splitter was swapped for a riffle splitter which alleviated some of the blockage and contamination issues seen in the cone split samples. An area of concern was that there might be a grade/weight bias in the RC 1m samples. Statistical analysis for the riffle splitter has shown that although there was a weight bias, it did not necessarily affect the grades. The cone split sample weights have not been able to be statistically analysed due to mixed methods of primary vs field duplicate sample selection in the field, an issue which was rectified later in the program.</p> <ul style="list-style-type: none"> • The drilling at Nariz, C2, Terminator and Thompson Bore prospects do not have historical sample weights and therefore any potential bias cannot be determined
<p>Logging</p>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Logging has been completed in detail for diamond core including rock type, grain size, texture, colour, foliation, mineralogy, alteration and a detailed description written for every interval. In most sections of oriented diamond core structural measurements of fractures, foliation, veins and shearing have been measured systematically using the Kenometer, with Alpha and Beta measurements taken for each feature where possible. If the core is not orientated only an Alpha reading has been taken. RC chip samples have been logged with a detailed geological description. All logging is of a level sufficient in detail to support resource estimation. • All diamond holes are logged on paper logs using the company geological codes library and a detailed written description is recorded for each interval. The logs are then data entered into an excel spreadsheet before being uploaded to the SQL database with an AcQuire front end. All original paper logs are stored in the Perth Office in lever-arch folders and digital records are stored on the server. • Field Marshall software was used for historical RC logging and the files were loaded directly into the SQL database. • Core photography has been completed both wet and dry for the majority of the diamond drilling over the entire length of the hole. The photographs are labelled and stored on the Perth server. Geotechnical logging has been completed for 30m either side of the footwall contact/mineralisation – and involved measuring fracture

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		<p>frequency, depth, hardness, fracture type, alpha, beta angle, profile of the fracture, the roughness of the joint surface, the infill type and characteristics. These data are recorded on paper logs, entered into an excel spreadsheet which is then loaded into the SQL database by the database administrator.</p> <ul style="list-style-type: none"> The handheld Innov-X XRF machine stores a multi-element analysis of the point at which the reading was taken. These data have been used as an aid to the geological interpretation of the drilling where sampling and analysis by a laboratory has not taken place. The XRF machine is also used to analyse the mineralisation prior to sampling, which gives a good approximation to the grade intercepted and allows a visual estimate to be obtained from the core prior to the receipt of the assay results from the lab. No handheld XRF data have been used in the resource estimate.
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> For the diamond drill holes all samples were sorted and dried in ovens for up to 24 hours (approx +/-) at 105°C. Primary sample preparation has been by crushing the whole sample. For RC samples, the whole sample was crushed to a nominal 3mm. For diamond core the whole sample was crushed to a nominal 10mm (primary crush) and then further crushed to a nominal 3mm. All samples were then split with a riffle splitter to obtain a sub-fraction, a nominal 2.4 kg sample where possible. All material was retained after splitting. Samples were then milled using a robotic preparation system to 90% passing -75um. Sample catch weight was 0.15g for Mixed acid digest. 1m split RC samples and all diamond core samples have been analysed for: Au (1ppb), Pt (5ppb), Pd(5ppb) – the samples have been analysed by firing a 40g portion of the sample. Lower sample weights may be employed for samples with very high sulphide and metal contents. This is the classical fire assay process and will give total separation of gold, platinum and palladium in the sample. Au (FA), Pt(FA), Pd(FA) have been determined by Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES). As(1ppm), Co(5ppm), Cu(2ppm), Cr(10ppm), Fe(0.01%), Ti(50ppm), Ni(2ppm), Zn(2ppm), Mg(0.01%) and S(0.01%) – 0.15g was digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches

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		<p>a total digest for many elements however some refractory minerals are not completely attacked. The mixed acid digest (0.3g sample weight) is modified to prevent losses of sulphur from high sulphide samples. The samples are peroxidised using an oxidant that converts the sulphides present to sulphates. As has been determined by Inductively Coupled Plasma Mass Spectrometry (ICP-MS). Co, Cu, Cr, Ti, Fe, Ni, Zn, Mg, S have been determined by Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES). High Sulphide content Diamond Core samples have also been analysed for 6 PGE: Pt(1ppb), Pd(1ppb), Rh(1ppb), Ru(1ppb), Os(1ppb), Ir(1ppb) – the samples have been analysed by Fire Assay using Nickel sulphide as the collecting medium. Here a nominal 25g sample is mixed with a Nickel Carbonate / Sulphur based flux and fused at 1120°C for 1.25 hours. The resultant Nickel Sulphide button is pulverised and a portion is digested to remove the Nickel Sulphide base. Ultra Trace/Bureau Veritas ensures recovery of the platinoids by carrying out this stage in a reducing environment which is coupled with Tellurium co-precipitation. The insoluble Platinoid Sulphides are separated by filtration, digested, and the resulting solution is analysed by ICP-MS. If gold has been reported the result may be low. This is a method limitation. Inter-laboratory (Umpire) Checks on pulps from the Rosie deposit were completed at Genalysis, Maddington, WA. The pulps were analysed by a comparative method and for the same suite of elements as those completed at Ultra Trace (detailed above). Inter-laboratory (Umpire) Checks on pulps from the Rosie deposit were completed at Genalysis, Maddington, WA. The pulps were analysed by a comparative method and for the same suite of elements as those completed at Ultra Trace/Bureau Veritas (detailed above).</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels</i> 	<ul style="list-style-type: none"> • Prior to 2012, standards were submitted with a minimum 3/100 samples, blanks minimum 2/100 samples, duplicates minimum 2/100 samples, in Aircore and RC drilling. In 2012 the standard insertion rate was increased to 5/100 samples. With diamond drillholes, every zone of mineralisation generally had 2 or more standards, 1 or more blanks and 1 or more duplicates spread throughout the zone of mineralisation. Various Geostats Pty Ltd Certified Reference Materials standards have been used from 0.5%, 1%, 2%, 3% Nickel, up to 11.65% Nickel for high grade massive sulphide. A Gold,

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	<p><i>of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>Platinum and Palladium standard has also been used where Nickel Sulphide Fire Assays have been completed for the PGE suite of elements. Standards were submitted within mineralised intervals in a suitable location based on the expected grade of the zone being sampled and using a comparable grade standard, i.e., disseminated mineralisation would have a ~0.5% Ni standard inserted into the sample run, whereas matrix sulphide mineralisation may have a 3% Ni standard inserted and so on.</p> <ul style="list-style-type: none"> • In 2011, three standards consistently returned a low result, irrespective of the laboratory used: GBM310-12 expected value 2.993%Ni, mean value obtained 2.880%Ni, and mean bias -3.79%. GBM305-13 expected value 2.971%Ni, mean value obtained 2.693%Ni, and mean bias -9.34%. GBM307-11 expected value 1.128% Ni, mean value obtained 1.029% Ni, and mean bias -8.80%. • In discussion with various laboratories to ascertain the reason for these standards returning lower than expected values on a consistent basis, concluded that the standards returned reduced values as a consequence of oxidation of the standard pulps. • New standards were purchased for the 2012 drilling, sourced from Geostats Pty Ltd, O'Connor, Western Australia. All of the standards were stored in sealed, separate plastic containers to prevent contamination and with oxygen absorbing sachets in the containers to prevent oxidation. The suite of standards used in diamond drilling and RC drilling were slightly different, and were spread across the expected grade range of the ore forming sulphide minerals of the Rosie deposit. The main economic minerals targeted are Nickel (Ni), Copper (Cu), Cobalt (Co), Platinum (Pt) and Palladium (Pd). The nickel sulphide mineralisation observed historically at the Rosie deposit typically ranges in grade from around 0.4%-9.9% Ni and around 0.02-1.5% Cu, with around 500ppm Co and 2g/t Pt combined with Pd. • Duplicates have been taken for RC drilling using conventional cone and riffle splitters and for diamond drilling, using ¼ NQ2 core. • External laboratory (umpire) checks for 2012 have been completed on 4.8% of the total sample count. IGO protocol minimum (5%). • Total Blank count for the 2012 resource drilling is 4.0% of samples. IGO protocol minimum (5%).

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		<ul style="list-style-type: none"> Total Standard count for the 2012 resource drilling is 6.3% of samples. IGO protocol minimum (5%). Total Field Duplicates for the 2012 resource drilling is 2.6%. IGO protocol minimum (2%). Laboratory results for 2012 have been reasonably high quality, with good accuracy and minimal bias.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Duketon Mining has visually verified the significant intersections in diamond core There have been no twinned holes drilled at this point All drill holes are logged on paper logs using the company geological codes library and a detailed written description is recorded for each interval. The logs are then data entered into an excel spreadsheet before being uploaded to the database. All original paper logs are stored in the Perth Office in lever-arch folders and digital records are stored on the server. No adjustments or calibrations were made to any assay data used in this estimate All primary electromagnetic digital data were recorded with a SmarTEM24 receiver by Outer Rim Exploration. Data were electronically transferred by email to Southern Geoscience Consultants for independent evaluation and have been securely archived.
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Drillhole collars were surveyed using DGPS equipment to sub 0.5m accuracy for the Rosie resource drilling. A combination of licensed surveyors and company field technicians was used during various programs to determine accurate collar positions. Co-ordinates were surveyed in the MGA94 grid system. Dip and azimuth readings have been completed using DHA SEG Target INS– North Seeking Gyroscope for all diamond holes where possible. All gyro downhole surveys have to pass DHS internal audit by cross referencing the in-run and out-run which equates to <10m misclose between IN and OUT run over 1000m (1%). RC drilling has been surveyed approximately every 50m down hole with a Reflex EZ single shot digital camera. No local grid has been established as yet.
Data spacing	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> For the Rosie resource the contact domain was reviewed in

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and distribution	<ul style="list-style-type: none"> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<p>longitudinal projection showing the drill intercept locations. The drill spacing was variable with some well-informed areas where drill spacing was approximately 30 x 30m and some areas where the drilling spacing was in excess of 50 x 50m, to 100 x 100m in parts. The data spacing and distribution is sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and classification applied.</p> <ul style="list-style-type: none"> • All sample/intercept composites have been length and density-weighted. Most diamond core samples have measured density values assigned to them. All RC assay results were assigned a density based on a regression formula calculated from the measured density and Ni, Cu, Co and S content of the diamond core samples. Where S values were not present, a modified regression formula calculated from the measured density and Ni, Cu and Co was used.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The contact mineralisation intersected to date is sub-vertical in orientation and forms a semi-continuous sheet of mineralisation approximately 1m true width with an average grade of ~2% Ni (plus Cu, Co and PGE), with thicker accumulations in places. The mineralisation is syn-genetic and as such is not primarily structurally-controlled, however structural modification is apparent with the formation of breccia-ore. The deposit could be classified as a moderately deformed magmatic sulphide deposit. The details of the structural modification and extent of over-printing relationships are a work in progress and not well understood at this stage. The drillholes were orientated to pierce the mineralisation approximately perpendicular to the strike, at an angle of approximately 60 degrees dip, this may vary from time to time depending on the depth and amount of deviation encountered within the drillhole. Drillhole intersections through the mineralisation are suitable for resource estimation and do not introduce sampling bias.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Chain of custody was managed by Independence Group (JV partner at the time of calculation)
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No external audits or reviews have been conducted apart from internal company review. • All geophysical data collected were reviewed by independent geophysical consultants Southern Geoscience Consultants.

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		<ul style="list-style-type: none"> • Several sources of conductors in the bedrock are possible, including but not limited to: concentrations of massive sulphide, graphite, conductive clays, saline groundwater etc. • Downhole electromagnetic models of conductive sources are made from a combination of measured data and assumptions made according to industry best practice. The resultant models should therefore be considered a “best estimate” of the conductive sources, and not definitive characterization.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The reporting of historical exploration results have been limited to what is considered significant intercepts for the Nariz (Ni), Rosie (Ni), Terminator (Au) and Thompson Bore (Au) prospects. Both the Rosie and the Terminator prospects sit on M38/1252 a granted mining tenement. Thompson Bore is located on a granted exploration tenement E38/1537 • Both tenements are 100% owned by Duketon Mining Limited and are in good standing and there are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Cominco explored the area for nickel in 1966 and found nickel sulphide veinlets in ultrabasic rocks and gossanous material. INSEL explored the area between 1969 and 1973 later followed by Kennecott and Shell Minerals between 1973 and 1974 who identified high magnesium (+34%MgO) and low aluminum dunites. There was no further activity until Independence Group commenced exploration in the mid 2000 culminating in the discovery of the C2 and Rosie mineralization. South Boulder Mines discovered the Terminator gold deposit during 2009 and further delineated the Thompson Bore area following up preliminary work by Wiluna Mines.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Rosie deposit is a komatiite-hosted nickel sulphide deposit. The

Criteria	JORC Code explanation	Commentary
		<p>mineralisation is characterised by accumulations of massive, matrix, breccia and disseminated Ni-Cu-PGE magmatic sulphides at the basal contact of a komatiite ultramafic rock, overlying a mafic pillow basalt footwall +/- fine grained siltstone sediments which may also contain sulphides in varying amounts.</p> <ul style="list-style-type: none"> The gold mineralization is a combination of narrow high grade and wide low grade mineralization usually located within shear zones along the contact between ultramafic and variably basaltic or felsic contacts.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	<ul style="list-style-type: none"> All significant intersections for Rosie, C2, Nariz, Terminator and Thompson Bore are tabulated in the attached table. For Terminator and Thompson Bore only the intersections that have greater than 0.5 g/t Au with a maximum internal waste of 2 meters are considered material. For Rosie only intersections that have greater than 0.1%Ni, no upper cut, maximum internal waste of 2 meters and only 0.5%Ni plus intercepts are reported.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No length weighting has been applied due to the nature of the sampling technique. No top-cuts have been applied. Not applicable for the sampling method used No metal equivalent values have been used for reporting of results
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Rosie mineralization is sub, vertical and strikes approximately north, north west-south, south east. All significant intercepts are down hole lengths and true width are not calculated. Nariz appears to be steeply dipping to the south and strikes east-west. All significant intercepts are down hole and true widths are not calculated. Terminator mineralization is sub vertical and strikes approximately north, north west-south, south east. All significant intercepts are down hole lengths and true width are not calculated.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Thompson Bore mineralization is sub vertical. All significant intercepts are down hole lengths and true width are not calculated.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Refer to figures in document.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All significant results above the stated reporting criteria have been reported regardless of the width or grade.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Refer to document.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further work for Rosie will be focused on the metallurgical components and defining possible mineralisation along strike. RC drilling will be completed to further delineate the nature and extent of the Terminator and Thompson Bore prospects. Further work at Nariz will be focused on expanding the known extents and nature of mineralisation.

