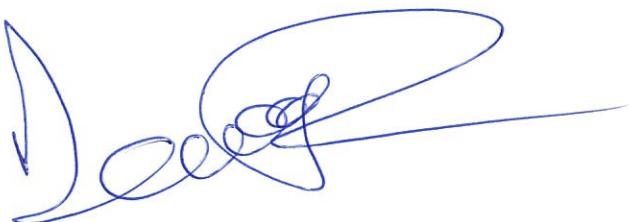


**DUKETON MINING LIMITED
ACN 159 084 107**

PROSPECTUS

For an Offer of 1 New Share for every 2 Shares held by way of a non-renounceable pro-rata Rights Issue at a price of \$0.10 each to raise up to \$1,584,160.40.

A handwritten blue signature, likely belonging to a director or representative of Duketon Mining Limited, is placed here.

Underwriter: Silver Sino Holdings Limited

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered highly speculative.

DUKETON MINING LIMITED
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DUKETON MINING LIMITED
IMPORTANT NOTICE

IMPORTANT NOTICE

This Prospectus is dated 20 May 2013 and was lodged with the ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is at 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC ("Expiry Date"). No Shares may be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus will be issued in paper form and as an electronic Prospectus which may be viewed online at www.duketonmining.com.au. Persons who access the electronic form of this Prospectus must ensure they download and read the entire Prospectus. The offer of New Shares pursuant to this Prospectus is available only to Shareholders of the Company as at the Record Date and who are resident in Australia or Hong Kong.

No person or entity is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. Return of a duly completed Entitlement and Acceptance Form or payment in accordance with such form will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in section 13 (Glossary) of this Prospectus and also within its body.

All amounts are in Australian dollars unless otherwise specified.

As the Offer is non-renounceable you are unable to sell or transfer your Entitlement.

RISKS

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for New Shares. There are risks associated with an investment in the Company and the New Shares offered under this Prospectus must be regarded as a speculative investment. The New Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the New Shares. Refer to Section 5 of this Prospectus for details relating to risk factors.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Shareholders should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for New Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

DUKETON MINING LIMITED CORPORATE DIRECTORY

1. Corporate Directory

| | | |
|--|--|--|
| DIRECTORS Seamus Cornelius Dennis Wilkins Mark Gunther | Non-Executive Chairman Non-Executive Director Executive Director | REGISTERED OFFICE Ground Floor 20 Kings Park Road West Perth WA 6005 |
| COMPANY SECRETARY Dennis Wilkins | | Website : www.duketonmining.com.au Email: info@duketonmining.com.au Tel: +61 8 9389 2111 Fax: +61 8 9389 2199 |
| CORPORATE ADVISOR DWCorporate Pty Ltd Ground Floor, 20 Kings Park Road West Perth WA 6005 Email: dw@dwc corporate.com Tel: +61 8 9389 2111 Fax: +61 8 9389 2199 | | SHARE REGISTRY Security Transfer Registrars Pty Ltd* 770 Canning Highway Applecross WA 6153 Email: registrar@securitytransfer.com.au Tel: +61 8 9315 2333 Fax: +61 8 9315 2233 |
| INVESTIGATING ACCOUNTANT Rothsay Consulting Services Pty Ltd Level 18, Central Park Building 152 – 158 St Georges Tce Perth, WA 6000 Email: swan2000@bigpond.com Tel: +61 8 6364 5076 | | AUDITOR Rothsay Chartered Accountants* Level 18, Central Park Building 152 – 158 St Georges Tce Perth, WA 6000 Email: info@rothsay.com.au Tel: +61 8 6364 5076 |
| INDEPENDENT GEOLOGIST Malcolm Castle P.O. Box 473 South Perth WA 6951 Email: mcastle@castleconsulting.com.au <u>Tel:</u> +61 8 9474 9351 | | SOLICITORS Kings Park Corporate Lawyers Suite 8, 8 Clive Street West Perth, WA 6005 Email: info@kingsparkcorporate.com.au Tel: +61 8 9420 0000 Fax: +61 8 9226 5821 |
| UNDERWRITER Silver Sino Holdings Limited Suite 1, 8th Floor 10 Ice House Street Central, Hong Kong Email: tempio@biznetvigator.com | | *These parties are included for information purposes only. They have not been involved in the preparation of the Prospectus. |

DUKETON MINING LIMITED
KEY INFORMATION AND INVESTMENT OVERVIEW

2. Key Information and Investment Overview

2.1 Key Investment Highlights

- The flagship Duketon Project is a large strategic tenement holding over a greenstone belt within the Eastern Yilgarn Mineral Province, Western Australia.
- Recent gold and nickel discoveries within the Laverton Granite-Greenstone Terrain highlights potential for success of a well-funded, focussed, efficient and effective Duketon exploration effort.
- Duketon tenure abuts and is along strike of Regis Resources' landholding (further details provided in section 4.3 of this Prospectus).
- Broad shallow and deep narrow ore-grade intercepts highlights the Duketon Project's potential for hosting shallow, oxide open cut and narrow high-grade, underground gold deposits.
- The North-Eastern Goldfields offer highly favourable exploration and mining infrastructure and services, community acceptance and political stability.
- The Company is well leveraged with interest in an array of projects outside of the Duketon Belt and equity in other resource companies.
- The management team has a diversified spread of professional attributes and extensive experience in mineral and resource exploration in Australia and abroad.
- The Company is not seeking admission to ASX and there will not be a ready market for Shares offered under this Prospectus. In addition, as a junior exploration company, an investment in Duketon is highly speculative and subject to various risks including exploration and funding risks.

Note: further details of the Projects are provided in the Independent Geologist's Report in section 9 of this Prospectus.

2.2 Important Dates

| | |
|---------------------------------------|--------------------------------------|
| Lodgement of Prospectus with the ASIC | 20 May 2013 |
| Record Date | 20 May 2013 |
| Opening Date | 28 May 2013 |
| Closing Date | 21 June 2013 |
| Allotment and Issue of New Shares | Within 7 days of Closing Date |
| Despatch of Holding Statements | Within 7 days of Allotment and Issue |

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date without notice. The Directors also reserve the right not to proceed with the whole or part of the Offer any time prior to allotment. In that event, the relevant Application Money will be returned in full without interest.

2.3 Offer Statistics and Pro Forma Capital Structure

Offer Price: 10 cents per Share

DUKETON MINING LIMITED
KEY INFORMATION AND INVESTMENT OVERVIEW

| | Full Subscription | % |
|---|--------------------------|------|
| Number of Shares currently on issue | 31,683,208 | 66% |
| Number of New Shares available under the Prospectus | 15,841,604 | 33% |
| Total number of Shares on issue following the Offer (excluding exercise of Options) noting that the Offer is fully underwritten | 47,524,812 | 100% |
| Total proceeds from the Offer (before costs) | \$1,584,160.40 | |

| Options | Number | % |
|--|---------------|------|
| Options on issue as at the date of this Prospectus | 8,250,000 | 100% |

2.4 Investment Overview

This information is a selective overview only. Investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding whether to apply for New Shares.

| Question | Response | Further Information |
|--|---|----------------------------|
| Who is issuing this Prospectus? | Duketon Mining Limited – ACN 159 084 107 ("Duketon Mining" or the " Company ") | |
| Who is Duketon Mining and what does it do? | <p>Duketon Mining was originally a wholly-owned subsidiary of South Boulder Mines Limited ("South Boulder") and holds, or has interests in gold and nickel projects in Western Australia.</p> <p>South Boulder obtained shareholder approval to demerge the assets held through Duketon Mining by undertaking an in-specie distribution of 31,683,208 Duketon Mining Shares to eligible South Boulder Shareholders. The distribution of Duketon Mining Shares to eligible South Boulder Shareholders was effected on 15 April 2013.</p> <p>The Company holds Tenements in its own right and also has an interest in a number of Tenements through joint venture agreements.</p> <p>The Company's Projects include the following:</p> <ul style="list-style-type: none"> • Duketon Project, Western Australia; • Lake Disappointment Project, Western Australia; • Lake Burnside Project, Western Australia; • Diorite Hill Project, Western Australia; • Lake Lefroy Project, Western Australia; • Cutters Luck Project, Western Australia; • Cardabia Project, Western Australia; • Pilgangoora Project, Western Australia; • Western Shaw Project, Western Australia. | Section 4 and Section 9 |

DUKETON MINING LIMITED
KEY INFORMATION AND INVESTMENT OVERVIEW

| Question | Response | Further Information |
|---|---|---------------------|
| | Investors should refer to the Independent Geologist's Report and the Solicitor's Report on Tenements for further details. | |
| What are the benefits of investing in the Company? | <p>The benefits of investing in the Company include:</p> <ul style="list-style-type: none"> • Exposure to a large tenement package which has been subject to historical exploration including the flagship Duketon Project which comprises a large contiguous landholding over the prospective Duketon Greenstone Belt, further details of which are provided in the Independent Geologist's Report in section 9 of this Prospectus; and • the Board is a highly experienced and capable management and technical team. | Section 2.1 |
| What is the Business Model? | <p>The Company's business model is to undertake geological exploration programs on its mineral interests in order to provide a greater understanding of the geological setting which should lead to increased predictability of the presence of precious minerals. This should then allow the Company to accurately quantify the extent of mineral occurrences existing on its mineral properties.</p> | Section 4 |
| What are the key risks of investing in the Company? | <p>The risks associated with an investment in the Company are set out in Section 5 (Risk Factors) of this Prospectus.</p> <p>A summary of some of the key risks include:</p> <ul style="list-style-type: none"> • Duketon is a public unlisted company. The New Shares will not be quoted on ASX. Therefore, there will not be a ready market in which to buy and sell such securities. • There are risks associated with investing in exploration companies. There can be no guarantee of exploration success or of profitable development of any discovery or currently known deposit. • Tenure and access to Tenements are not guaranteed, in particular, the Company has several pending applications for mining Tenements with no guarantee as to whether they will be granted. • Exploration is a high risk undertaking and there can be no assurance that the Company's activities will result in the delineation or discovery of a mineral resource and, if delineated or discovered, that it can be economically exploited; • the Company's exploration and development programs may take longer and be more costly than budgeted; • falling commodity, and general market prices; and • the Company may require additional capital which may be unobtainable or obtainable only on terms adverse to the Company. | Section 5 |
| Is there an Independent Technical Report by a | <p>The Company engaged Malcolm Castle to prepare an Independent Geologist's Report on the Company's Projects. This report provides information on:</p> | Section 9 |

DUKETON MINING LIMITED
KEY INFORMATION AND INVESTMENT OVERVIEW

| Question | Response | Further Information |
|--|--|--|
| geologist? | <ul style="list-style-type: none"> the location of the Projects; the geology, mineralisation and exploration history for each of the Projects; and the Company's development and exploration strategy and budget. | |
| Is there a report on the Tenements? | The Company engaged Kings Park Corporate Lawyers to prepare a report on the Company's Tenements. This report provides information on the Tenements, relevant law and native title. | Section 10 |
| What is the financial position of the Company? | <p>Duketon Mining was formed on 20 June 2012 and hence has limited financial history.</p> <p>This Prospectus contains financial information including a pro forma statement of financial position which is set out in the Investigating Accountant's Report.</p> <p>The Prospectus also contains information on how the Company intends to spend the money it raises under this Prospectus. Refer to the Work Program and Budget in Section 4.4.</p> | Section 8 Section 4.4 |
| Who are the Directors of the Company? | <p>The Directors of the Company are:</p> <ul style="list-style-type: none"> Seamus Cornelius, non-executive Chairman; Dennis Wilkins, non-executive Director and Company Secretary; and Mark Gunther, executive Director and Chief Executive Officer. <p>For further information on the Directors, previous employment history and qualifications please refer to Section 7.</p> | Section 7 |
| What benefits are being paid to Directors? | Mr Gunther is the only director currently paid for his services to the Company. He has entered into an executive services letter agreement with the Company in relation to the performance of his duties as executive director and chief executive officer and will receive \$2,115.39 per week exclusive of statutory superannuation for a 2.5 day working week. This is based on a full time rate of \$220,000 per annum (pro rata for 2.5 days per week). For further information on the Directors' interests, please refer to Sections 6 and 11.5. | Sections 6, 7, 11.3, 11.4 & 11.5 |
| What benefits are being paid to other persons? | The Company will pay various service providers who have assisted with the preparation of the documentation required to enable the Company to prepare this Prospectus. These persons will include the underwriter, accountants, solicitors and the corporate advisor. Full details of the amounts paid, or to be paid, are included at section 11.7. | Section 11.7 |
| What important contracts has the Company | <p>The Company is a party to the following material contracts, summaries of which are included in Section 6 of this Prospectus:</p> <ul style="list-style-type: none"> Asset Sale Agreement – Duketon Divestment; | Section 6 |

DUKETON MINING LIMITED
KEY INFORMATION AND INVESTMENT OVERVIEW

| Question | Response | Further Information |
|---|--|---------------------------------|
| entered into? | <ul style="list-style-type: none"> • Duketon Nickel Farmin and Joint Venture Agreement; • Duketon South West Royalty Deed; • Duketon West Royalty Deed; • Wedgetail Royalty Deed (Johnson); • Wedgetail Royalty Agreement (Hootanui); • East Pilbara Project Agreement (Western Shaw); • Joint Venture Agreement (Strata Minerals); • Heads of Agreement (East Pilbara Project); • Pilgangoora Farmin and Joint Venture Agreement; • East Kimberley Purchase Agreement (Lithex); • Executive Director Letter Agreement (Mark Gunther); • Non-executive Director Service Agreements; and • Underwriting Agreement. | |
| What is being offered and what rights and liabilities are attached to the Shares? | <p>The Company is offering 15,841,604 New Shares at \$0.10 each to raise up to \$1,584,160.40 (before costs of the Offer) by way of a Rights Issue to all Shareholders to subscribe for 1 New Share for every 2 Shares held as at the Record Date.</p> <p>Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares regardless of their present holding.</p> <p>The rights and liabilities attaching to the New Shares are described at section 11.1 this Prospectus.</p> | Section 3.1 Section 11.1 |
| What are the objectives of the Offer and how will the funds raised be used? | <p>The objectives of the Offer are to:</p> <ul style="list-style-type: none"> • fund a one year program of up to \$2,000,000 (including current cash reserves) to explore and develop the Company's Projects; • provide general working capital of up to \$239,160.40; • fund corporate administration costs of up to \$250,000 for one year; and • pay the costs of the Offer process of approximately \$95,000. <p>This is a statement of the Company's intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis.</p> | Section 3.4 and 4.4 |
| Is the Offer underwritten? | <p>The Offer is fully underwritten. Silver Sino Holdings Limited has been appointed as the underwriter for this Offer. Assuming no Shares are issued to Shareholders under the Offer and Silver Sino Holdings Limited does not place shortfall with third parties, its maximum voting power following the Offer will be 33.33%.</p> | Sections 3.13 and 6 |
| Will the Company pay dividends? | <p>Payment of future dividends will depend on matters such as the future profitability and financial position of the Company. The Directors intend to give priority to the development of the Company's assets. Accordingly, the Directors do not anticipate</p> | |

DUKETON MINING LIMITED
KEY INFORMATION AND INVESTMENT OVERVIEW

| Question | Response | Further Information |
|--|--|---------------------------------|
| | paying any dividends in the short term. | |
| Will the New Shares be quoted? | No. | Section 3.11 |
| How do I apply for New Shares under the Offer? | Applications can be made by completing a personalised Entitlement and Acceptance Form and sending it to the Company's share registry, Security Transfer Registrars Pty Ltd, or by making payment using BPay as shown on the Entitlement and Acceptance Form. | Entitlement and Acceptance Form |
| When will I know if my Application was successful? | A holding statement confirming your allocation under the Offer will be sent to you following you taking up all or part of your Entitlement. If you apply for Additional New Shares then the same holding statement will confirm if your Application has been successful. Holding statements are expected to be issued within 7 days of the allotment and issue of New Shares under the Rights Issue. | |
| How can I obtain further advice? | Given the speculative nature of an investment in the Company, you should speak to your accountant, stockbroker or other professional advisor. If you require assistance or additional copies of this Prospectus, please contact the Company Secretary on (08) 9389 2111. | |
| Contact details | For further details, see the Corporate Directory at the beginning of this Prospectus. | Section 1 |

DUKETON MINING LIMITED
DETAILS OF THE OFFER

3. Details of the Offer

3.1 New Shares Offered for Subscription

This Prospectus offers Eligible Shareholders the right to subscribe via a non-renounceable pro rata Rights Issue for a total of 15,841,604 New Shares at an issue price of \$0.10 per Share to raise \$1,584,160.40 (“**Full Subscription**”), before expenses of the Offer.

Entitlements not taken up become available as Additional New Shares. Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares regardless of their present holding. The Company in its absolute discretion may allot Additional New Shares.

It is an express term of the Offer that applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for. If a lesser number is allocated to them then excess Application Money will be refunded without interest.

If any shortfall remains after the allocation of any Additional New Shares to Eligible Shareholders as described above, the Shortfall will be dealt with by the Underwriter in accordance with the terms of the Underwriting Agreement.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

3.2 Action Required by Eligible Shareholders

The number of New Shares to which Eligible Shareholders are entitled (your “**Entitlement**”) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder you may:

- take up all of your Entitlement (refer to Section 3.2(a));
- apply for Additional New Shares (refer to Section 3.2(b));
- take up part of your Entitlement and allow the balance to lapse (refer to Section 3.2(c)); or
- allow all of your Entitlement to lapse (refer to Section 3.2(d)).

(a) Taking Up All of Your Entitlement

If you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in that form.

You should then forward your completed Entitlement and Acceptance Form together with your Application Money to reach the Company’s Share Registry no later than the Closing Date.

Alternatively, you may effect payment for your full Entitlement by using the BPAY payment method in accordance with the instructions set out in the accompanying Entitlement and Acceptance Form, in which case no Entitlement and Acceptance Form need be forwarded to the Company’s Share Registry by the Closing Date.

DUKETON MINING LIMITED
DETAILS OF THE OFFER

(b) Applications for Additional Shares

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares as described in Section 3.1. The number of Additional New Shares you wish to apply for must be specified in the accompanying Entitlement and Acceptance Form.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Shares you wish to apply for as stated in the Entitlement and Acceptance Form. You should then forward your completed Entitlement and Acceptance Form together with your Application Money to reach the Company's Share Registry no later than the Closing Date.

Alternatively, you may effect payment for your full Entitlement and Additional New Shares by using the BPay payment method in accordance with the instructions set out in the accompanying Entitlement and Acceptance Form, in which case no Entitlement and Acceptance Form need be forwarded to the Company's Share Registry by the Closing Date.

(c) Taking Up Part of Your Entitlement and Allowing the balance to Lapse

If you wish to take up only part of your Entitlement, complete the accompanying Entitlement and Acceptance Form for the number of New Shares you wish to take up and then follow the same steps as in Section 3.2(a).

(d) Allow All of Your Entitlement to Lapse

If you do not wish to take up any portion of your Entitlement then you should take no further action upon receipt of this Prospectus.

3.3 Effect of the Offer on the control of the Company

The potential effect the Offer will have on the control of the Company is as follows:

- if all Eligible Shareholders take up their Entitlement, each Eligible Shareholder's percentage interest in the total issued shares of the Company will remain the same and will not be diluted;
- if some but not all Eligible Shareholders take up their Entitlement, and the Shortfall is taken up under the Underwriting Agreement, the percentage interest in the total issued Shares of each Eligible Shareholder who does not take up their Entitlement will be diluted and the percentage interest of the total issued Shares of each Eligible Shareholder who does take up their Entitlement will remain the same. The precise level of change in the percentage interests will depend on the take-up of Entitlements; and
- the Underwriter presently does not have a relevant interest in any Shares in the Company. However, the extent to which Shares are issued pursuant to the underwriting may increase the Underwriter's voting power in the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that the Underwriter takes up all Shortfall Shares under each scenario.

| Event | Shares held by Underwriter | Voting power of Underwriter |
|-------------------------|----------------------------|-----------------------------|
| Date of Prospectus | Nil | None |
| Completion of the Offer | | |
| • Fully subscribed | Nil | None |
| • 75% subscribed | 3,960,401 | 8.33% |
| • 50% subscribed | 7,920,802 | 16.67% |

DUKETON MINING LIMITED
DETAILS OF THE OFFER

| | | |
|------------------------------|------------|--------|
| • 25% subscribed | 11,881,203 | 25% |
| • No take up under the Offer | 15,841,604 | 33.33% |

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders, other than the Underwriter, will take up Entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by Shareholders.

The Underwriter may enter into sub-underwriting agreements pursuant to which its obligations to subscribe for the Shortfall may be allocated to various unrelated third parties, none of whom may acquire a voting power of 20% or more in the Company following the Offer.

3.4 Use of Funds

The Company intends to apply the funds raised from the Offer together with the Company's existing cash resources as follows:

| Use of Funds over 1 year | Full subscription \$1,584,160.40 |
|---|---|
| Pre-Offer cash and receivables | \$1,000,000 |
| Total raised in the Offer | \$1,584,160.40 |
| Total Funds Available | \$2,584,160.40 |
| Exploration Expenditure – Year 1 | |
| • Duketon | \$1,940,000 |
| • Lake Lefroy | \$35,000 |
| • Cutters Luck | \$25,000 |
| Total Exploration Expenditure | \$2,000,000 |
| Expenses of the offer | \$95,000 |
| Administration | \$250,000 |
| Unallocated working capital | \$239,160.40 |
| Total Funds Applied | \$2,584,160.40 |

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities, the results obtained from exploration and other factors (including some or all of the risk factors outlined in Section 5 of this Prospectus).

Additional details regarding the Company's budget and strategy can be found in the project overview in section 4.3 of this Prospectus.

3.5 Capital Adequacy

The Directors are satisfied that the Company will have sufficient working capital to meet its stated objectives, including implementation of its exploration in full as described above. The Company has budgeted on the basis of its exploration and development programs operating over 12 months.

DUKETON MINING LIMITED
DETAILS OF THE OFFER

3.6 How to Apply

Applications for Shares under the Offer can only be made on the personalised Entitlement and Acceptance Form attached to this Prospectus.

Completed Entitlement and Acceptance Forms and accompanying cheques should, at any time after the Opening Date but before 5.00pm (WST) on the Closing Date be delivered to:

Duketon Mining Limited

c/- Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

or mailed to:

Duketon Mining Limited

c/- Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Cheques should be made payable to "Duketon Mining Limited – Rights Issue Account" and crossed "Not Negotiable". Completed Entitlement and Acceptance Forms must reach one of the above addresses by no later than the Closing Date.

3.7 Electronic Prospectus

This Prospectus is available on-line at www.duketonmining.com.au.

3.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the New Shares or the Offer or otherwise permit an offering of the New Shares in any jurisdiction outside Australia.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of the New Shares pursuant to this Prospectus. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

3.9 Offers to Shareholders resident in Hong Kong

The Offer of New Shares under this Prospectus is made to Eligible Shareholders with a registered address in Hong Kong on the basis that such offer (i) does not constitute, or forms part of, an offer to the public within the meaning of the Companies Ordinance (Cap. 32 of the laws of Hong Kong), and (ii) does not result in this Prospectus or any other documents issued by Duketon in connection with the Offer constituting a "Prospectus" within the meaning of the Companies Ordinance (Cap. 32 of the laws of Hong Kong) under any circumstances. No advertisement, invitation or document relating to the New Shares may be issued or may be in the possession of any person for the purpose of issue (in each case, whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong)

DUKETON MINING LIMITED
DETAILS OF THE OFFER

other than with respect to securities which are or are intended to be sold or otherwise disposed of only to persons outside Hong Kong or only to "Professional Investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made thereunder.

3.10 Allotment and Allocation of New Shares

The allotment of New Shares offered by this Prospectus will take place as soon as practicable after the Closing Date, following which statements of shareholding will be dispatched. It is your responsibility to determine the number of New Shares allotted to you. All Eligible Shareholders will receive the New Shares they apply for in accordance with this Prospectus.

Pending the issue of the New Shares, or return of the Application Monies, the Application Monies shall be held by the Company on trust.

The Directors have the right to allocate Additional New Shares under the Offer. The Company may reject any Application or allocate fewer Additional New Shares than applied for by you under the Offer.

If an Application for Additional New Shares is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on any Application Monies refunded.

3.11 ASX Listing

Duketon Mining is presently a public unlisted company. The New Shares will not be quoted on ASX. Therefore, there will not be a ready market in which to buy and sell such securities.

3.12 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who take up their Entitlement to New Shares.

3.13 Underwriter

The Offer is fully underwritten. The Company has appointed Silver Sino Holdings Limited as the Underwriter to the Offer. The terms of the Underwriter's engagement are outlined in Section 6 of the Prospectus.

The effect of the underwriting on control of the Company is set out in section 3.3.

3.14 South Boulder In-specie Distribution

On 30 November 2012, South Boulder Shareholders authorised the Directors to effect a reduction in capital by way of an in-specie distribution and transfer of 31,683,208 Duketon Mining Shares to South Boulder Shareholders registered as at the Record Date of 12 April 2013 on a pro rata basis. The Directors of South Boulder have subsequently authorised this in-specie distribution and the transfer which was completed on 15 April 2013.

Due to rounding, 1,617 Shares in Duketon Mining have remained with South Boulder.

3.15 Forecast Financial Information

Given the speculative nature of mineral exploration and development, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. On this basis and after considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared and accordingly have not included financial forecasts in this Prospectus.

3.16 Privacy Statement

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended) and the Corporations Act. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

3.17 Queries

This Prospectus provides information for existing Shareholders in Duketon Mining, and should be read in its entirety. Any queries regarding the Offer should be directed to Mr Dennis Wilkins, Company Secretary on +61 8 9389 2111.

Any queries regarding the Entitlement and Acceptance Form should be directed to Security Transfer Registrars Pty Ltd on 8 9315 2333.

4. Company and Project Overview

4.1 Company Background

The Company was incorporated on 20 June 2012 in the State of Western Australia as a wholly owned subsidiary of South Boulder.

On 30 November 2012, South Boulder obtained South Boulder Shareholders' approval to demerge its Australian assets now held through Duketon Mining by undertaking an in-specie distribution of 31,683,208 Duketon Mining Shares to eligible South Boulder Shareholders, with the record date being 12 April 2013. The in-specie distribution was effected on 15 April 2013.

4.2 Corporate Strategy and Objectives

Duketon's strategy is to grow shareholder value through the successful identification, exploration and subsequent definition and development of significant mineral resources.

Key objectives are:

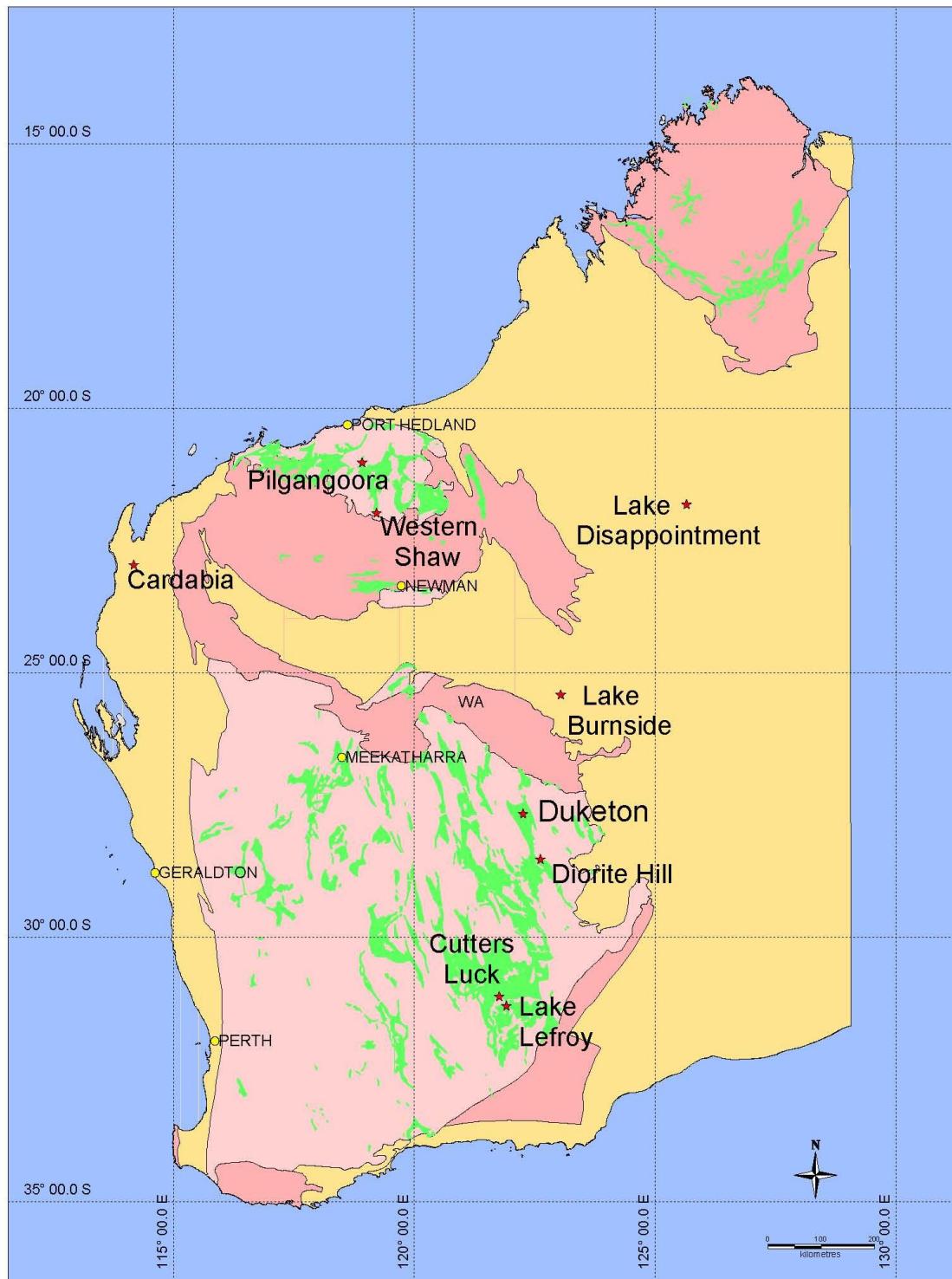
- immediate focus on increasing shareholder value through successful exploration for high value commodities of gold and nickel within the Duketon Greenstone Belt;
- maintain and continue to invest in other resource industry based growth opportunities outside of the Duketon Greenstone Belt;
- utilise the Company's extensive in-house experience to efficiently and effectively apply good science to the discovery, definition and development of mineral resources;
- effective expenditure of shareholder's funds with the goal of ultimately returning value to shareholders;
- work safely and minimise environmental impact; and
- respect the rights of all stakeholders and work to improve local conditions within the Company's capacities.

4.3 Projects Overview

This section contains a brief summary of the Company's projects. Potential investors are referred to the Independent Geologist's Report in Section 9 of this Prospectus, where the projects and intended exploration programs are described in more detail.

Duketon's projects are all located within Western Australia as shown in the Figure below. Projects are prospective for a range of commodities including gold, nickel, platinoids, phosphates and pegmatitic related mineralisation (i.e. tin, tantalum and lithium). The majority of projects are held 100% by Duketon particularly those prospective for gold and nickel with the remainder either a minority interest or selective mineral rights only.

DUKETON MINING LIMITED COMPANY AND PROJECT OVERVIEW



Location of Duketon Mining Limited's Projects

The Directors consider that the Company's prospective ground holding, experienced management team, backed by funding achieved from this Prospectus, will give opportunity to increase shareholder wealth.

DUKETON MINING LIMITED COMPANY AND PROJECT OVERVIEW

DUKETON PROJECT, WESTERN AUSTRALIA

The Duketon Project lies 80 km north of Laverton, consisting of a large contiguous landholding over the well-known Duketon Greenstone Belt, Western Australia. . The Company currently holds 928 km² under granted tenure and a further 1344 km² under application of which 1138km² is potentially available for grant.

The Duketon Greenstone Belt lies within the Eastern Goldfields Province of the Archean Yilgarn Craton. The Eastern Goldfields is a world class mineral province containing numerous multi-million ounce gold and high-grade nickel sulphide deposits. Structures and rock types prospective for hosting Archean orogenic-gold and komatiitic nickel sulphide deposits are contained within the project area. In addition to prospectivity, the Eastern Goldfields is a favourable location with established infrastructure and mining services.

Historically there has been exploration and relatively small scale gold mining within the Duketon Belt particularly from the late 1800's to early 1900's, nickel exploration in 1960's & 70's then dominantly gold from mid-1980's through to present. Despite this historical exploration much of the Duketon Project remains under or ineffectively explored. This is due to a history of dominantly fragmented, small landholdings and lack of an advance understanding of exploring in areas of surficial cover and regolith weathering.

A majority of the Duketon Belt is covered by recent surface sediments or lateritic rock units plus underlying bedrock has frequently been subjected to deep weathering.

Regis Resources Ltd's success in the Duketon Belt since the early 2000's with the discovery of several multi-million ounce gold deposits and a current resource inventory of 7.65 Moz @ 1.06 g/t Au (ASX, RRL, 18th January 2013) is testimony to its under and ineffectively explored nature.

The Company had a nickel joint venture over several tenements with Independence Group NL (**IGO**) (refer to Section 6 of this Prospectus for a summary of the joint venture agreement). IGO was successful in identifying nickel sulphide mineralisation at an area called the Bulge. The Bulge is a folded sequence or complex of ultramafic rocks within the Duketon Greenstone Belt, Laverton Terraine.

Nickel mineralisation has been delineated at both the Rosie and C2 prospects with a resource of 1.7 Mt @ 1.7% Ni for 29,800t of contained metal being estimated at Rosie. Nickel exploration has not been constrained to the JV tenure, but with historical production at Windarra plus recent discoveries by Rox Resources at Camelwood (ASX, RXL, 29 April 2013) all within ultramafic rock units of the Laverton Terraine. Further exploration is warranted on the ultramafic sequences within the Duketon Project.

Recent exploration by South Boulder and IGO has intercepted both shallow, broad oxide and narrow high-grade primary gold mineralisation at the Terminator Prospect. Intercepts include:

- 13 metres @ 1.5 g/t Au from surface followed by 10m @ 2.0 g/t Au from 30m and 4m @ 12.0 g/t Au from 33m (TBAC111) including 1 m @ 29.0 g/t; and
- 3.8 metres @ 37.2 g/t Au from 218 metres (TBDD126) including 0.85 metres @ 164 g/t Au.

Note: Details of the above quoted resource and intercepts are given in the Independent Geologist's Report in Section 9 of this Prospectus.

Further drill hole intercepts of anomalous gold, worthy of follow up, have also been returned from other prospects throughout the project area such as Thompson Bore, Mc Kenzie Well, Henry's Bore, Golden Star, Sweet Nell, & Matt's Bore Prospects.

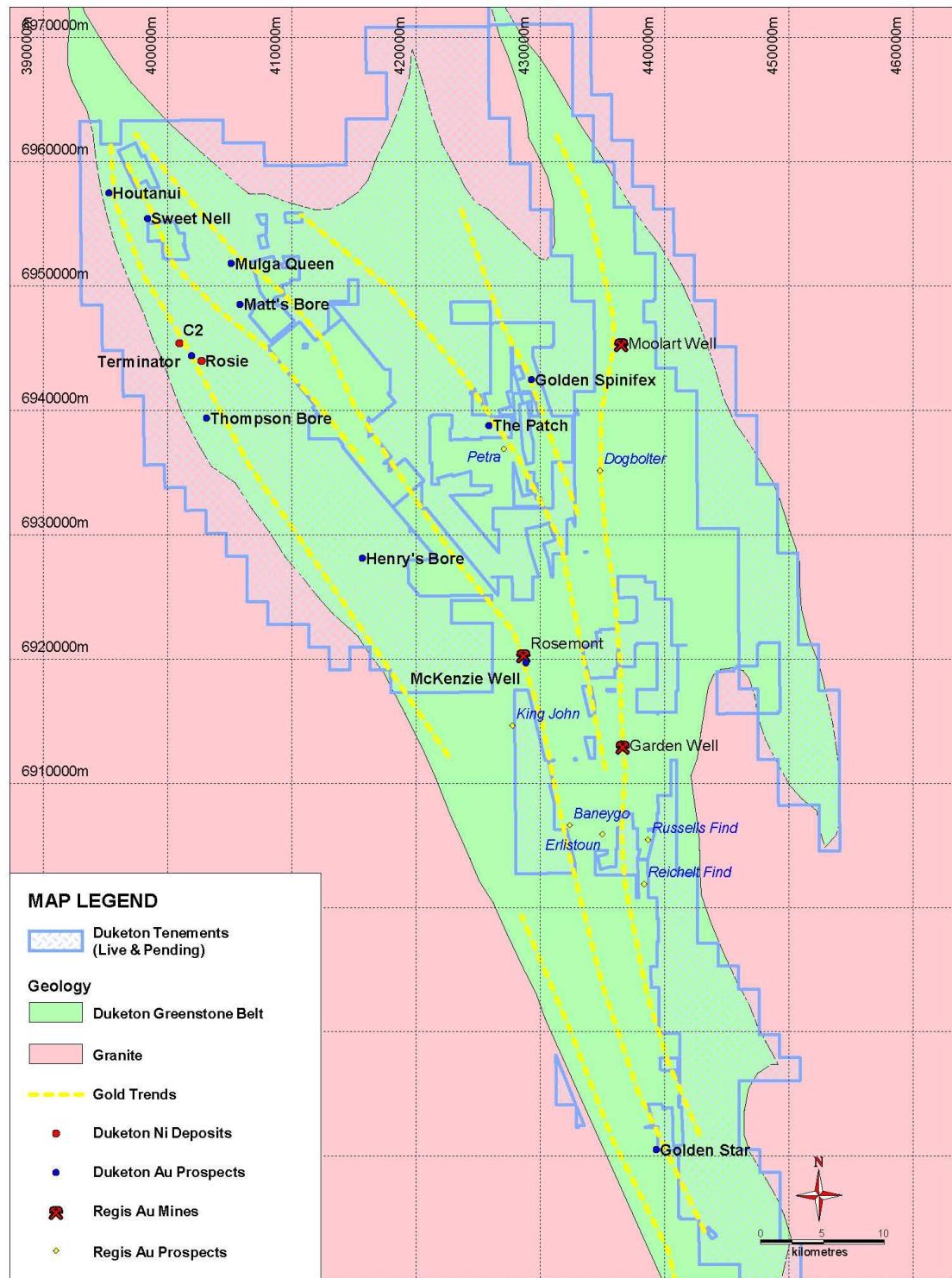
In addition to these prospects, the Company holds ground over portions of at least seven recognisable district scale, gold endowed trends or zones within the Duketon Greenstone Belt (i.e. Moolart – Garden Well, Baneygo-Rosemont-Mulga Queen, Hootanui Terminator, Sweet Nell, The Patch and Golden

DUKETON MINING LIMITED
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Spinex Trends). A significant portion of the Company's ground holding over these prospective Trends require effective first pass geochemical RAB/AC drill testing.

Funds raised from the South Boulder asset sale (further details provided in the Investment Overview Section 2.4 and Material Contracts Section 6 of this Prospectus) and this Rights Issue will be used to undertake systematic, efficient and effective exploration. Planned exploration programs will include further processing and evaluating of geophysical data for nickel targeting and drilling ranging from initial broad spaced RAB/AC through to precise diamond core for both nickel and gold.

DUKETON MINING LIMITED COMPANY AND PROJECT OVERVIEW



Mineral Deposits and Prospects of the Duketon Greenstone Belt

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LAKE LEFROY AND CUTTER'S LUCK PROJECTS, WESTERN AUSTRALIA

Both projects are located between Kalgoorlie and Kambalda in the Eastern Goldfields of Western Australia. These projects each comprise a granted exploration licence over greenstone rock sequences within the Kalgoorlie Terrane. Greenstones of the Kalgoorlie Terrane are the most gold and nickel endowed rocks within the Archean Yilgarn Province of Western Australian which makes them some of the most mineral endowed rocks in the world.

Company exploration at these projects is at the early stage of data acquisition, compilation and evaluation (i.e. desk top studies). The litho-structural settings of these projects are prospective for both gold and nickel.

DIORITE HILL PROJECT, WESTERN AUSTRALIA

Diorite Hill is located approximately 20 km east of Laverton. This project consists of one exploration licence application over the eastern margin of the Merolia Greenstone Belt. The Merolia Belt lies immediately south of the Duketon Greenstone Belt. The licence covers the major portion of a large layered mafic-ultramafic intrusive sill complex. Previous exploration at the Diorite Hill sill complex has identified platinoid, nickel and gold mineralisation. Further work following up on this anomalous will be undertaken once tenure has been granted.

LAKES PROJECTS, WESTERN AUSTRALIA

The Lakes projects comprise of the Lake Disappointment and Lake Burnside Projects. Both are exploration licence applications located in the remote Little Sandy Desert. Both areas have been selected as they cover portions of potential potassium hosting playa, salt lake environments. Reward Minerals has defined a SOP (Sulphate of potassium) deposit within tenure that abuts the Lake Disappointment tenement. No work is planned until the tenure is granted.

MINORITY INTEREST PROJECTS, WESTERN AUSTRALIA

Duketon holds a minority interest in the **Cardabia** (20%) and **Pilgangoora** (10%) Projects with a free carry to a bankable feasibility stage (further details of which are provided in the Independent Geologist's Report in Section 9). Cardabia is located approximately 200km north-northeast from Carnarvon. This project is prospective for phosphate and base metals and managed by Strata Minerals Incorporated. Work by CRA Exploration during the late 1980's to early 1990's identifies phosphate mineralisation in the area with coarse grain material from surface sampling, air core drill hole sampling and costean channel sampling returning contents averaging 15-31% P_2O_5 .

Pilgangoora lies approximately 80km south-southeast of the coastal town of Port Headland and is prospective for gold, nickel and pegmatitic related mineralisation. The project is managed by Lithex Resources Limited. Duketon also retains the tin, tantalum and lithium rights within the **Western Shaw** Project. This project also lies in the Northern Pilbara and is managed by Atlas Iron Limited.

4.4 Work Program and Budget

The Company intends to fund its exploration and evaluation from the proceeds of the Offer together with current working capital, as outlined below. The budgets will be subject to re-assessment and modification on an ongoing basis depending on results. The following work programme and budget is initially proposed:

**DUKETON MINING LIMITED
COMPANY AND PROJECT OVERVIEW**

| | Year 1 \$ |
|---|----------------------|
| Data compilation, acquisition & evaluation | \$170,000 |
| Tenement administration | \$110,000 |
| Geophysics | \$80,000 |
| Environmental/heritage surveys | \$120,000 |
| RAB/AC Geochemistry Drilling | \$350,000 |
| RC Drilling | \$750,000 |
| Diamond Drilling | \$90,000 |
| Assaying/metallurgical testing | \$330,000 |
| TOTAL | \$2,000,000 |

4.5 Exploration Expenditure

Intended expenditure on a per project basis is shown in Section 3.4 (Use of Funds) of this Prospectus.

4.6 Competent Persons' Statement

The information in this Prospectus that relates to Exploration Results, Mineral Resources or Ore Reserves (other than information contained in the Independent Geologist's Report at Section 9) is based on information compiled by Mr Mark Gunther who is a member of the Australian Institute of Geoscientists. Mr Gunther has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gunther consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

5. Risk Factors

5.1 Introduction

An investment in the Company is not risk free and prospective investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and Directors. The risks identified in this section, or other risks factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

5.2 Risks Specific to the Company

(a) Public Unlisted Company

The Company is a public unlisted company and is not seeking admission to ASX. The New Shares and any Additional New Shares will not be able to be sold or bought on the ASX. This means the market for the Shares, the New Shares and any Additional New Shares will likely be illiquid.

(b) Exploration risk

The exploration costs of the Company noted in section 4.5 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(c) Reliance on Key Management Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these key personnel cease their involvement with the Company.

(d) Duketon Project

The Company may have to conduct flora and fauna surveys if significant ground disturbance activities, such as mining, are proposed. The level of detail and results of such surveys are not known. There is a risk that such surveys may incur significant time and expense, and that rare species may be identified. This could have an adverse impact on the Company's activities.

(e) Resource Estimates

In the event that the Company successfully delineates a JORC compliant resource on any of the Tenements in which it has an interest, that resource estimate will be an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.

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This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(f) Contractual risk

The Company is party to a number of material contracts, as summarised in section 6. There is a risk that the counter parties to these agreements could dispute their rights and obligations under these agreements and that, regardless of the merit of such claims, the Company will incur costs in establishing its rights through the court process.

(g) Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(h) Acquisition Risk

The Company's objectives include the pursuit of new projects in the resources sector, both in Australia and overseas, by way of acquisition or investment. The Directors of the Company will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to Shareholders. There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders.

(i) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, and plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration of its mineral interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(j) Tenure and Access

Exploration tenements are subject to periodic renewal. A number of the Tenements are due for renewal in 2013, further details of which are provided in the Tenement Schedule of the Solicitor's Report in Section 10 of this Prospectus. There is no guarantee that renewal of current or future Tenements or future applications for production Tenements will be approved.

The renewal of the term of a granted tenement is subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or

DUKETON MINING LIMITED
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compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(k) Licences, permits and approvals

The Company currently holds all material authorisations required to undertake the exploration program described in this Prospectus. However, many of the mineral rights and interests held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

(l) Title Risks and Native Title

Although the Company has investigated title to all of its Tenements (as detailed in the Solicitors' Report on the Tenements in Section 10 of this Prospectus), the Company cannot give any assurance that title to such Tenements will not be challenged or impugned. The Tenements may be subject to prior unregistered agreements or transfers, or title may be affected by undetected defects or native title claims.

It is also possible that, in relation to Tenements in which the Company has an interest or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving Tenements in which the Company has or may have an interest.

In the event that the Company successfully delineates an economic resource on any of the Tenements, it will need to apply for a mining lease to undertake development and mining on the Tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for.

(m) Failure to Satisfy Expenditure Commitments

Each licence or lease carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Currently, the minimum annual expenditure commitments for each of the granted Tenements have been met. Details are set out in the Solicitor's Report on Tenements in Section 10 of this Prospectus.

(n) Environmental Risks

The Company's exploration programs will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the project meeting environmental guidelines and, where required, being approved by governmental authorities. As with most mineral exploration and development projects, the Company's activities are expected to have an impact on the surrounding environment, particularly if advanced exploration or mine development proceeds.

DUKETON MINING LIMITED
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It is the Company's intention to conduct its activities to the highest standard of environmental obligations required, including compliance with the relevant environmental laws.

(o) Limited history

The Company was incorporated on 20 June 2012 and therefore has a limited operational and financial history on which an evaluation of its prospects can be made. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Tenements. Until the Company is able to realise value from its Projects, it is likely to incur operational losses.

(p) Additional Requirements for Capital

The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company. Additional funding may be required in the event exploration costs exceed the Company's estimates. To effectively implement its business and operational plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(q) Conflicts of Interest

The Company's Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which such persons become aware will not necessarily be made available to the Company. The Directors intend, however, to allocate these to such companies on the basis of prudent business and judgement and the relative financial abilities and needs of the companies to participate. Although such persons have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

5.3 General Risks

(a) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Taxation Risk

Any change in the Company's tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

DUKETON MINING LIMITED
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(c) Changes in Government Policy

Adverse changes in Federal or Western Australian government policies or legislation (including, but not limited to, the mineral resource rent tax and carbon tax) may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) Insurance Risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(e) Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(f) Regulatory Risk

The Company's mining operations and exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

Changes in relevant taxes, legal and administrative regimes, accounting practice and government policies may also adversely affect the financial performance of the Company.

(g) Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(h) Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may

DUKETON MINING LIMITED
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result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(i) Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

DUKETON MINING LIMITED
MATERIAL CONTRACTS

6. Material Contracts

The summary of the contracts to which the Company is a party which may be material in terms of the Offer or the operation of the business of the Company are:

(a) Asset Sale Agreement – Duketon Divestment

Duketon Mining and STB are parties to the Asset Sale Agreement – Duketon Divestment dated 21 December 2012. Under this agreement, STB has sold all of its Australian mining tenements to Duketon Mining. The tenements registered in the name of STB are in the process of being transferred into the name of Duketon Mining.

(b) Duketon Nickel Farmin and Joint Venture Agreement

Duketon Mining (as assigned from STB) and Independence Group NL (**IGO**) were parties to the Duketon Farmin and Joint Venture Agreement dated 18 November 2011 (**Duketon Farmin Agreement**). Under the Duketon Farmin, STB granted IGO the right to earn up to a 70% interest in the nickel rights on Exploration Licence 38/1535, Miscellaneous Licence 38/174 and Mining Lease 38/1252 (**Duketon Nickel Project**). Upon IGO earning a 70% interest, the parties would form a joint venture with respect to the Duketon Nickel Project.

By letter dated 10 May 2013, IGO withdrew from the Duketon Farmin and therefore it has no further rights or interests under this Duketon Farmin Agreement or to any tenement formerly forming part of the Duketon Farmin Agreement.

(c) Duketon South West Royalty Deed

Duketon Mining (as assigned from South Boulder Mines Limited) and Franco-Nevada Australia Pty Ltd (Franco-Nevada) (as assigned from Newmont Wiluna Gold Pty Ltd) are parties to the Duketon South West Royalty Deed dated 4 August 2005. The royalty provides for Duketon to pay Franco-Nevada a royalty equal to 2% of the Net Smelter Return (NSR) for all minerals produced from all or part of the area of each of E38/2206, E38/1979, E38/1800, E38/2686, E38/2660, E38/2717, E38/2737, E38/2804, E38/2807 and P38/4067. The NSR is calculated on terms usual in such agreements.

(d) Duketon West Royalty Deed

Duketon Mining (as assigned from South Boulder Mines Limited) and Franco-Nevada Australia Pty Ltd (Franco-Nevada) (as assigned from Newmont Wiluna Gold Pty Ltd) are parties to the Duketon South West Royalty Deed dated 16 June 2005. The royalty provided for Duketon to pay Franco-Nevada a royalty equal to 2% of the Net Smelter Return (NSR) for all minerals produced from all or part of the area of each of P38/4067, E38/1511, E38/1537, E38/1800, E38/2686, E38/2649, E38/2660, E38/2714, E38/2737, E38/2767 and E38/2804. The NSR is calculated on terms usual in such agreements.

(e) Wedgetail Royalty

Duketon Mining, Chad Graeme Johnson and Neale Graeme Johnson (Johnsons) are parties to the Wedgetail Royalty Deed which provides that Duketon must pay the Johnsons a royalty of \$1.00 per tonne of ore mined from within part of the area within E38/2686 and E38/2767.

(f) Wedgetail Royalty (Hootanui)

Duketon Mining (as assigned from South Boulder Mines Limited) and Stephen Bradley are parties to a royalty agreement whereby Duketon Mining must pay Mr Bradley a royalty of \$1.00 per tonne of ore mined from the area of M38/330.

DUKETON MINING LIMITED
MATERIAL CONTRACTS

(g) **East Pilbara Project**

Duketon Mining (as assigned from South Boulder Mines Limited), Buxton Resources Ltd and Atlas Operations Ltd (**Atlas**) are parties to the Agreement for Sale of Mining Property (Western Shaw) dated 14 November 2008. The agreement provides that Atlas is entitled to be the registered owner of E45/2768 and Duketon Mining retains only a 10% interest in the rights to explore for and mine lithium, tantalum and tin only. Duketon Mining's rights are governed by provisions which protect the interests of Atlas whilst facilitating the operations of both Atlas and Duketon Mining.

(h) **Joint Venture Agreement – Strata Minerals**

Duketon Mining (as assigned from South Boulder Mines Limited) and Strata Minerals Pty Ltd (**Strata**) are parties to a Joint Venture Agreement dated 7 February 2012. Under the terms of the joint venture, Duketon has agreed to grant Strata an 80% joint venture interest in each of E08/2359, E08/2322, E08/2301 to E08/2303, E08/2411, E08/2423 and E08/2424. The joint venture commenced on 7 February 2012. Strata will be the manager of the joint venture and will free carry Duketon's 20% joint venture interest up to the completion of a bankable feasibility study on the tenements, whereupon the parties will contribute to ongoing expenditure in accordance with their respective interests.

Should a party not wish to contribute to ongoing expenditure, its interest will be diluted in accordance with a standard dilution formula with an automatic conversion of a party's interest to a 2% net smelter return royalty (for minerals other than phosphate minerals) in the event of its interest falling to 5%.

(i) **Heads of Agreement – East Pilbara Project**

Duketon Mining (as assigned from South Boulder Mines Limited) and Montezuma Mining Company Ltd are parties to a heads of agreement dated 30 June 2006 whereby STB had sold 90% of its interests in E45/2375 (other than the rights to tin, tantalum and lithium which were retained by STB, now Duketon Mining). Duketon Mining's 10% joint venture interest is to be free carried until such time as Montezuma has completed a bankable feasibility study, whereupon Duketon Mining may either contribute to ongoing expenditure or convert its interest to a 2% net smelter return.

(j) **Pilgangoora Farmin and Joint Venture Agreement**

Duketon Mining (as assigned from South Boulder Mines Limited) and Trafford Resources Ltd (**Trafford**) are parties to the Pilgangoora Farmin and Joint Venture agreement dated 16 January 2009. The agreement affects Exploration Licence 45/2375. E45/2375 is subject to the Heads of Agreement – East Pilbara Project, described above.

The agreement provides for the sale by Montezuma of a portion of its interest in E45/2375 to Trafford. The agreement preserves Duketon Mining's rights to E45/2375 as they are set out in the Heads of Agreement – East Pilbara Project.

(k) **East Kimberley Purchase Agreement**

Duketon Mining (as assigned from South Boulder Mines Limited) and Lithex Resources Ltd are parties to the East Kimberley Purchase Agreement dated 12 December 2010 whereby Lithex has purchased 90% of Duketon Mining's interest in tin, tantalum and lithium on E45/2375. As described above in paragraph (i) under the heading "Heads of Agreement - East Pilbara Project" and paragraph (j), "Pilgangoora Farmin and Joint Venture Agreement", Duketon Mining's interest was restricted to a 10% free carry interest in minerals other than tin, tantalum and lithium. As a result of this agreement, the interest of Duketon Mining in the tin, tantalum and lithium rights in E45/2375 are also reduced to a 10% free carried interest in with a right,

DUKETON MINING LIMITED
MATERIAL CONTRACTS

upon a decision to mine being made, to either contribute or convert its interest to a Royalty of 1.5% of total amount received by a miner from the sale of tin, tantalum or lithium from the tenement.

(I) Executive Director Letter Agreement – Mark Gunther

Mr Gunther is engaged as the Company's executive director and chief executive officer pursuant to a letter agreement between the Company and Mr Gunther ("Executive Director").

The commencement of the agreement is 8 April 2013.

The following is a list of obligations and duties to be carried out by the Executive Director:

- undertake such functions and duties customarily performed by a person performing the role of executive director of a public company involved in minerals exploration, development and mining including, without limitation:
 - managing exploration as required to provide the basis for a strongly development-focused Company; and
 - such other services as the Board shall from time to time assign to or vest in him;
- in addition, in the absence of, or until the appointment of a Managing Director of the Company, the Executive Director must undertake all functions, duties, management roles and authorities which the Company would require of a person engaged to act as the Chief Executive Officer of the Company.

The Executive Director shall divide his time 50/50 between his role as Executive Director of the Company and his role as Exploration Manager of Montezuma Mining Company Ltd (Montezuma). Accordingly, the Executive must devote at least 2.5 days per week or 19 hours in order to diligently perform the Services and shall not be interested, directly or indirectly, in any business which competes or is likely to compete with the mineral exploration, development and mining business of the Company (with the exception of Montezuma).

The remuneration package is made up of:

- an annual salary of \$239,800 gross (including statutory superannuation) and is paid pro rata for 2.5 days per week paid in monthly instalments; and
- reasonable out-of-pocket expenses necessarily incurred by Mr Gunther in the performance of the services including travel, accommodation, meals and mobile telephone.

Either party may terminate the agreement without cause by providing the other party no less than two weeks' notice in writing. In the event that there is:

- serious misconduct or misdemeanor by the Executive Director;
- breach of confidentiality by the Executive Director; or
- inability of the Executive Director to perform his duties,

then the Company may provide written notice to the Executive Director, effective immediately. No termination monies will be paid other than any remuneration and expenses owing for the period worked.

DUKETON MINING LIMITED
MATERIAL CONTRACTS

The employment letter contains additional provisions considered standard in an agreement of this type.

(m) Non-executive Letters of Engagement

Duketon has entered into an agreement with director, Mr Seamus Cornelius on normal commercial terms for the provision of Non-Executive Director services. Mr Cornelius will receive director's fees of \$50,000 per annum (inclusive of superannuation) following a liquidity event in the Company.

Duketon has entered into an agreement with director, Mr Dennis Wilkins on normal commercial terms for the provision of Non-Executive Director services. Mr Wilkins will receive director's fees of \$30,000 per annum (inclusive of superannuation) following a liquidity event in the Company.

(n) Underwriting Agreement – Silver Sino Holdings Limited

The Company entered into an agreement dated 7 May 2013 with Silver Sino Holdings Limited (**Underwriter**), to fully underwrite the Offer (**Underwriting Agreement**).

Under the terms of the Underwriting Agreement, the Underwriter has agreed to subscribe for all Shortfall Shares. The commission payable to the Underwriter will be the issue of 15,000,000 unlisted Options exercisable at \$0.20 each, expiring 6 years from the date of issue or such shorter period of exercise as required by regulators (**Underwriter Options**).

In addition, there will be a monetary fee of \$15,000 payable by the Company to the Underwriter to cover all reasonable costs and expenses incidental to the Offer.

The Company will notify the Underwriter of the details of the Shortfall Shares within 3 Business Days of the Closing Date. By no later than 5 Business Days after notifying the Underwriter of the details of the Shortfall Shares, the Underwriter must lodge a completed application form, along with the payment of the issue price of \$0.10 per Shortfall Share. Within 5 Business Days following receipt of the funds and the application form for the Shortfall Shares, the Company will issue the Shortfall Shares along with the Underwriter Options to the Underwriter.

Subject to written approval by the Company, the Underwriter may appoint a sub-underwriter to sub-underwrite any or all of the Shortfall Shares.

Given the Offer is fully underwritten, should Shareholders on the Record Date not take up their Entitlements under the Offer, then the Underwriter would be required to take up its full commitment under the Underwriting Agreement which would result in the Underwriter acquiring 15,841,604 New Shares under the Offer. Accordingly, the Underwriter's voting power has the potential to be greater than 20% depending on the amount of Entitlements under the Offer taken up by Shareholders and the extent to which the Offer is sub-underwritten.

Refer to Section 3.3 of this Prospectus for further information on the potential effect the Offer may have on the control (as defined by section 50AA of the Corporations Act) of the Company.

7. Board and Management

Seamus Cornelius - Non-Executive Chairman

Appointed on 8 February 2013

Mr Cornelius brings 21 years of corporate experience in both legal and commercial negotiations. Mr Cornelius has been based in Shanghai and Beijing since 1993 where he has been living and working as a corporate lawyer.

From 2000 to 2011 Mr Cornelius was an international partner with one of Australia's leading law firms and specialised in dealing with cross border investments, particularly in the energy and resource sectors. Mr Cornelius has for many years advised large international companies on their investments in China and in recent years advised Chinese state owned entities on their investments in natural resource projects outside China, including Australia.

Dennis Wilkins - Non-Executive Director and Company Secretary

Appointed as Company Secretary on 20 June 2012 and Director on 28 November 2012

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd, a leading privately held corporate advisory firm servicing the natural resources industry.

Since 1994 he has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Limited at the time of Atlas' initial public offering in 2006.

Since July 2001 Mr Wilkins has been running DWCorporate where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

Mark Gunther – Executive Director & CEO B.Sc(Hons), MSc, MAIG

Appointed on 15 April 2013

Mr Gunther has over 25 years' technical and corporate experience in the resource industry. His technical experience covers a range of commodities within a variety of Australian and overseas geological terraines. Experience ranges from grassroots exploration through to resource definition and development including 10 years within the Eastern Goldfields, Western Australia. He has held senior technical positions with small and mid-tier sized mining & exploration companies, ran a successful geological consultancy and managed a junior resource company. Prior to a recent managing director role at TPL Corporation Limited, Mr Gunther was exploration manager for Atlas Iron Limited and played an integral part in the discovery and development of resources which underpinned Atlas's phenomenal growth from a \$6 million float to a large market capital company (ASX 100 index).

DUKETON MINING LIMITED
INVESTIGATING ACCOUNTANT'S REPORT

8. Investigating Accountant's Report

Rothsay Consulting Services Pty Ltd

Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 E-mail swan2000@bigpond.com

20th May 2013

The Directors
Duketon Mining Limited
31 Ventnor Avenue
West Perth WA 6005

Dear Sirs

RE: INDEPENDENT ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of Duketon Mining Limited ("Duketon" or "the Company") for inclusion in a Prospectus to be dated on or around 20th May 2013 ("the Prospectus") relating to the proposed issue by Duketon of 15,841,604 shares to be issued at a price of 10 cents per share to raise \$1,584,160.

2. Basis of Preparation

This report has been prepared to provide investors with information on historical results and the assets and liabilities of Duketon. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Rothsay Consulting Services Pty Ltd has not been requested to consider the prospects for Duketon, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Rothsay Consulting Services Pty Ltd accordingly, takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.

3. Background

Duketon was incorporated on 20th June 2012 with the issue of 2 ordinary share of \$1. On 27th March 2013 31,683,206 shares were issued for a total deemed value of \$6,783,535 by an in specie distribution to the shareholders of the then holding company South Boulder Mines Limited.

Details on all contracts entered into between Duketon and other parties are outlined in the Material Contracts section of the Prospectus.

4. Scope of Examination

You have requested Rothsay Consulting Services Pty Ltd prepare an Investigating Accountant's Report on:

- (a) The statement of financial position of Duketon as at 30 April 2013; and
- (b) The pro-forma statement of financial position of Duketon as at 30 April 2013 adjusted to include funds to be raised by the Prospectus.

We have examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

- (i) Discussions with Directors and other key management of Duketon;
- (ii) A review of the accounts of Duketon;
- (iii) A review of publicly available information; and
- (iv) A review of work papers, accounting records and other documents.

5. Opinion

In our opinion, the proforma statement of financial position as set out in Appendix 1 presents fairly, the proforma statement of financial position of Duketon as at 30 April 2013 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 2.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 April 2013, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other matters

At the date of this report, Rothsay Consulting Services Pty Ltd does not have any material interest in Duketon either directly or indirectly, or in the outcome of the offer. Rothsay Chartered Accountants have been appointed auditors of Duketon. Apart from this report, Rothsay Consulting Services Pty Ltd was not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Rothsay Consulting Services Pty Ltd has consented to the inclusion of this report (including Appendices 1 and 2) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully
ROTHSAY CONSULTING SERVICES PTY LTD



Graham R Swan FCA MAICD
Director

INDEPENDENT ACCOUNTANT'S REPORT

**APPENDIX 1
CONDENSED STATEMENTS OF FINANCIAL POSITION**

| | Note | Unaudited 30 April 2013 \$ | Pro-forma 30 April 2013 \$ |
|-----------------------------|------|-------------------------------------|-------------------------------------|
| Current Assets | | | |
| Cash Assets | 3 | 938,037 | 2,407,101 |
| Trade and other receivables | | 8,424 | 8,424 |
| Financial assets | | 1,771,632 | 1,771,632 |
| Total Current Assets | | <u>2,718,093</u> | <u>4,187,157</u> |
| Current Liabilities | | | |
| Trade and other payables | | 20,096 | - |
| Total Current Liabilities | | <u>20,096</u> | <u>-</u> |
| Net Assets | | <u>2,697,997</u> | <u>4,187,157</u> |
| Equity | | | |
| Contributed equity | 4 | 6,783,537 | 8,272,697 |
| Accumulated losses | | (4,085,540) | (4,085,540) |
| Total Equity | | <u>2,697,997</u> | <u>4,187,157</u> |

To be read in conjunction with Appendix 2

INDEPENDENT ACCOUNTANT'S REPORT

APPENDIX 2 NOTES TO THE STATEMENTS OF FINANCIAL POSITION

1. Statement of Significant Accounting Policies

(a) Statement of Compliance

The financial information has been prepared in accordance with the measurement requirements, but not the disclosure requirements, of the Australian Accounting Standards (AASBs) of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations and the Corporations Act 2001.

(b) Basis of Accounting

The financial information has been prepared on an accruals basis and is based on historical costs in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

(c) Revenue Recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(d) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Investments and Other Financial Assets

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position. Loans and receivables are carried at amortised cost using the effective interest method.

(g) Exploration, Acquisition and Evaluation Costs

Exploration, acquisition and evaluation costs are written off in the year they are incurred.

(h) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(i) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

- (j) Contributed Equity
 Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

- (k) Goods and services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

2. Proposed Transactions to Arrive at Proforma Statement of Financial Position

Proposed transactions adjusting the 30 April 2013 Unaudited Statement of Financial Position in the pro-forma Statement of Financial Position are as detailed in notes 3 and 4.

| | Note | Unaudited 30 April 2013 | Pro-forma 30 April 2013 |
|--|------|----------------------------|----------------------------|
| | | \$ | \$ |
| 3. Cash and Cash Equivalents | | | |
| At 30 April 2013 | | 938,037 | 938,037 |
| Issue of Shares pursuant to the Prospectus | (a) | - | 1,584,160 |
| Payment of fundraising costs | (b) | - | (95,000) |
| Payment of April creditors | | - | (20,096) |
| | | <u>938,037</u> | <u>2,407,101</u> |

4. Contributed Equity

| | | | |
|--|-----|------------------|------------------|
| At 30 April 2013 | | 6,783,537 | 6,783,537 |
| Issue of Shares pursuant to the Prospectus | (a) | - | 1,584,160 |
| Payment of fundraising costs | (b) | - | (95,000) |
| | | <u>6,783,537</u> | <u>8,272,697</u> |

- a) The issue of 15,841,604 ordinary shares at 10 cents each pursuant to this Prospectus to raise \$1,584,160.
- b) The payment of fundraising costs estimated at \$95,000.

5. Contingent Liabilities

Based on discussions with the Directors and other advisors, to our knowledge, the Company has no contingent liabilities.

6. Commitments

The Company has exploration commitments in order to maintain its exploration permits in good standing and these will be met out of working capital in the ordinary course of business.

DUKETON MINING LIMITED
INDEPENDENT GEOLOGIST'S REPORT

9. Independent Geologist's Report



Malcolm Castle
Consulting Geologist
P.O. Box 473, South Perth, WA 6951
Phone: 08 9474 9351
Mobile: 04 1234 7511
Email: mcastle@castleconsulting.com.au
ABN: 84 274 218 871

13 May 2013

The Directors
Duketon Mining Limited

Dear Sirs,

Re:

INDEPENDENT GEOLOGIST'S REPORT for DUKETON MINING LIMITED

I have been commissioned by Duketon Mining Limited ("Duketon" or the "Company") to provide an independent technical report ("Report") on the Company's mineral projects ("Projects") for inclusion in a prospectus for an Offer of 1 New Share for every 2 Shares held by way of a non-renounceable pro-rata Rights Issue at a price of \$0.10 each to raise up to \$1,584,160. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties held by the Company.

The Projects

The **Duketon Project** includes gold, nickel sulphide and base metal projects covering approximately 2,000 square kilometres located 80kms to 120kms north of Laverton in Western Australia. The Duketon Project is located within the well-known Archaean Duketon Greenstone Belt.

The **Lake Lefroy Project (100%) and Cutter's Luck Project (100%)** are still early stage exploration projects for nickel and gold with respect to the surrounding areas. The structures and lithologies generally considered prospective for gold exist in the prospect area. There is the potential for shear hosted orogenic gold and komatiitic hosted nickel mineralisation.

The **Western Shaw Project** (Tin, tantalum and lithium mineral rights only) covers an area of mafic and ultramafic sequences which is potentially prospective for gold and or nickel mineralisation. Possible potential for hosting tin, tantalum and lithium pegmatites. Considered a very early stage exploration project (grass-roots project) of low to moderate prospectivity.

The **Pilgangoora Project** (10%) contains favourable tin-tantalum bearing pegmatites which require follow-up. Evidence of alluvial tantalite and cassiterite is documented and also warrants further exploration.

The **Cardabia Project** (20%) has undergone some exploration for phosphate mineralisation throughout 1966 and 1989-1990. The exploration history of the project detailed in the preceding sections describes the work completed. Results of this exploration work have confirmed the presence of phosphate mineralisation within the project area. Potential exists for further exploration to discover additional phosphate mineralisation.

The **Lakes Projects** (100%, pending exploration licences) consists of Lake Disappointment and Lake Burnside exploring for potash. The two lakes are located in the “Little Sandy Desert” north of Lake Carnegie. The projects are remote and require considerable logistics to support field based exploration. A JORC compliant sulphate of potassium (SOP) resource has been defined within tenure abutting Duketon’s (ASX, RWD, Oct2012).

The **Diorite Hill Project** (100%, pending exploration licence) area covers a large portion of a layered mafic and ultramafic sill complex located in the NE Goldfields. The area is prospective for PGE, nickel, copper and gold mineralisation.

The present status of the tenements listed in this report is based on information provided by the Company and is set out in the Tenement Schedule. The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation.

DECLARATIONS

Relevant codes and guidelines

This Report has been prepared as a technical assessment in accordance with the “*Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports*” (the “VALMIN Code”), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (“AusIMM”) and the Australian Institute of Geoscientists (“AIG”), as well as the rules and guidelines issued by the ASIC and the ASX Limited (“ASX”) which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112).

Where and if mineral resources have been referred to in this Report, the classifications are consistent with the “*Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*” (the “JORC Code”), prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia, effective 2004.

Under the definition provided by the ASX and the VALMIN Code, the Project is classified as an ‘exploration project’, which is inherently speculative in nature. The Project is considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the exploration and development program proposed by the Company.

Sources of Information

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by the title holders, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. I have

endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

In compiling this Report, I did not carry out a site visit to the Project area. Based on my professional knowledge and experience, earlier visits to Western Australia and the availability of extensive databases and technical reports made available by various Government Agencies, I considered that sufficient current information was available to allow an informed appraisal to be made without such a visit.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given for the distribution of this Report in the form and context in which it appears. I have no reason to doubt the authenticity or substance of the information provided.

This Report contains statements attributable to third persons. These statements are made in, or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. The authors of these previous reports have not consented to the statements' use in this Report, and these statements are included in accordance with ASIC Class Order [CO 07/428] Consent to quote: Citing trading data and geological reports in disclosure documents and PDS.

Qualifications and Experience

The person responsible for the preparation of this Report is:

Malcolm Castle, B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM.

Malcolm Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company 20 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical Audits in many countries.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc. (Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Competent Persons Statement

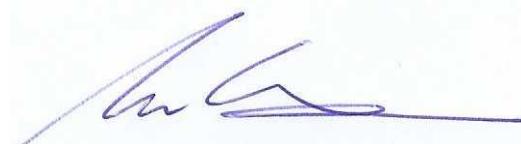
The information in the Independent Geological Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, a competent person who is a Member of the Australasian Institute of Mining and

Metallurgy ("AusIMM"). Mr Castle is a consultant geologist employed by Agricola Mining Consultants Pty Ltd. Mr Castle has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC code). Mr Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

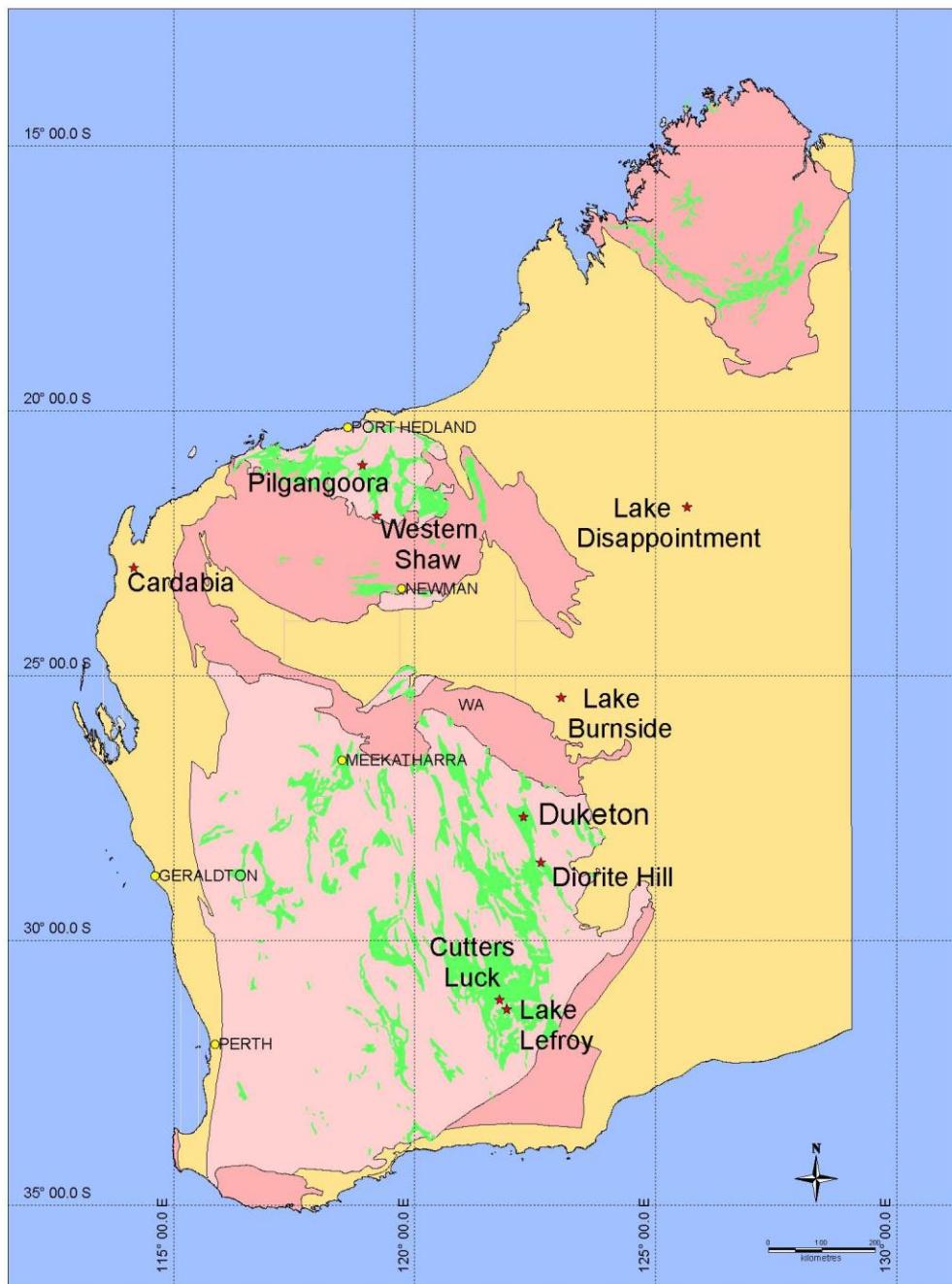
Independence

I am not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the Project or the Company. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully



Malcolm Castle
B.Sc.(Hons), MAusIMM,
GCertAppFin (Sec Inst)



Location of Duketon Mining Limited's Projects

TENEMENT SCHEDULE

DUKETON MINING LIMITED TENEMENT SCHEDULE

| Project Name | Tenement Number | Status | Equity | Grant Date | Area | Area (km2) |
|--|-----------------|---------|--------|------------|-----------|------------|
| N.E. Goldfileds Gold & Nickel Exploration Project | | | | | | |
| Duketon | E38/1511 | Granted | 100% | 9/08/2006 | 11 Blocks | 34.92 |
| Duketon | E38/1535 | Granted | 100% | 10/06/2008 | 8 Blocks | 25.39 |
| Duketon | E38/1537 | Granted | 100% | 23/08/2006 | 22 Blocks | 69.83 |
| Duketon | E38/1800 | Granted | 100% | 13/02/2007 | 9 Blocks | 28.57 |
| Duketon | E38/1979 | Granted | 100% | 10/06/2008 | 4 Blocks | 12.70 |
| Duketon | E38/2177 | Granted | 100% | 4/05/2009 | 3 Blocks | 9.52 |
| Duketon | E38/2206 | Granted | 100% | 23/11/2009 | 12 Blocks | 38.09 |
| Duketon | E38/2231 | Granted | 100% | 28/04/2010 | 18 Blocks | 57.14 |
| Duketon | E38/2255 | Granted | 100% | 6/01/2010 | 1 Block | 3.17 |
| Duketon | E38/2397 | Granted | 100% | 12/10/2011 | 64 Blocks | 203.15 |
| Duketon | E38/2614 | Granted | 100% | 20/12/2011 | 66 Blocks | 209.50 |
| Duketon | E38/2649 | Pending | 100% | | | - |
| Duketon | E38/2660 | Pending | 100% | | | - |
| Duketon | E38/2661 | Granted | 100% | 8/08/2012 | 18 Blocks | 57.14 |
| Duketon | E38/2666 | Granted | 100% | 1/11/2012 | 22 Blocks | 69.83 |
| Duketon | E38/2686 | Pending | 100% | | | - |
| Duketon | E38/2697 | Pending | 100% | | | - |
| Duketon | E38/2699 | Granted | 100% | 20/12/2012 | 65 Blocks | 206.32 |
| Duketon | E38/2714 | Pending | 100% | | | - |
| Duketon | E38/2716 | Pending | 100% | | | - |
| Duketon | E38/2717 | Pending | 100% | | | - |
| Duketon | E38/2730 | Granted | 100% | 1/11/2012 | 1 block | 3.17 |
| Duketon | E38/2731 | Granted | 100% | 1/11/2012 | 1 block | 3.17 |
| Duketon | E38/2736 | Pending | 100% | | | - |
| Duketon | E38/2737 | Pending | 100% | | | - |
| Duketon | E38/2738 | Granted | 100% | 24/01/2013 | 14 Blocks | 44.44 |
| Duketon | E38/2767 | Pending | 100% | | | - |
| Duketon | E38/2781 | Pending | 100% | | | - |
| Duketon | E38/2782 | Pending | 100% | | | - |
| Duketon | E38/2803 | Pending | 100% | | | - |
| Duketon | E38/2804 | Pending | 100% | | | - |
| Duketon | E38/2805 | Pending | 100% | | | - |
| Duketon | E38/2807 | Pending | 100% | | | - |
| Duketon | E38/2811 | Pending | 100% | | | - |
| Duketon | E38/2812 | Pending | 100% | | | - |
| Duketon | E38/2819 | Pending | 100% | | | - |
| Duketon | L38/33 | Granted | 100% | 20/12/1989 | 0.29Ha | - |
| Duketon | L38/174 | Granted | 100% | 23/12/2010 | | - |
| Duketon | M38/330 | Granted | 100% | 27/11/1991 | 150 Ha | - |
| Duketon | M38/1252 | Granted | 100% | 19/11/2010 | 1913.2 | - |
| Duketon | P38/3893 | Granted | 100% | 6/10/2010 | | - |
| Duketon | P38/3897 | Granted | 100% | 12/04/2011 | | - |
| Duketon | P38/3984 | Granted | 100% | 21/06/2012 | | - |
| Duketon | P38/4028 | Granted | 100% | 11/02/2013 | | - |
| Duketon | P38/4029 | Granted | 100% | 11/02/2013 | | - |
| Duketon | P38/4030 | Granted | 100% | 11/02/2013 | | - |
| Duketon | P38/4031 | Granted | 100% | 11/02/2013 | | - |
| Duketon | P38/4032 | Granted | 100% | 11/02/2013 | | - |
| Duketon | P38/4033 | Granted | 100% | 11/02/2013 | | - |
| Duketon | P38/4034 | Granted | 100% | 11/02/2013 | | - |
| Duketon | P38/4035 | Granted | 100% | 11/02/2013 | | - |
| Duketon | P38/4067 | Pending | 100% | | | - |

| Project Name | Tenement Number | Status | Equity | Grant Date | Area | Area (km2) |
|---|-----------------|---------|--------|------------|------------|-------------------------------|
| PGE, Nickel & Gold Exploration Project | | | | | | |
| Diorite Hill | E38/2762 | Pending | 100% | | | - |
| Nickel - Gold Exploration Projects | | | | | | |
| Lake Lefroy | E15/1188 | Granted | 100% | 30/08/2011 | 26 Blocks | 82.53 |
| Cutters Luck | E26/132 | Granted | 100% | 1/03/2011 | 7 Blocks | 22.22 |
| Tin-Tantalum Projects | | | | | | |
| Western Shaw | E45/2768 | Granted | rights | 9/08/2006 | 20 Blocks | 63.48 |
| Pilgangoora | E45/2375 | Granted | 10% | 13/02/2006 | 3 blocks | 9.52 |
| Phosphate Exploration Projects | | | | | | |
| Cardabia | E08/2302 | Granted | 20% | 21/06/2012 | 104 blocks | 330.12 |
| Cardabia | E08/2303 | Granted | 20% | 21/06/2012 | 141 blocks | 447.56 |
| Cardabia | E08/2322 | Granted | 20% | 12/06/2012 | 94 blocks | 298.38 |
| Cardabia | E08/2411 | Pending | 20% | | 172 Blocks | 545.96 |
| Cardabia | E08/2423 | Pending | 20% | | | - |
| Cardabia | E08/2424 | Pending | 20% | | | - |
| Potash Exploration Projects | | | | | | |
| Lake Disappointment | E45/3259 | Pending | 100% | | 63 Blocks | 199.98 |
| Lake Disappointment | E45/3984 | Pending | 100% | | 83 Blocks | 263.46 |
| Lake Disappointment | E45/4047 | Pending | 100% | | 140 Blocks | 444.39 |
| Lake Burnside | E69/2558 | Pending | 100% | | 138 Blocks | 438.04 |
| | | | | | | Totals 4,221.70 |

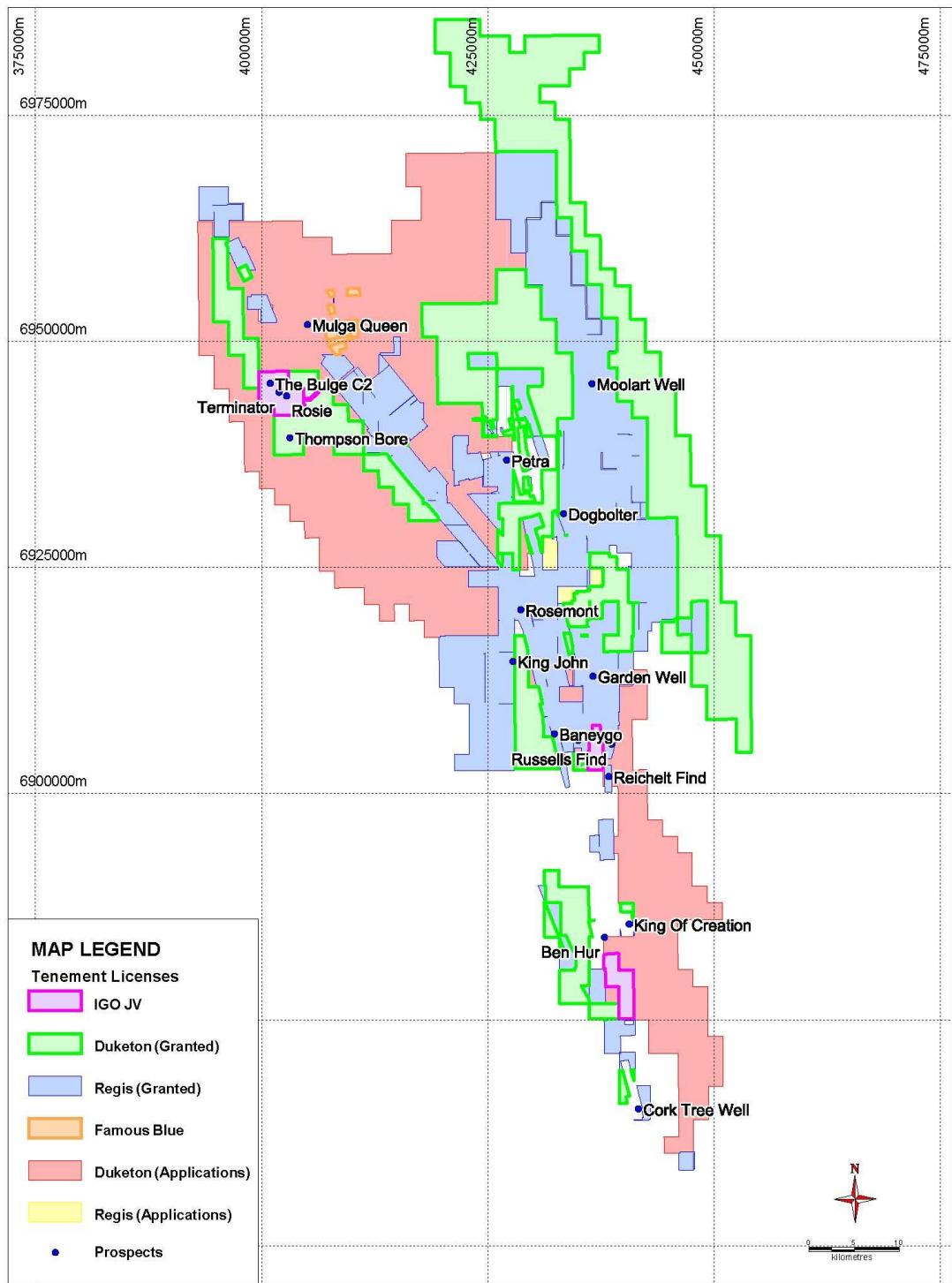
DUKETON PROJECT, WA – GOLD – 100% EQUITY

LOCATION AND TENURE

The Duketon project is located within Western Australia, 80km north of Laverton. The project can be accessed via sealed and formed gravel roads from either Leonora or Laverton.

The Duketon project consists of 17 granted exploration licences, two granted miscellaneous licences, two mining licences and 11 granted prospecting licences. The total area of granted tenure for the Duketon project is 928km². There are 19 exploration licences and two prospecting licences in application. These applications cover an additional 1344 km² of which 1138 km² is potentially available for grant .

Between 2011 to May 2013 there was a farm-out Joint Venture Agreement with Independence Group NL (Independence). Under the terms of the agreement Independence could farm-in to earn 70% of the nickel metal rights on selective tenements within the Duketon Project by delivery of a Bankable Feasibility Study within five years from the grant of the relevant tenement. Independence have withdrawn from the Joint Venture and Duketon has assumed all mineral rights.



Duketon Project Tenure

GEOLOGICAL SETTING

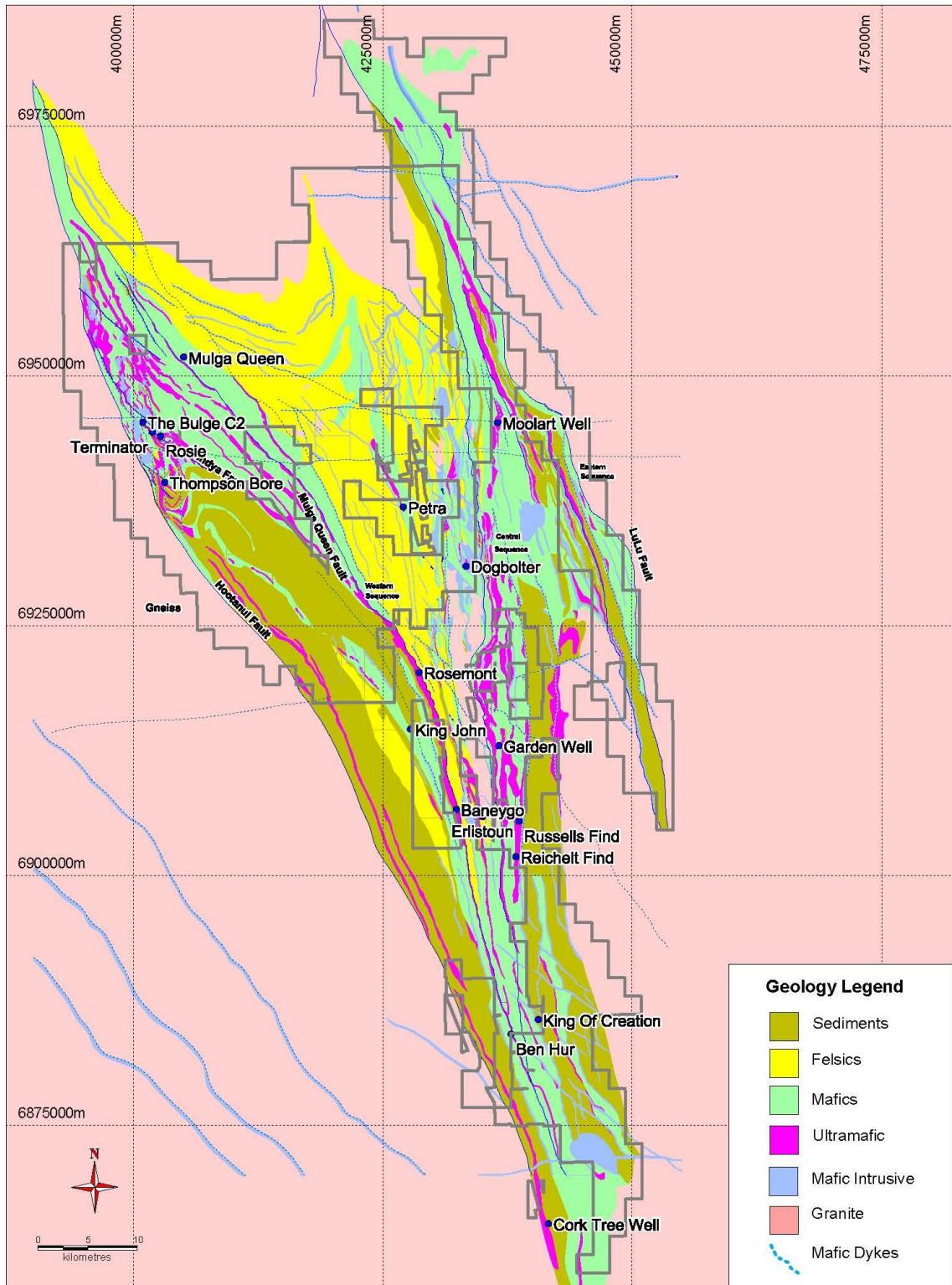
The Duketon Project is located within the Laverton Terrane, in the Eastern Goldfields Province of the Yilgarn Craton. The Eastern Goldfields Province has been divided into six distinct tectono-stratigraphic terranes. These are based on the lithostratigraphic distinctions mainly variations in the volcanic and sedimentary components; indicating formation in different arc environments. The terranes were subsequently brought together in an accretionary tectonic setting. The original terrane boundaries have been obscured by considerable post-accretionary deformation but may be at least partly equivalent to north-northwest trending regional structures that were active in later deformational events.

The tenements lie within the Duketon Greenstone Belt, an elongate, north-northwesterly trending zone of Archaean supracrustal rocks flanked by granitoid and gneiss in the northern portion of the Laverton Terrane.

The Duketon Greenstone Belt contains mafic and ultramafic rocks, felsic volcanic and volcanoclastic rocks, chert, shale sandstone and conglomerate. The development of a detailed lithostratigraphic history has been hindered by a combination of poor exposure (due to deep weathering and younger transported cover), lack of younging indicators and structural complexity.

The Duketon Greenstone Belt comprises three main mafic/ultramafic and a felsic volcanoclastic sequences. The western sequence is bound by the Hootanui Fault, extending 120 kilometres from the historical gold workings at Hootanui in the north, southwest to Cork Tree Well. This granitoid/greenstone contact generally trends north-northwest.. The southern 70 kilometres is markedly linear and parallel to the eastern granitoid/greenstone contact. The eastern sequence of mafic/ultramafics -lie on the eastern margin of the greenstone belt bound by the Lulu Fault. This sequence also has a north-northwest general trend. The Western and Eastern mafic/ultramafic sequences are joined by, or truncate a third north-south sequence extending 70 kilometres from Mt Varden in the south to Moorlart Well in the north.

The greenstone sequences pinch out on the margins of the Mt. Joanna Batholith at the northern end of the Duketon Belt. This intrusion is centrally located between Hootanui mining centre and the northern part of the central mafic/ultramafic sequences. The surface geology on the southern margin of the Batholith is comprised of felsic volcanics, considered to be younger units in the greenstone sequence. The aeromagnetic data suggests an underlying swarm of dykes which is marginal to the Batholith margins. Further south, between the western and central ultramafics the terrane is also dominated by numerous low amplitude magnetic responses, which are interpreted to be caused by dykes. Similar magnetic responses occur on the western margin adjacent to the Hootanui Fault where mafic and ultramafic dykes have been mapped.



Regional Geological Setting-Duketon Greenstone Belt

REGIONAL MINERALISATION

The Eastern Goldfields Province is host to some of the largest gold and nickel deposits in Australia. Gold occurrences within the Eastern Goldfields Province are dominantly orogenic, mesothermal lode-style deposits, related to large scale regional fault systems.

Orogenic gold deposits can occur within any host lithology and can develop at varying crustal depths and temperatures. One common characteristic to all orogenic lode gold systems is a well developed structural control, providing a focus for mineralising fluids. The large orogenic gold deposits within the Eastern Goldfields Province typically display evidence of a prolonged structural episode, with multiple phases of gold mineralisation.

Studies have shown the gold mineralisation occurs late in the deformational history of the host terranes, meaning the geometry of structures and the rock sequences are essentially the same today as they were during gold deposition.

In addition to gold, The Eastern Goldfield Province contains a number of large nickel sulphide deposits, including Mt Keith, Perseverance, Honeymoon Well, Yakabindie, Cosmos, Black Swan and the Kambalda – Widgiemooltha district. The recent discovery of nickel sulphide at the Rosie and C2 deposits, are the first recorded nickel sulphide deposits within the Duketon Greenstone Belt and confirm the belt's prospectivity.

The Duketon greenstone belt has a complicated exploration history with a highly fragmented tenure. This disjointed tenure, combined with the transported cover and intense near surface leaching related to weathering made exploration challenging and prevented an effective systematic exploration effort over the majority of the Duketon greenstone belt. Certainly during the 1980's and even through to the 1990's many geologists were having problems coming to terms with the concept of intense leaching of near surface gold and levels of erosion at any particular locality. As a result many companies reported negative results and conclusions based on ineffective exploration techniques and/or methodologies.

In the early 2000's the importance of understanding the regolith was becoming apparent that much of the earlier exploration has been ineffective or inconclusive. The Company has acquired a detailed regional regolith interpretation of the project area to better understand the effectiveness of past exploration and, combined with detailed aeromagnetic imagery and geological interpretation that identify priority exploration targets.

Recent success of Regis Resources (RRL) in delineated a total resource inventory of approximately 7.65 million ounces of gold (ASX, RRL, 18th Jan2013) is testimony to the potential of the Duketon Greenstone Belt through systematic exploration utilising an advanced understanding of regolith.

GOLD EXPLORATION AND MINING HISTORY

Gold prospecting began in the Laverton region around 1898, after the discovery of gold at Kalgoorlie and Coolgardie. By the turn of the century, numerous gold reefs had been found in the Duketon greenstone belt, including at the Elistoun, Duketon and Mulga Queen gold districts. State batteries were erected at each of these districts, firstly at Elistoun, and later in 1904 at Duketon and Mugla

Queen.

Early production from the Duketon Greenstone Belt was short lived and by 1906 most properties had been abandoned as deposits were for the times low grade and became uneconomic below the shallow water table which started at 60 feet at Duketon, 90 feet at Erlistoun and between 40 to 70 feet at Mulga Queen. Past production from the Duketon Greenstone Belt, up until 1905, is summarised below.

Table: Historical Gold Production till 1905 - Duketon Greenstone Belt (from Gibson, 1906)

| Mining Centre | Tons of Ore | Fine ozs Gold | Grade (ozs/ton) |
|---------------|---------------|---------------|-----------------|
| Duketon | 4,850 | 4,125 | 0.85 |
| Erlistoun | 4,927 | 5,357 | 1.09 |
| Mulga Queen | 8,020 | 6,379 | 0.8 |
| Other | 5,873 | 6,624 | 1.13 |
| Total | 23,670 | 22,485 | 0.95 |

The Duketon area was subjected to an increase in exploration with the gold boom of the early to mid 1980's; which resulted in the exploitation of several gold deposits, including the Cork Tree Well which produced 1.3Mt grading 2.67 g/t gold and was in production between 1985 – 1988 and was one of the first mines to make use of the new modern processes such as CIP/CIL. Hill Minerals then purchased the Cork Tree Well mill to process ore from a number of medium sized resources including the King of Creation deposit. The operation eventually fell under the control of Ashton Mining / Aurora Gold who processed approximately 0.6M tonnes grading 3.6 g/t gold from shallow oxide pits at Christmas Well, Reichelts Find and Russells Find up until the mills closure in 1993.

Gold mineralisation at Moolart Well was first recognised in a single aircore drill traverse, completed by Normandy in 2001. Normandy originally targeted the area to test stratigraphy in an area of structural complexity, obscured by surficial cover. Subsequent exploration programs by Normandy, then Newmont and finally Regis Resources. In 2010, Regis transitioned from explorer to miner following the successful commissioning of a two million ounce per annum processing plant at Moolart Well. To the end of 2012, Regis has processed approximately 5.6. million tonnes of ore and produced a total of 235,500 ounces of gold from the Moolart Well mine.

In 2009, Regis discovered the Garden Well gold deposit, located approximately 30 kilometres south of Moolart Well as part of their regional exploration program. Regis completed a Definitive Feasibility Study (DFS) on Garden Well deposit in 2011. Since start-up of mining operation at Garden Well during the September quarter 2012 a total of approximately 1.35 million tonnes of ore has been processed to produce approximately 68,500 ounces of gold.

The current Mineral Resource spread over several deposits including Moolart Well, Garden Well, Rosemont, Erliston and satellite deposits includes a Measured Resource of 12.9 million tonnes at

1.23g/t Au, an Indicated Resource of 142.3 million tonnes at 1.22g/t Au and an Inferred Resource of 127.1 million tonnes at 0.99g/t Au. Ore Reserves at Moolart Well, Erliston and Rosemont include a Proved Resource of 8.3 million tonnes at 1.51g/t Au and a Probable Reserve of 52.7 million tonnes at 1.53g/t Au. (Regis Gold Website).

Another company undertaking significant exploration within the Duketon Belt is Stone Resources Australia Limited (formerly A1 Minerals), who currently have tenements in the southern portion of the greenstone belt. Stone Resources have published resources at the Cork Tree Well and Ben Hur – King of Creation deposits. The current Mineral Resource at Cork Tree Well and Ben Hur includes a Measured Resource of 1.0 million tonnes at 1.34g/t Au, an Indicated Resource of 6.6 million tonnes at 1.40g/t Au and an Inferred Resource of 3.9 million tonnes at 1.31g/t Au. (Stone Resources (Australia) – Annual Report 2012).

Competent Persons Statement

The information in the Independent Geological Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information announced to the ASX by Regis Resources and Stone Resources and reviewed by Malcolm Castle, a competent person who is a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”). Malcolm Castle is a consultant geologist employed by Agricola Mining Consultants Pty Ltd. Mr Castle has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC code). Malcolm Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

GOLD MINERALISATION

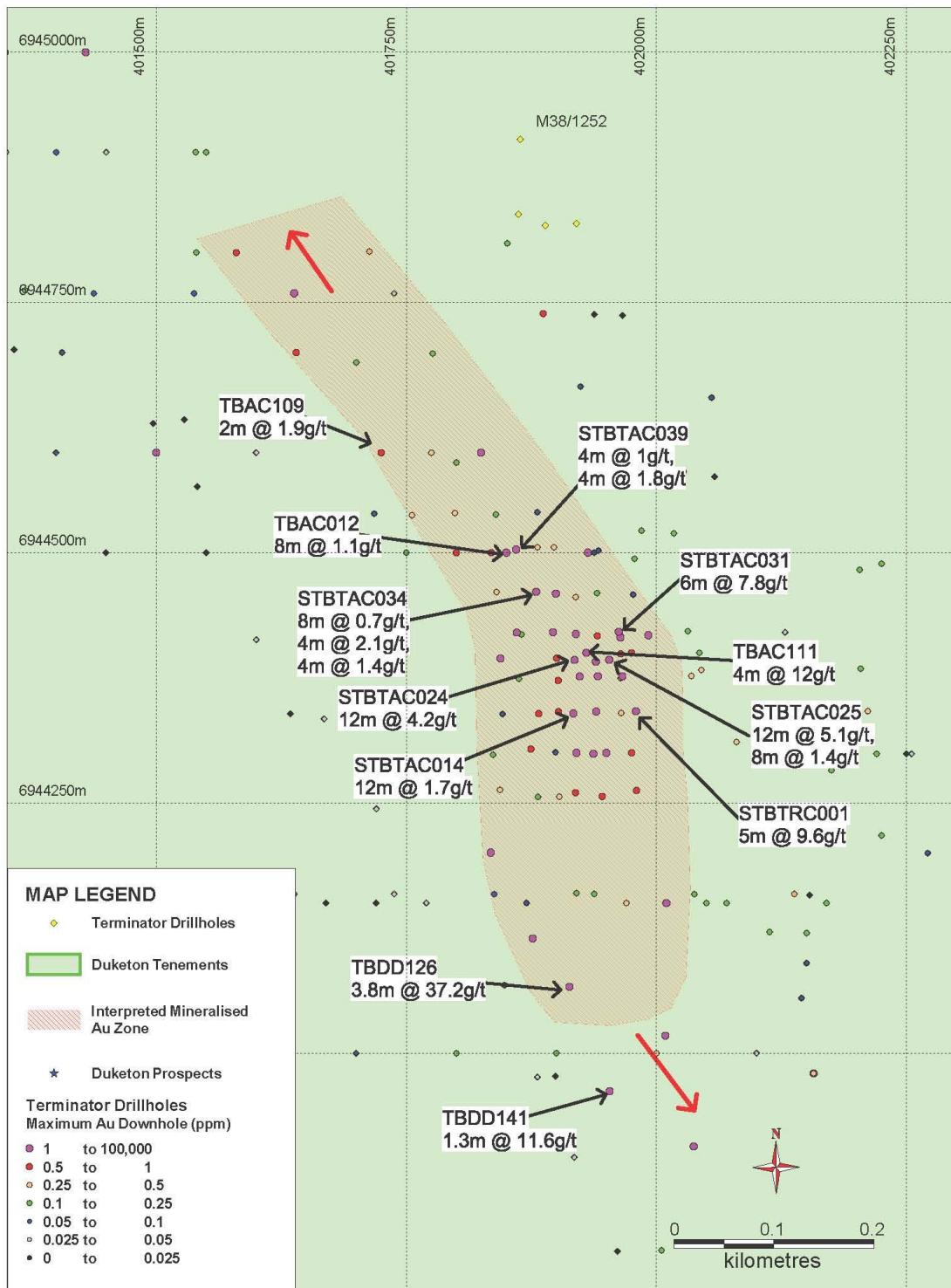
The tenement holding includes the Terminator and Thomson’s Bore gold Prospects with numerous prospective targets. The Company holds ground along strike and adjacent to Regis’s landholding that includes the developing Rosemont and producing Garden Well & Moolart Well Gold Mines.

The Terminator Gold Prospect was discovered during a geochemical aircore (AC) drilling program by South Boulder Mines (SBM) in September 2009. Prior to South Boulder completing 50 AC and 7 RC (reverse circulation) holes at the prospect during the late 2000’s Wiluna Mines had drilled 17 widely spaced RAB (rotary air blast) during the early to late 1990’s. Recent drilling in the area also includes 166 AC holes completed by past Nickel joint venture partner Independence Group. These holes were testing for nickel mineralisation but also assayed for gold. Drilling has delineated gold mineralisation over an approximately 880 metres north-northwest striking trend and considered open to the south. Geochemistry AC drill holes spacing over the central 250 metre portion of the trend is at a nominal 40 metres x 20 metres. Significant results from drilling to date are given in the following table and indicate the potential for delineating both broad shallow oxide and narrow high-grade primary gold mineralisation.

Table: Significant Gold Intercepts Terminator Prospect

| Hole ID | Drill Type | Northing | Easting | Total Depth | From | To | Interval (metres) | Grade (g/t)Au |
|-----------|------------|----------|---------|-------------|------------------|--------|-------------------|---------------|
| TBAC109 | AC | 6944600 | 401725 | 99 | 28 | 30 | 2 | 1.9 |
| STBTAC039 | AC | 6944503 | 401860 | 95 | 4 | 8 | 4 | 1.0 |
| | | | | and | 56 | 60 | 4 | 1.8 |
| TBAC012 | AC | 6944500 | 401850 | 29 | 4 | 12 | 8 | 1.1 |
| STBTAC034 | AC | 6944461 | 401880 | 140 | 0 | 8 | 8 | 0.7 |
| | | | | and | 48 | 52 | 4 | 2.1 |
| | | | | and | 56 | 60 | 4 | 1.4 |
| STBTAC031 | AC | 6944415 | 401964 | 54 | 48 | 54 | 6 | 7.8 |
| | | | | | <i>including</i> | | 2 | 22.1 |
| TBAC111 | AC | 6944400 | 401930 | 108 | 0 | 13 | 13 | 1.5 |
| | | | | | <i>including</i> | | 2 | 3.4 |
| | | | | and | 20 | 30 | 10 | 2.0 |
| | | | | and | 33 | 37 | 4 | 12.0 |
| | | | | | <i>including</i> | | 1 | 29.0 |
| | | | | and | 42 | 44 | 2 | 1.1 |
| STBTAC024 | AC | 6944393 | 401918 | 121 | 4 | 16 | 12 | 4.2 |
| | | | | | <i>including</i> | | 4 | 9.5 |
| | | | | and | 36 | 48 | 12 | 1.1 |
| | | | | and | 52 | 64 | 12 | 0.7 |
| STBTAC025 | AC | 6944391 | 401940 | 122 | 0 | 8 | 8 | 0.6 |
| | | | | | 52 | 60 | 8 | 1.4 |
| | | | | and | 68 | 80 | 12 | 5.1 |
| | | | | | <i>including</i> | | 8 | 7.4 |
| STBAC014 | AC | 6944339 | 401917 | 95 | 0 | 12 | 12 | 1.7 |
| | | | | | <i>including</i> | | 4 | 3.5 |
| | | | | and | 24 | 32 | 8 | 0.7 |
| STBRC001 | RC | 6944342 | 401979 | 208 | 2 | 4 | 2 | 1.0 |
| | | | | | 154 | 159 | 5 | 9.6 |
| | | | | | <i>including</i> | | 1 | 20.1 |
| | | | | and | 163 | 165 | 2 | 1.0 |
| TBDD126 | DDH | 6944066 | 401913 | 300.2 | 218 | 221.8 | 3.8 | 37.2 |
| | | | | | <i>including</i> | | 0.85 | 164.0 |
| | | | | and | 223.6 | 225.29 | 1.73 | 1.0 |
| | | | | and | 232.89 | 233.37 | 0.48 | 2.3 |
| TBDD141 | DDH | 6943962 | 401953 | 340 | 287.3 | 288.6 | 1.3 | 11.6 |
| | | | | and | 292.65 | 294.3 | 1.65 | 1.9 |

Note: Lower Cut of 0.5 g/t Au, no upper cut, maximum internal waste of 2 metres; Drill types AC – aircore, RC- rotary circulation DDH – diamond core; Sampling of AC holes by speared or scooped composites up to 4 metres, RC – 1metre riffle splits and DDH – cut half core.; Assay method by aqua regia digest with AAS finish; Grid is GDA94.



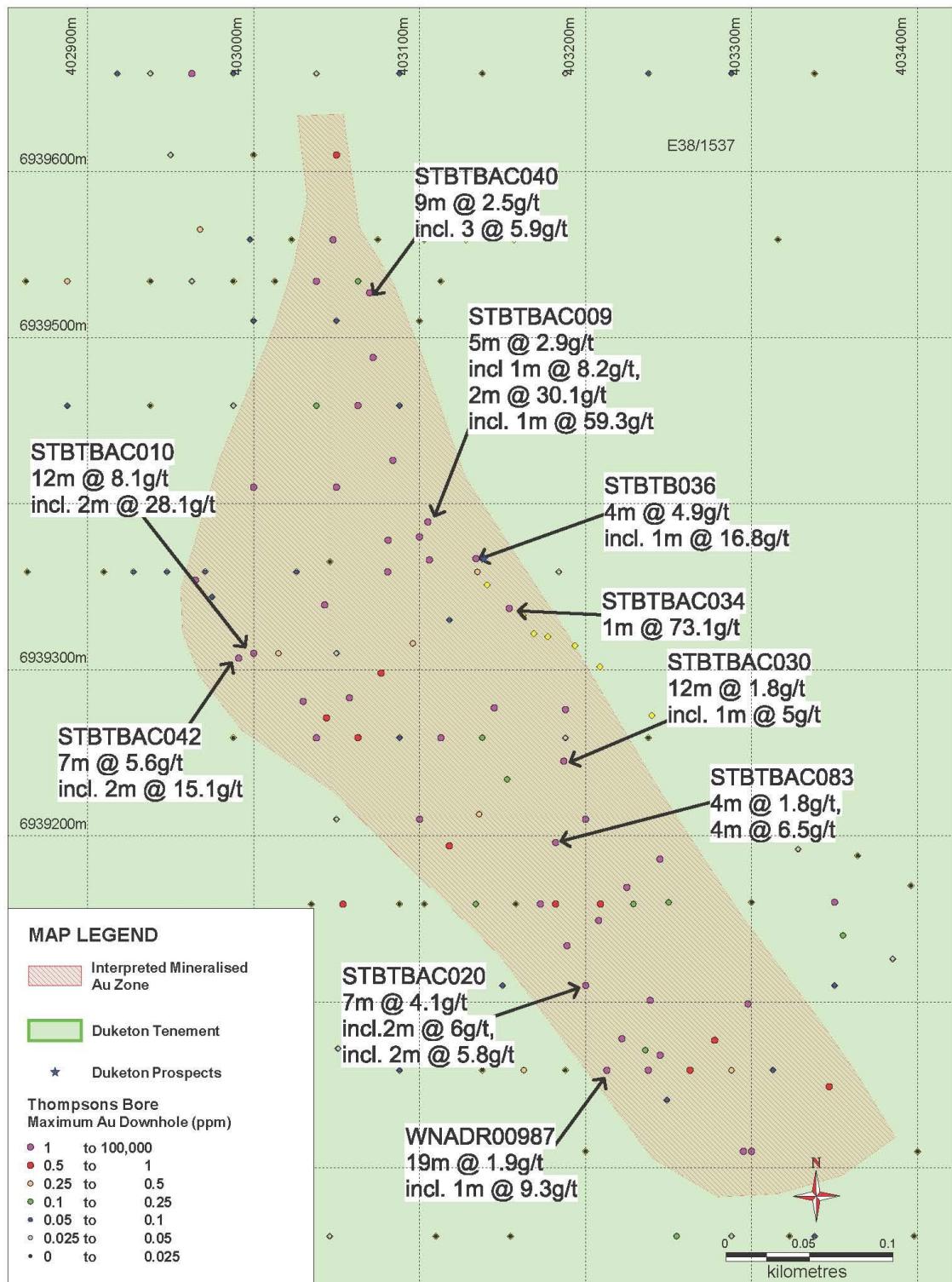
Terminator Prospect-Gold Trend, Drill Hole Collars (Max. Downhole Gold) & Significant Intercepts

The Thompson Bore Prospect was identified in the early 1990's as a gold anomaly in lag sampling. Approximately 210 drill holes have been completed in the prospect area. Dominant operators have been Wiluna Mines during the early to late 1990's drilling 131 holes of RAB and minor RC and South Boulder completing 71 AC during the late 2000's. Gold anomalism has been delineated over more than 700 m of strike length. Geochemistry drilling coverage is at a nominal spacing of 50 to 100 metres x 20 to 40 metres. Drilling to date has intercepted significant gold mineralisation within the near surface oxide and transitional zones.

Table: Significant Gold Intercepts Thompson Bore Prospect

| Hole ID | Drill Type | Northing | Easting | Total Depth | From | To | Interval (metres) | Grade (g/t) Au |
|------------|------------|----------|---------|-------------|------------------|----|-------------------|----------------|
| STBTBAC040 | AC | 6939527 | 403070 | 84 | 51 | 52 | 1 | 1.5 |
| | | | and | | 59 | 68 | 9 | 2.5 |
| STBTBAC009 | AC | 6939380 | 403100 | 77 | 0 | 5 | 5 | 2.9 |
| | | | and | | <i>including</i> | | 1 | 8.2 |
| | | | and | | 25 | 27 | 2 | 0.9 |
| | | | and | | 44 | 46 | 2 | 30.1 |
| | | | and | | <i>including</i> | | 1 | 59.3 |
| | | | and | | 62 | 66 | 4 | 2.2 |
| STBTBAC036 | AC | 6939367 | 403134 | 65 | 45 | 49 | 4 | 4.9 |
| | | | and | | <i>including</i> | | 1 | 16.8 |
| | | | and | | 60 | 64 | 4 | 1.9 |
| STBTBAC034 | AC | 6939337 | 403154 | 68 | 10 | 11 | 1 | 1.9 |
| | | | and | | 14 | 15 | 1 | 73.1 |
| STBTBAC010 | AC | 6939310 | 403000 | 70 | 35 | 47 | 12 | 8.1 |
| | | | and | | <i>including</i> | | 2 | 28.1 |
| STBTBAC042 | AC | 6939307 | 402991 | 80 | 18 | 25 | 7 | 5.6 |
| | | | and | | <i>including</i> | | 2 | 15.1 |
| STBTBAC030 | AC | 6939245 | 403187 | 92 | 34 | 39 | 3 | 1.1 |
| | | | and | | 57 | 58 | 1 | 0.7 |
| | | | and | | 71 | 72 | 1 | 3 |
| | | | and | | 76 | 92 | 12 | 1.8 |
| STBTBAC083 | AC | 6939196 | 403182 | 62 | 36 | 40 | 4 | 1.8 |
| | | | and | | 48 | 52 | 4 | 6.5 |
| STBTBAC020 | AC | 6939110 | 403200 | 99 | 23 | 30 | 7 | 4.1 |
| | | | and | | <i>including</i> | | 2 | 6 |
| | | | and | | <i>including</i> | | 2 | 5.8 |
| WNADR00987 | RAB | 6938900 | 403075 | 48 | 23 | 42 | 19 | 1.9 |
| | | | and | | <i>including</i> | | 1 | 9.3 |

Note: Lower Cut of 0.5 g/t Au,no upper cut, maximum internal waste of 2 metres; Drill types AC – aircore, RAB - rotary air blast; Sampling of AC & RAB holes by spear or scoop with compositing up to 4 metres maximum width; Assay method by aqua regia digest with AAS finish; Grid is GDA94.



Thompson Bore Prospect-Gold Zone, Drill Hole Collars (Max. Downhole Gold) & Significant Intercepts

Additionally, the Duketon Project includes both the Rose (Ni-Cu-PGE) Mineral Resource and C2 nickel Prospects identified by Independence Group (IGO).

PREVIOUS NICKEL EXPLORATION

The nickel potential of the Duketon Greenstone Belt has never been effectively evaluated, with only cursory exploration efforts undertaken until recently. The district was subjected to significant “staking” activity following the discovery of the Windarra nickel sulphide deposit by Poseidon Ltd, however little effective exploration was undertaken before the nickel boom dramatically collapsed in 1971. By mid 1970’s, much of the land that had been acquired for nickel exploration had been dropped, usually without any significant drill testing of the numerous geochemical targets that had been generated.

Cominco evaluated the area for nickel, commencing exploration in 1966. Cominco focused their exploration efforts on the Houtanui area, located at the northwest end of the Duketon greenstone belt. Cominco reported the presence of nickel sulphides with comments like “nickel sulphide veinlets were encountered in ultrabasic rocks at Houtanui and sulphide mineralisation was first observed as minor disseminated grains of chalcopyrite, pyrrhotite and pentlandite in serpentinite. Following early encouragement, Cominco carried out further exploration, which included drilling a further six shallow diamond drill holes at the Camp Oven prospect to follow-up the discovery of siliceous iron gossans as float and outcrop that gave results up to 8500ppm Cu with 1200 ppm Ni and 1450 ppm Cu and 1750 ppm Ni.

INSEL (International Nickel) applied for ground in the Duketon greenstone belt in 1969 and continued to explore up until 1973 with airborne magnetics and drilled 28 shallow holes for a total of 927 metres. Drilling returned encouragement from the Ten Mile Well Ultramafic complex as well as the Mulga Queen Ultramafic complex. INSEL undertook a substantial drilling program with 97 vertical open hole percussion holes for a total of 4833 metres, with a maximum depth of 82 metres (average 50 metres). Most of the drilling was terminated in weathered rock with only a few holes drilled into obviously fresh rock.

Kennecott, and their later joint venture partner, Shell Minerals Exploration explored for nickel in the Duketon greenstone belt from 1973 – 1974 with 42 shallow percussion holes for 1100 metres(maximum depth of 34 metres, average 26 metres) in early 1973, followed by 151 shallow open rotary / percussion holes for 8400 metres (average of 56 metres) in 1973-74. The drilling confirmed that parts of the Duketon ultramafic complexes consisted of high magnesium (>34% MgO) and low aluminium dunites containing relative high ratios of sulphide nickel to total nickel.

There have been great advancements in the understanding of the formation of nickel sulphide mineralisation, the effects of deep weathering on mineralisation, none of which were well understood during this period of exploration. In addition, there have been major advancements in the exploration techniques available to explore for nickel sulphides including electromagnetic geophysical techniques; advancements in analytical techniques including the availability of cost

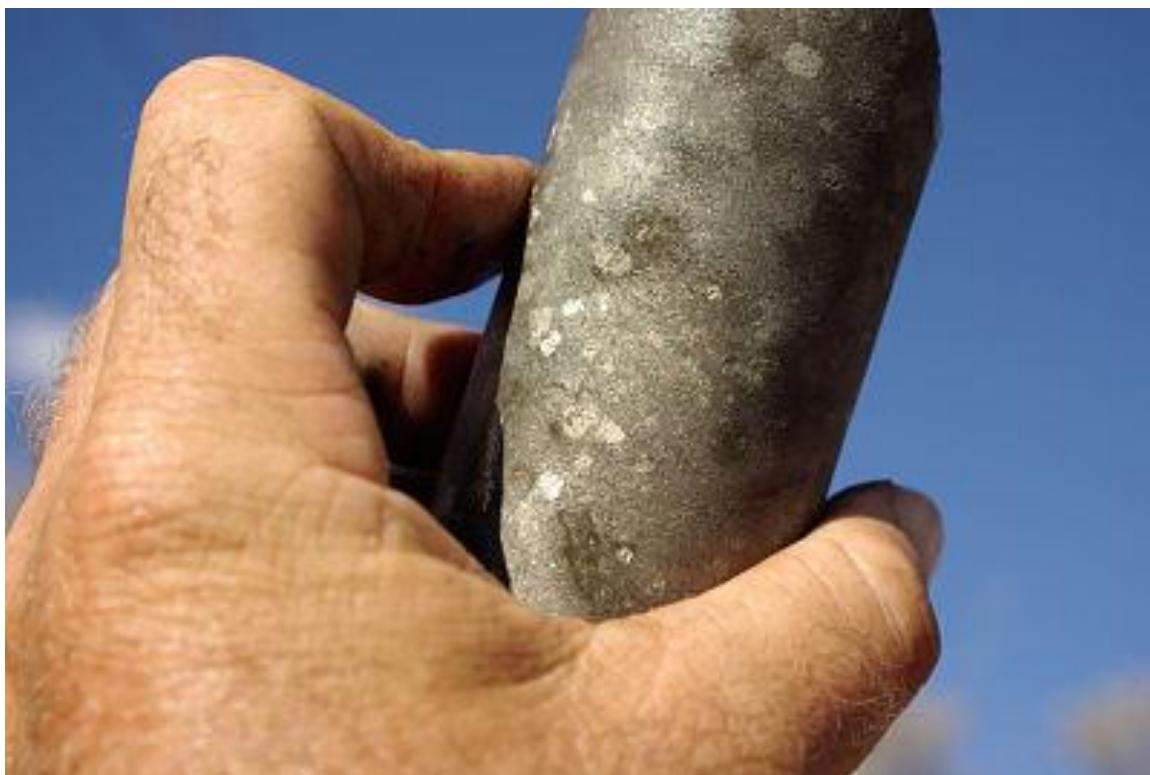
effective analysis of PGE's; as well as improvements in drilling techniques (including aircore and high pressure reverse circulation), which enable a cost effective means of effectively assessing the subsurface environment.

There had been no further activities targeting nickel mineralisation until IGO entered into a joint venture over the tenement holding in the mid 2000's. The joint venture had early success with the discovery of primary nickel sulphide mineralisation at the C2 and Rosie deposits, within the Bulge Ultramafic Complex, confirming the prospectivity of the Greenstone belt. Recent success by Rox Resources with the discovery of significant nickel sulphide mineralisation at their Camelwood prospect (ASX,RXL, 15th Feb 2013) also confirms the underexplored potential of the ultramafic rock units within the Laverton Terrane.

The tenements which comprise the Duketon Project are of merit and worthy of further exploration. Nickel and Copper mineralisation at Rosie and C2 remains open at depth and along strike and potential remains to expand the current resources at both prospects. Potential also exists for the identification of additional nickel sulphides within the Bulge Ultramafic Complex.

NICKEL MINERALISATION

Mineralisation at the Rosie Deposit consists of disseminated, matrix, stringer, breccia massive and massive Ni-Cu-PGE sulphides at, or adjacent to the contact of the Bulge ultramafic complex and a sediment free footwall basalt, interpreted to a classic komatiitic lava channel style nickel sulphide mineralisation.



High-grade Nickel Sulphide in diamond core from Rosie Deposit

The mineralisation strikes approximately north-west and dips steeply to the south in the southern zone to sub-vertical in the central and northern portions. The mineralisation at Rosie is currently defined over an approximately strike length of 750m and a dip extent of 400m.

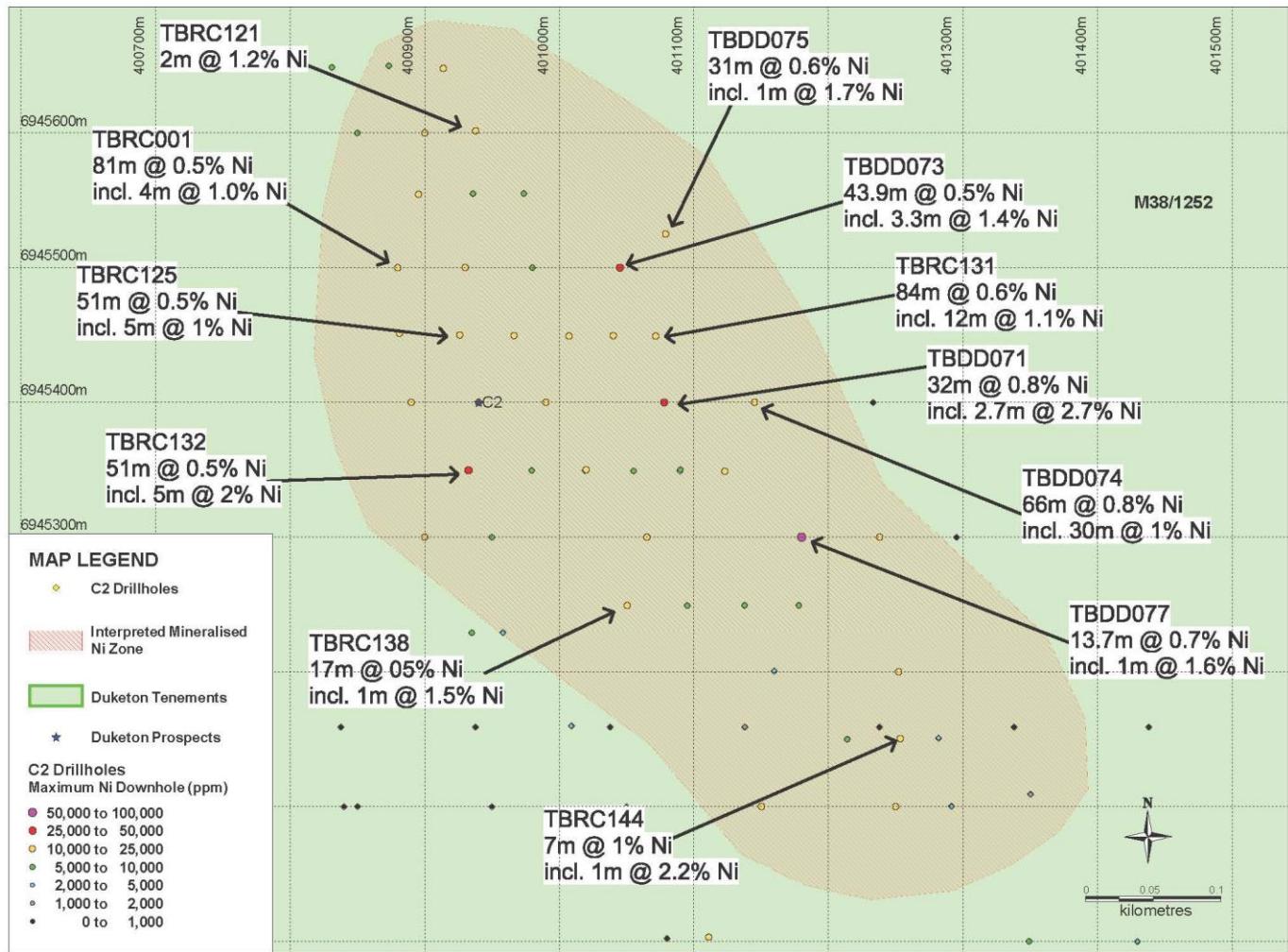
Mineralisation at C2 is semi-continuous over at least 700m of strike, and is known to extend to at least 300m below surface, up to 25m wide (true width). The mineralisation appears to be east dipping, in two to three contact-parallel layers, an upper, central and lower zone. These zones can, in places, be traced from one section to another, based on their spatial distribution and elemental signatures.

The mineralisation comprises of disseminated and minor matrix and stringer sulphides and is considered to have potential to host massive sulphide mineralisation. One of the best intercept at the C2 Prospect is comprised of disseminated, stringer and breccia sulphides, with intercepts of up to 66.3m @ 0.76% Ni, including 30m @ 1.08% Ni in TBDD074. Zones of higher grade mineralisation up to 3.43% Ni have also been intercepted (see table of significant assay results below). It is considered that there is potential at C2 for further discrete, higher grade, massive sulphide zones similar to those found at Rosie. In total 110 drill holes for 19,782 metres have been completed at C2. Wiluna Mines drilled 16 RAB holes during the early to late 1990's. IGO have completed the remaining 94 holes (i.e. 28 AC, 53 RC & 13 diamond) since 2007. Drill spacing over the majority of the prospect is at a nominal 50 metres x 40 metres. Significant assay results from drilling are given in the following table.

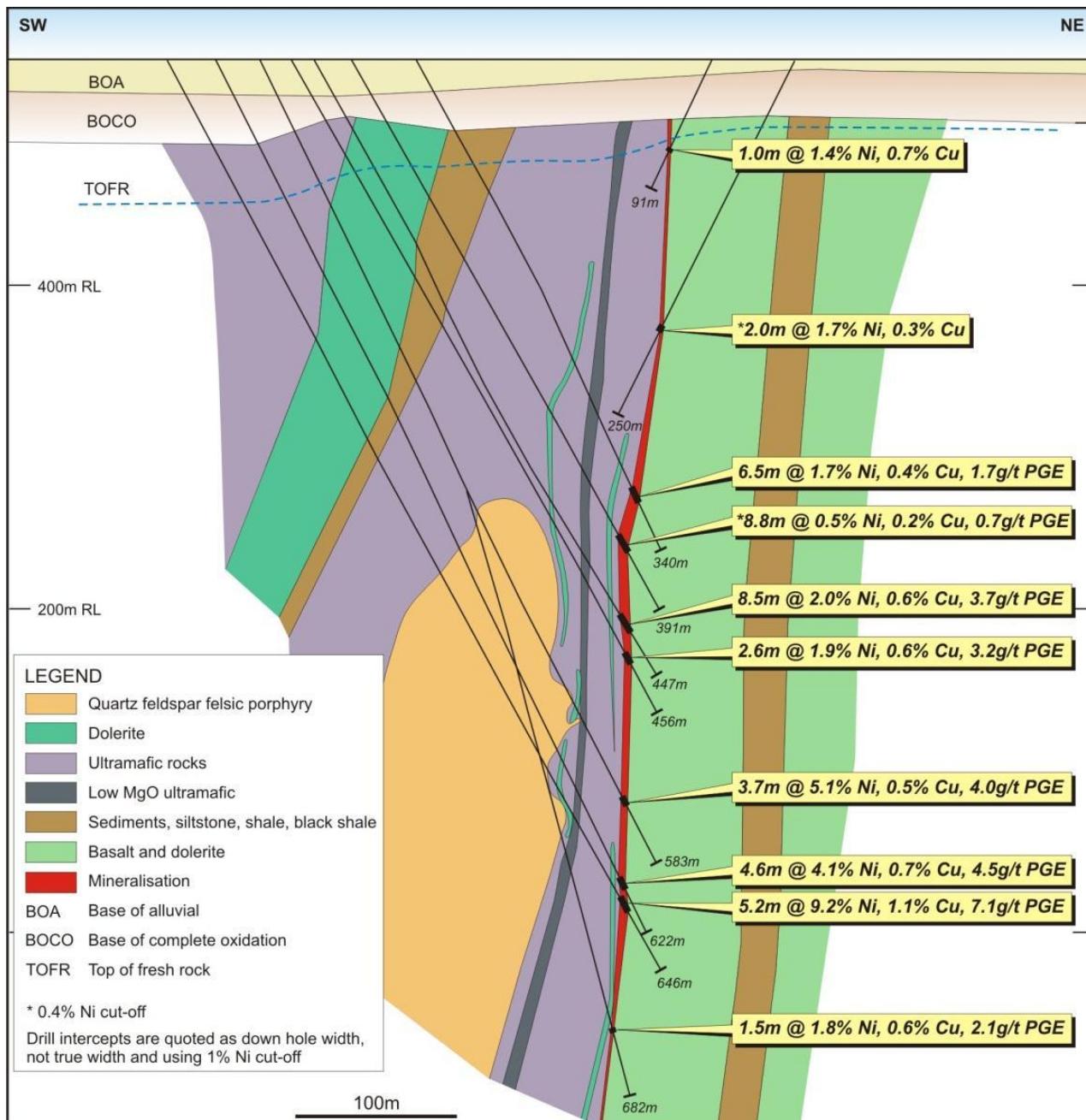
Table: Significant Nickel Intercepts C2 Prospect

| Hole ID | Drill Type | Northing | Easting | Depth | From | To | Interval | Ni% |
|------------------|------------|----------|---------|--------|-------------|-------------|----------|------|
| TBDD075 | DDH | 6945525 | 401079 | 327.05 | 279.0 | 310.0 | 31.0 | 0.59 |
| <i>Including</i> | | | | | 1.0 | 1.70 | | |
| <i>Including</i> | | | | | 1.0 | 1.41 | | |
| TBRC001 | RC | 6945500 | 400880 | 186 | 41.0 | 122.0 | 81.0 | 0.50 |
| <i>Including</i> | | | | | 4.0 | 1.02 | | |
| TBDD073 | DDH | 6945500 | 401045 | 372 | 195.2 | 239.0 | 43.9 | 0.50 |
| <i>Including</i> | | | | | 3.3 | 1.41 | | |
| TBRC125 | RC | 6945450 | 400926 | 190 | 109.0 | 160.0 | 51.0 | 0.50 |
| <i>Including</i> | | | | | 5.0 | 1.03 | | |
| TBRC131 | RC | 6945449 | 401072 | 298 | 214.0 | 298.0 | 84.0 | 0.57 |
| <i>Including</i> | | | | | 12.0 | 1.15 | | |
| TBDD071 | DDH | 6945400 | 401078 | 393.36 | 147.4 | 171.7 | 24.3 | 0.71 |
| <i>Including</i> | | | | | 11.8 | 1.03 | | |
| and and | | | | | 172.8 | 183.0 | 10.2 | 0.72 |
| <i>Including</i> | | | | | 243.0 | 275.0 | 32.0 | 0.80 |
| <i>Including</i> | | | | | 0.7 | 3.43 | | |
| TBDD074 | DDH | 6945400 | 401145 | 459.43 | 271.7 | 338.0 | 66.3 | 0.76 |
| <i>Including</i> | | | | | 30.0 | 1.08 | | |
| TBDD096 | DDH | 6945400 | 401330 | 610 | 435.2 | 474.8 | 39.5 | 0.54 |
| <i>Including</i> | | | | | 9.7 | 1.11 | | |
| TBRC132 | RC | 6945350 | 400933 | 196 | 66.0 | 117.0 | 51.0 | 0.50 |
| <i>Including</i> | | | | | 5.0 | 2.03 | | |
| TBRC137 | RC | 6945349 | 401123 | 274 | 197.0 | 243.0 | 46.0 | 0.50 |
| <i>Including</i> | | | | | 2.0 | 1.08 | | |
| TBRC138 | RC | 6945249 | 401050 | 148 | 35.0 | 52.0 | 17.0 | 0.50 |
| <i>Including</i> | | | | | 1.0 | 1.52 | | |
| TBRC144 | RC | 6945150 | 401253 | 208 | 143.0 | 150.0 | 7.0 | 0.95 |
| <i>Including</i> | | | | | 1.0 | 2.22 | | |

Note: Lower cut off 0.1% Ni, no upper cut, maximum internal waste of 2 metre, only 0.5%Ni plus intercepts reported; Drill types RC - rotary circulation, DDH - diamond core; Sampling of RC - 1metre riffle splits and DDH - cut half core.; Assay method by aqua regia digest with ICP finish; Grid is GDA94.



C2 Prospect-Ni Mineralisation, Drill Hole Collars (Max. Downhole Nickel) & Significant Intercepts



Interpreted Geological Cross-section through Rosie Nickel Deposit.

The mineralisation at both the Rosie and C2 deposits are interpreted to be classic komatiite hosted nickel sulphide deposits, however the relatively high copper, cobalt and PGE values are atypical of the komatiitic nickel sulphide deposits currently being mined elsewhere in Western Australia (i.e Kambalda, Forrestania). Geochemically, the deposits appear to have close affinities to nickel sulphide deposits of the Abitibi Greenstone Belt in Canada as well as the Olympia Nickel Sulphide Deposit in the Collurabbie Greenstone Belt, located to the north of the Duketon Greenstone Belt.

DUKETON NICKEL RESOURCE ESTIMATES

An indicated and inferred JORC resource for the Rosie Ni-Cu-PGE sulphide deposit was released in an ASX announcement by Independence Group NL dated 25 January 2012. The Rosie deposit is a komatiite hosted nickel sulphide deposit. 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.

The deposit has been drilled from surface to a vertical depth of approximately 600m over a strike length of ~1,500m. Drill hole spacing in the resource area is a maximum of single holes on 100m spaced sections or less, down to approximately 30m x 30m in places. The Indicated Mineral Resource was estimated at 715,000 tonnes at 1.9% Ni and 0.4% Cu. The Inferred resource was estimated at 1,029,000 tonnes at 1.6% Ni and 0.4% Cu.

Table : Rosie Nickel Resource

| Classification | Oxidation | Tonnes | Ni% | Ni tonnes | Cu% | Pt (g/t) | Pd (g/t) | Pt+Pd (g/t) |
|----------------|------------------|------------------|------------|---------------|------------|------------|------------|-------------|
| Indicated | Fresh | 685,000 | 1.9 | 13,300 | 0.4 | 0.8 | 1.1 | 1.9 |
| | Transitional | 30,000 | 1.6 | 500 | 0.3 | 0.7 | 1.2 | 1.9 |
| | Sub-Total | 715,000 | 1.9 | 13,800 | 0.4 | 0.8 | 1.1 | 1.9 |
| Inferred | Fresh | 990,00 | 1.6 | 15,400 | 0.4 | 0.8 | 1.2 | 2 |
| | Transitional | 39,000 | 1.6 | 600 | 0.2 | 0.7 | 1 | 1.7 |
| | Sub-Total | 1,029,000 | 1.6 | 16,000 | 0.4 | 0.8 | 1.2 | 2 |
| Total | | 1,744,000 | 1.7 | 29,800 | 0.4 | 0.8 | 1.1 | 1.9 |

(Note: 1% Ni lower Cut; table from South Boulder Annual Report 2012)

DUKETON PROJECT POTENTIAL

Previous exploration for gold has been limited in scope and sporadic in timing. A large proportion of the project area remains under shallow cover and under explored. The entire project area is underlined by the Duketon Greenstone Belt, which contains prospective geological sequences and mineralised structures for gold. At Thompsons Bore it is reported that the area had further potential along strike to the granite contact in the northwest and possibly at depth. The positive results obtained from exploration programs to date indicate the effectiveness of their exploration strategy on this geological terrain.

The potential for the discovery of more gold and nickel mineralisation within the Duketon project is supported by the following factors. Previous exploration for gold has been limited in scope and sporadic in timing. A large proportion of the project area remains under shallow cover and under explored. The entire project area is underlined by the Duketon Greenstone Belt, which contains prospective geological sequences and mineralised structures for gold and nickel. The relatively

recent success of Regis Resources whose gold resource inventory currently stands at 7.6 million ounces is testimony to the belts underexplored potential. At Thompsons Bore it is reported that the area had further potential along strike to the granite contact in the northwest and possibly at depth. The positive results obtained from exploration programs to date indicate the effectiveness of their exploration strategy on this geological terrain.

The tenements that comprise the Duketon projects are of merit and worthy of further exploration. Nickel mineralisation at Rosie and C2 remains open at depth and along strike and potential remains to expand the current resources at both prospects. Further potential also exists for the identification of additional nickel sulphides within the Bulge Ultramafic Complex.

Competent Persons Statement

The information in the Independent Geological Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information announced to the ASX by Independent group NL and reviewed by Malcolm Castle, a competent person who is a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”). Malcolm Castle is a consultant geologist employed by Agricola Mining Consultants Pty Ltd. Mr Castle has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC code). Malcolm Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

DUKETON PROPOSED EXPLORATION PROGRAM AND BUDGET

Initial gold and nickel exploration will involve completion of acquisition and compilation of previous exploration data into the Company’s databases. The utilisation of such information will be invaluable for evaluation and target generation plus the efficient and effective implementation of work programs. Duketon has numerous prospective gold targets and trends ranging from grassroots through to advanced exploration prospects. Drill testing types ranging from broad spaced RAB/AC geochemistry drilling through to precise targeted diamond drilling is planned. Further progression and testing of nickel targets and trends is also planned with the processing and evaluation of geophysical data and drill testing.

| Activity | 12 months (\$000s) |
|--|-----------------------|
| Data acquisition, historical review & evaluation | \$120 |
| Tenure Administration | \$100 |
| Geophysical processing & evaluation | \$80 |
| Environmental & Heritage | \$120 |
| RAB/AC Geochemistry Drilling | \$350 |
| RC Drilling | \$750 |
| Diamond Drilling | \$90 |
| Assaying, metallurgy & petrology | \$330 |
| TOTAL | \$1,940 |

LAKE LEFROY PROJECT, WA – NICKEL AND GOLD – 100% EQUITY

LOCATION AND TENURE

The Lake Lefroy, nickel, gold project is located 20km northeast of Kambalda in the eastern goldfields of Western Australia. Kambalda is located about 60km from Kalgoorlie and 616km from Perth in Western Australia, within the Goldfields and is located on the western edge of the salt lake, Lake Lefroy. The project consists of one exploration licence with an area of 69km².

GEOLOGICAL SETTING

The project is located in an isoclinally folded, northwest to north-northwest trending Archaean greenstone belt comprising sediments, banded iron formations, felsic volcanics, basalts, high magnesium basalts and ultramafics intruded by felsic porphyries and granitic plutons. Structures such as faults and shears can act as conduits to provide the access for mineralising fluids during hydrothermal processes. Such structures are an integral part of the orogenic gold model.

PREVIOUS EXPLORATION

Compilation of historical exploration on the Lake Lefroy Project is yet to be completed and will form the basis to further exploration activities.. Compared to the surrounding areas in the Kambalda region the Project area has been largely unexplored. Exploration has been limited to preliminary desktop studies within the licence area.

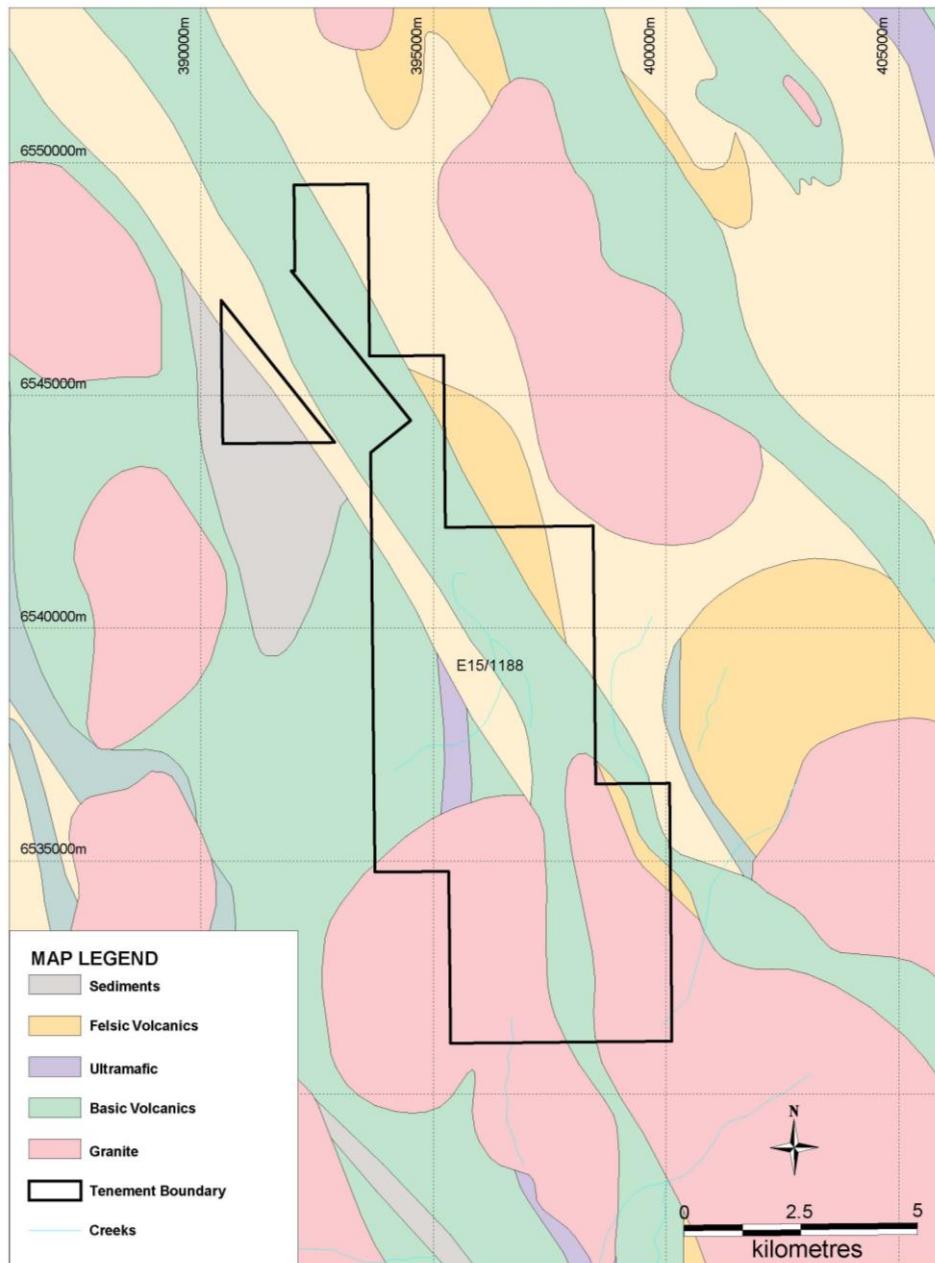
LAKE LEFROY PROJECT POTENTIAL

The tenement area is still an early stage exploration project with respect to the surrounding areas. The structures and lithologies generally considered prospective for gold exist in the prospect area. There is the potential for shear hosted orogenic gold mineralisation.

PROPOSED EXPLORATION PROGRAM AND BUDGET

Work is at an early stage requiring further acquisition of data, review of previous exploration and subsequent evaluation, target generation and work program design.

| Activity | 12 months (\$000s) |
|--|-----------------------|
| Data acquisition, historical review & evaluation | 30 |
| Tenement Administration | 5 |
| TOTAL | 35 |

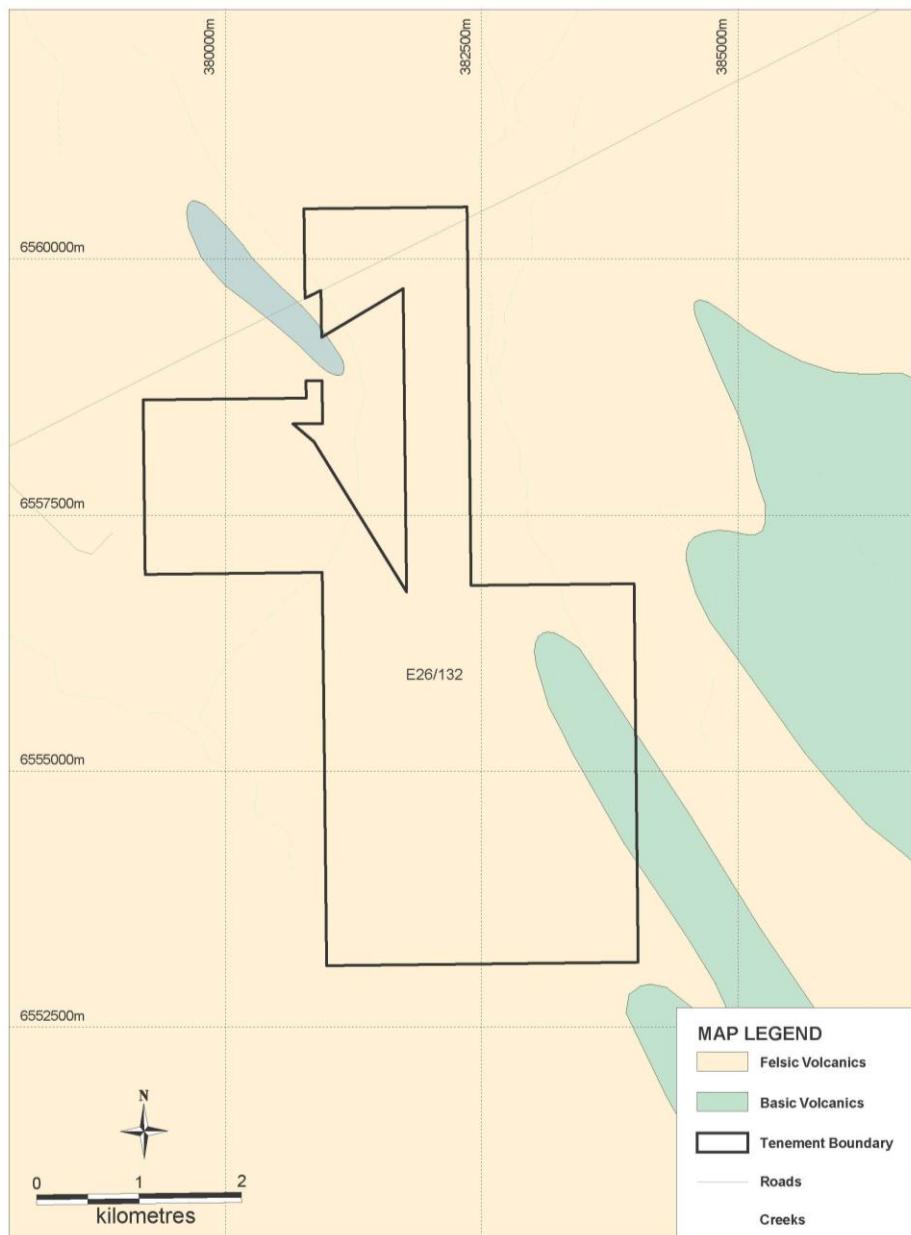


Lake Lefroy Project Tenement

CUTTERS LUCK PROJECT, WA – NICKEL AND GOLD – 100% EQUITY

LOCATION AND TENURE

The Cutters Luck Nickel, Gold Project is located 20km northeast of Kambalda on the northern shore of Lake Lefroy. The project consists of one granted exploration licence with an area of 18km².



Cutters Luck Project Tenement

GEOLOGICAL SETTING

The project is located in an isoclinally folded, northwest to north-northwest trending Archaean greenstone belt comprising sediments, banded iron formations, felsic volcanics, basalts, high magnesium basalts and ultramafics intruded by felsic porphyries and granitic plutons. Faults and shears control the distribution of outcrop of the greenstone belts and importantly, in relation to gold exploration, are relics of conduits that provided the access for mineralising fluids during hydrothermal processes. Such structures are an integral part of the orogenic gold model.

PREVIOUS EXPLORATION

The historical exploration on the Cutters Luck project has not been detailed as it was still in preparation. Current knowledge indicates that compared to the surrounding areas in the Kambalda area it has been very lightly explored. Exploration has been limited to commencement of desktop studies within the licence area.

CUTTERS LUCK PROJECT POTENTIAL

The tenement area is still an early stage exploration project with respect to the surrounding areas. The structures and lithologies generally considered prospective for gold in such terrains exist in the prospect area. There is the potential for shear hosted gold mineralisation.

PROPOSED EXPLORATION PROGRAM AND BUDGET

Work is at an early stage requiring further acquisition of data, review of previous exploration and subsequent evaluation, target generation and work program design.

| Activity | 12 months (\$000s) |
|--|-----------------------|
| Data acquisition, historical review & evaluation | 20 |
| Tenement Administration | 5 |
| TOTAL | 25 |

WESTERN SHAW PROJECT, WA - NICKEL AND GOLD – 100% EQUITY

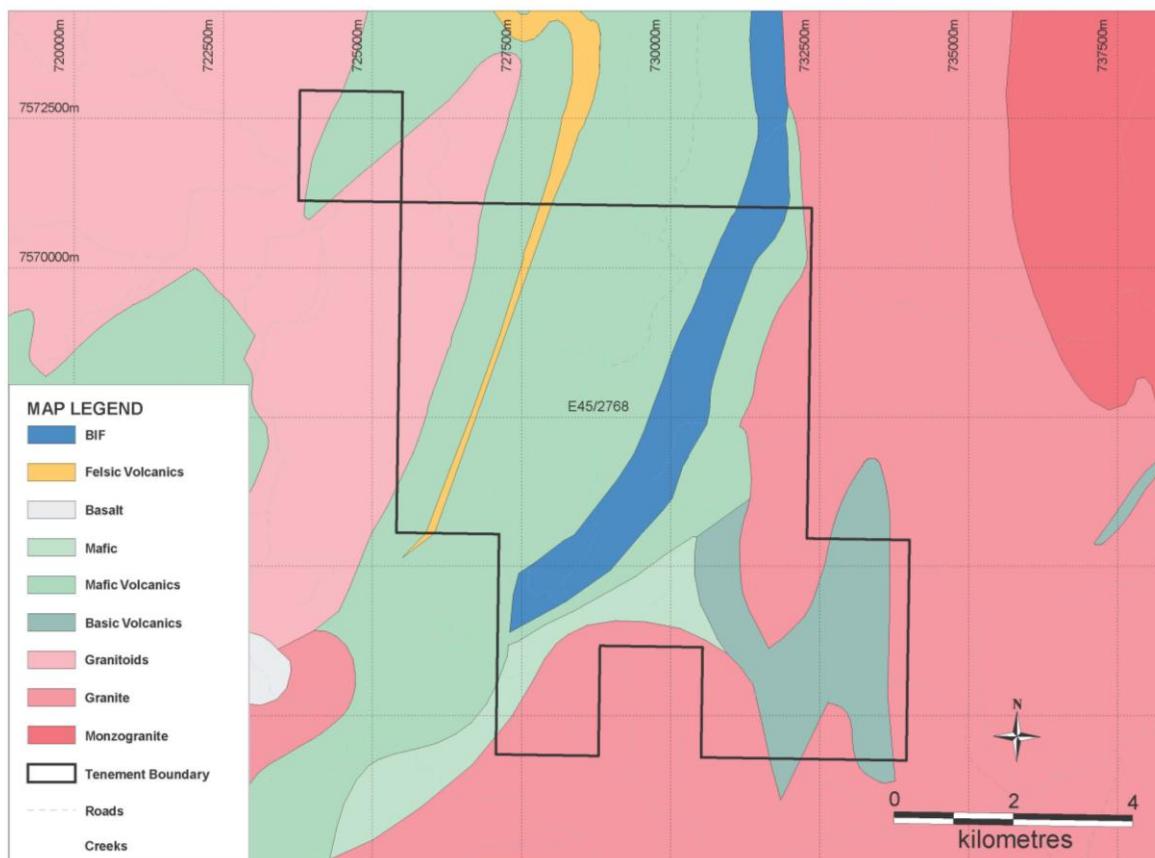
LOCATION AND TENURE

The Western Shaw Project is approximately, 1,476km north of Perth on the Great Northern Highway, 100km southwest of Marble Bar and 192km southeast of Port Hedland.

The Western Shaw Project comprises one tenement, an exploration licence covering approximately 64km². The project is 100% owned by Atlas Iron Limited excluding the rights to tin, tantalum and lithium, for which the Company has 100% of the mineral rights.

GEOLOGICAL SETTING

The largest part of the Project is located at the southern end of the Soanesville Archaean Greenstone Belt, and covers a large tract of unexplored mafic and ultramafic volcanics of the Warrawoona Group with a regional north-south foliation overprint, extending to the north in an elongated stratigraphic block lying between the Yule and Shaw Granites.



Western Shaw Project Tenement

PREVIOUS EXPLORATION

The only known exploration in E45/2768 comprised reconnaissance exploration for tin and tantalum by Sons of Gwalia Limited. No publicly available data can be found that documents the recent exploration completed by Atlas Iron Limited on the Western Shaw project tenement.

WESTERN SHAW EXPLORATION POTENTIAL

The tenement E45/2768 covers an area of mafic and ultramafic sequences which is potentially prospective for gold and or nickel mineralisation, and is considered a very early stage exploration project (grass-roots project) of low to moderate prospectivity.

PROPOSED EXPLORATION PROGRAM AND BUDGET

Duketon is free carried and not the manager of this tenement. No exploration expenditure is planned for the coming 12 months.

PILGANGOORA PROJECT, WA – TIN AND TANTALITE – 10% EQUITY

LOCATION AND TENURE

The Pilgangoora Project is situated approximately 80km south-southeast of the coastal town of Port Hedland. The project consists of one granted exploration licence covering 9km².

GEOLOGICAL SETTING

The Pilgangoora Project is located approximately 80km south-southeast of Port Hedland within the Pilgangoora Greenstone Belt in the East Pilbara region. The greenstone is bounded by the Carlinidi Batholith to the northwest and northeast, the Yule Batholith to the southwest and the Strelley granitoid to the east.

The major structural feature of the Pilgangoora Greenstone Belt is the Pilgangoora Syncline, comprising a sequence of inwardly-younging volcano-sedimentary rocks. The dominant lithologies are the acid to intermediate lava, agglomerates and tuffs, basalts, and ultramafics of the Warrawoona Group; as well as the shale, sandstone, banded iron formation and chert of the Gorge Creek Group.

Three types of tin-tantalum bearing pegmatites have been found in the area in and around Pilgangoora Project as Quartz-spodumene-albite-microcline pegmatites, Quarts-microcline-albite-muscovite pegmatites and Quartz-muscovite-feldspar-cassiterite pegmatites.

PREVIOUS EXPLORATION

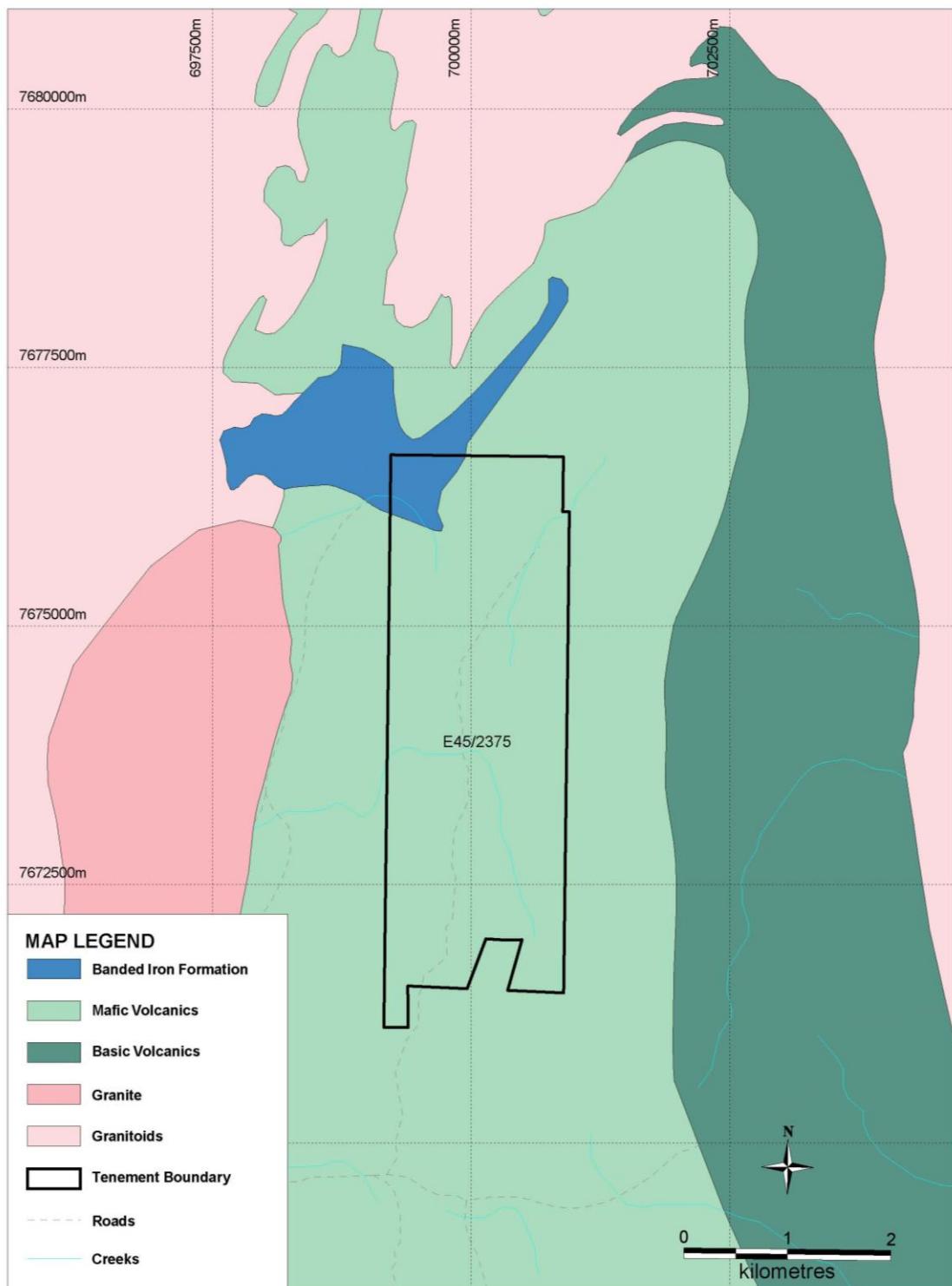
The Pilgangoora tantalite field was first discovered in 1905 and by 1947 had produced approximately 0.7 tonnes of tantalite concentrates from small scale alluvial operations. Larger scale mining operations were introduced in 1974; by 1975 approximately 50 tonnes of tantalite and 13 tonnes of cassiterite were produced from the area. Additional bulk scale mining took place to the north of the project area in the early 1990s. No publically available data can be found that documents the recent exploration completed by Lithex Resources Limited the current operator of the tenement.

PILGANGOORA PROJECT POTENTIAL

The Pilgangoora Project contains favourable tin-tantalum bearing pegmatites which require follow-up. Evidence of alluvial tantalite and cassiterite is documented and also warrants further exploration.

PROPOSED EXPLORATION PROGRAM AND BUDGET

Duketon is not the manager and has a 10% free carry on this project. No exploration expenditure is planned for the coming 12 months.



Pilgangoora Project Tenement

CARDABIA PROJECT, WA – PHOSPHATE – 20% EQUITY

LOCATION AND TENURE

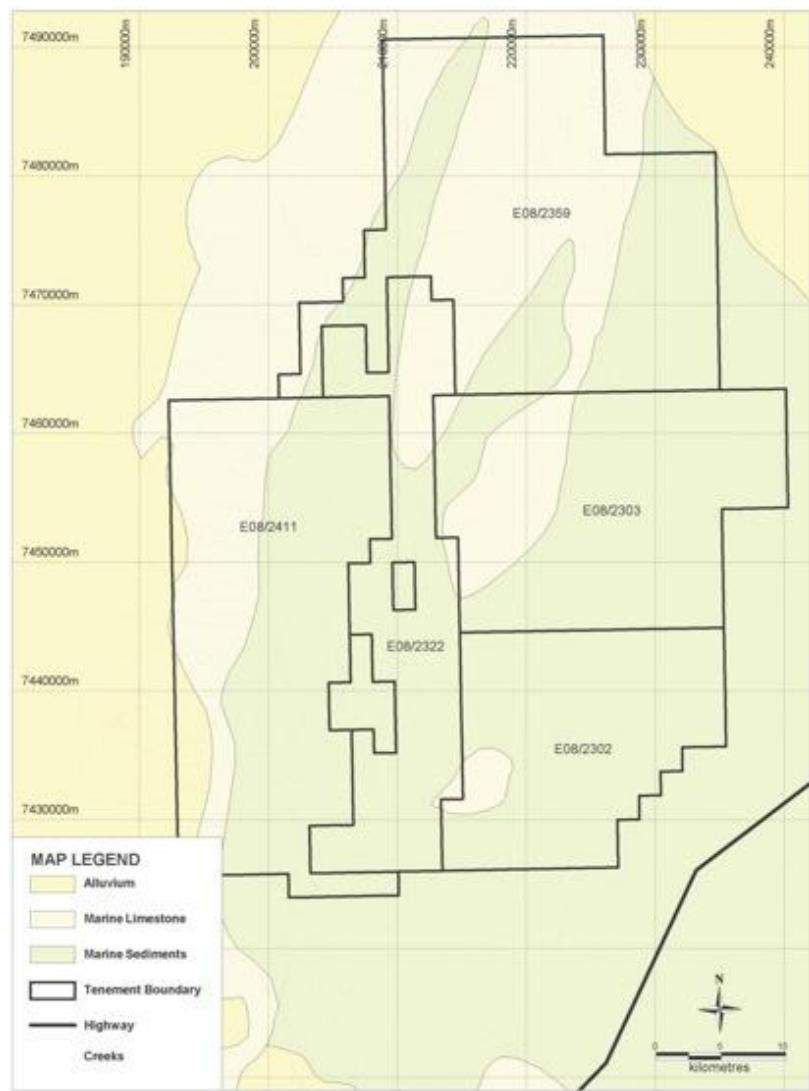
The Cardabia Phosphate Project is located in the northern Carnarvon Basin in Western Australia, approximately 200km north-northeast from Carnarvon. The project can be accessed from Perth via the Brand Highway to Geraldton and then from Geraldton via the North West Coastal Highway. The Cardabia project is comprised of three granted exploration licences with an area of 1,070km² and three exploration licences in application.

Under the terms of the JV Agreement, Strata Minerals Inc. owns an 80% interest in the Cardabia Project. Strata will manage the Cardabia Project through to the completion of a bankable feasibility study and the Company will have a free-carry interest in the Cardabia project during that period. Upon completion of the BFS, pro-rata dilution of ownership of the Cardabia project will occur between Strata and the Company based on each partner's proportional contribution to the ongoing expenditures of the Cardabia project.

GEOLOGICAL SETTING

The Cardabia Project is located within the Gascoyne sub-basin, part of the onshore Carnarvon Basin, and comprises cover sequences of Palaeozoic, Mesozoic and Tertiary sediments lying unconformably on, or faulted against Pre-Cambrian schists, gneiss, granite and sediments.

Early to late Cretaceous sediments consist of a basal unit called the Birdsong Sandstone. This has only been seen in oil well drill cuttings. Overlying this sandstone is the Muderong Shales and Windalia Radiolarite units of siltstone and chert. The uppermost formation in this stratigraphic unit is the Gearle Siltstone. It consists of carbonaceous and pyritic siltstone and claystone with significant interbedded radiolarite. The Gearle Siltstone is poorly exposed in dam banks.



Cardabia Project Tenure

Late Cretaceous sediments are predominantly carbonates, the result of stable tectonics and shelf carbonate sedimentation. The Toolunga calcilutite unconformably overlies the Gearle Siltstone. The unit outcrops as a massive, fossiliferous glauconitic calcilutite and calcisiltite. Phosphate nodules are locally present in the base and top of the unit. The Korojon Calcarenite is a coarser grained correlative to the Toolunga Calcareous Calcilutite and conformably and gradationally overlies this formation. This Korojon calcarenites contains a matrix consisting of fossils, calcite, lime, mud, glauconitic pellets, pyrite crystals and nodular phosphate horizons and occasional quartz sand grains. The top of this unit also has nodular phosphate and phosphatised macrofossils. The Miria marl disconformably overlies the Korojon Calcarenite. The marl is a green colour due to glauconite.

During the Tertiary – Quaternary period, 3 main episodes of sedimentation occurred. These are represented by the Cardabia Calcarenite, the Giralia Calcarenite and its correlatives - the Trealla limestone and Walatharra Formation (limestone pebbles in a calcreted conglomerate). Each episode is bounded by disconformities and consists predominantly of carbonate sediments. Phosphate nodules are again observed in particular subunits e.g. the Boongerooda Greensand Member.

The sediments of the Giralia Range are folded into two closed asymmetrical anticlines (Giralia and Marilla Anticlines) and three asymmetrical synclines (Bullara, Nabbawarra and White Peaks Synclines). Extensive post-Triassic block faulting has resulted in east dipping blocks separated by normal faults e.g. Giralia and Marilla Faults within the sub-basin. This has produced horst and graben structures in the central portions of the sub-basin.

The majority of the Cardabia project area is situated within the Merlinleigh Sub-basin, one of three sub-basins of the Southern Carnarvon Basin containing Palaeozoic aged sedimentary successions. The south-western portion of the project covers the interpreted eastern margin of the Gascoyne Platform.

The Cardabia Project covers sequences of Palaeozoic, Mesozoic and Tertiary sedimentary rocks lying unconformably on, or faulted against, Proterozoic schists, gneiss, granite and metasediments. A major disconformity separates the Palaeozoic and Mesozoic sequences, with minor disconformities in the otherwise conformable Mesozoic – Tertiary section.

Nodular phosphate bearing horizons occur at a number of stratigraphic levels throughout the Cretaceous and Tertiary sequences within the Cardabia Project.

PREVIOUS EXPLORATION

The earliest recorded work was undertaken by the Electrolytic Zinc Company in 1966. They drilled 16 holes with results indicated little likelihood of economic concentrations of phosphate.

IMC Development Corporation drilled 9 holes in the central west Carnarvon Basin. 5 of these holes penetrated Korojon calcilutite or Toolunga calcarenites, 2 holes penetrated the Toolunga/Gearle contact. It is believed the drilling was targeting the contact. The drilling was not successful in that it only located phosphate poor beds.

International Nickel explored the Giralia Anticline in 1978-79 after identifying anomalous silver values up to 352 ppm in pyritic nodules and microgossans in the Gearle siltstone. Anomalous values were restricted to the lower part of the Gearle siltstone. Anomalous zinc values up to 1250 ppm Zn and 120 ppm Pb. An air core drilling program failed to find any significant mineralisation.

Surface sampling (246 samples), aircore drill hole (74 holes for 4,234m, 529 assays) sampling and costean channel sampling (25) completed by CRAE between 1989-1990 has indicated that phosphorite nodules with contents averaging 15–31% P₂O₅ are located at a number of stratigraphic horizons throughout the Cretaceous marine sedimentary rock sequence within the Cardabia property.

Geochemical sampling of phosphorite nodules located at the surface has indicated that P₂O₅ contents average from between 18.3-30.3% at a number of stratigraphic horizons with nodules occurring at the Gearle Siltstone – Toolonga Calcilutite and the Toolonga Calcilutite contacts returning average compositions of 30.3% P₂O₅. Drilling returned similar results for the +5mm fraction (dominated by the nodular material) of one-metre samples submitted returning between 15.0-31.0% P₂O₅ for all identified horizons. Drilling and costeanning investigations completed by CRAE has shown that the phosphorite nodules are typically hosted within predominantly calcareous

sedimentary units whose matrix contains low phosphate contents of between 0.15-3.4% P2O5 over thicknesses ranging between 0.15–2m.

CARDABIA PROJECT POTENTIAL

The Cardabia Project area has undergone some exploration for phosphate mineralisation throughout 1966 and 1989-1990. The exploration history of the project detailed in the preceding sections describes the work completed. Results of this exploration work have confirmed the presence of phosphate mineralisation within the project area. Potential exists for further exploration to discover additional phosphate mineralisation.

PROPOSED EXPLORATION PROGRAM AND BUDGET

Duketon is not the manager and has a 20% free carry on this project through to a bankable feasibility study. No exploration expenditure is planned for the coming 12 months.

LAKES PROJECT, WA - POTASH – 100% EQUITY

LOCATION AND TENURE

The Lakes Project consists of Lake Disappointment and Lake Burnside located in the “Little Sandy Desert” north of Lake Carnegie. Lake Disappointment comprises three exploration licences and Lake Burnside one exploration licence. The projects are remote and require considerable logistics to support field based exploration. Access to main roads and ports will be via the Canning Stock Route to Wiluna/Esperance or via the Telfer road to Port Hedland. The applications are pending.

The projects are within Aboriginal lands. Discussions with traditional indigenous owners in regards to an ILUA or access agreement are at an early stage. No heritage or environmental survey has been undertaken.

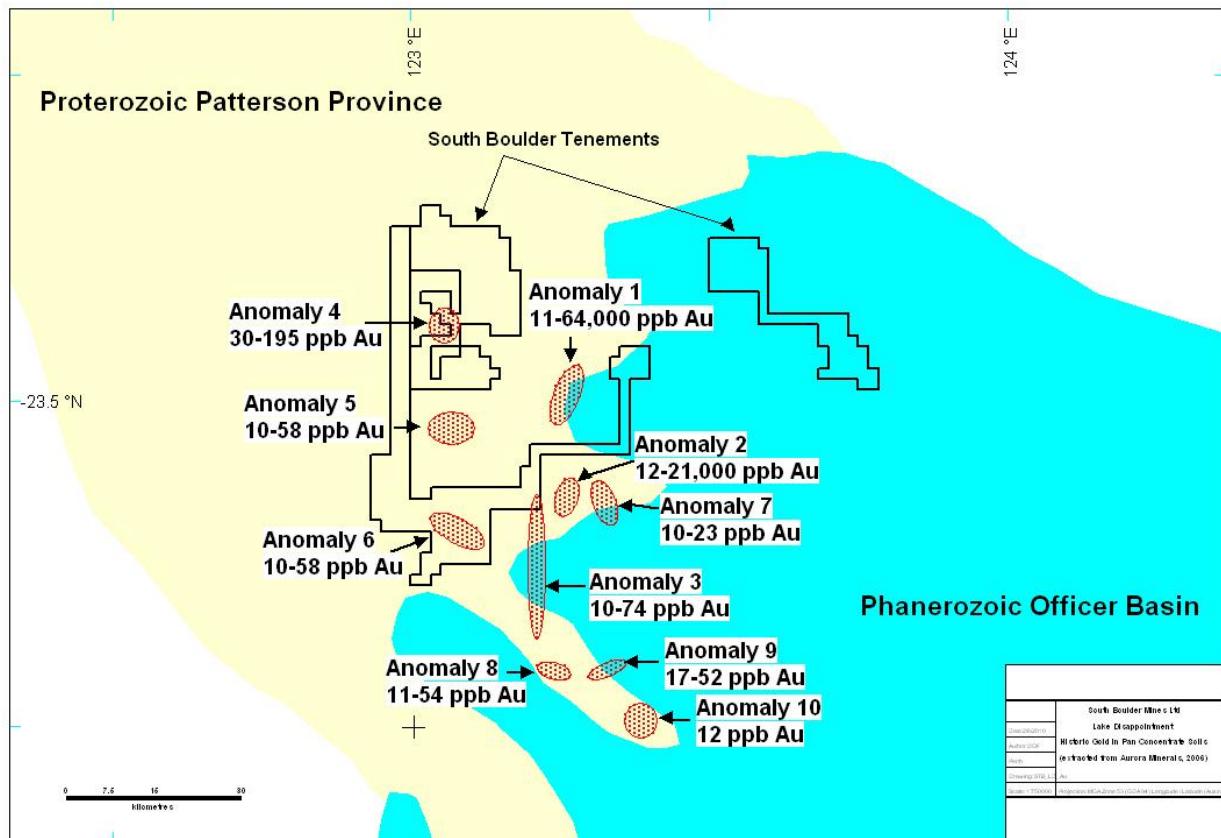
PREVIOUS EXPLORATION

There has been very little exploration of these tenements, due mostly to their remote nature. The projects all occur over salt lakes. Other salt lakes in Western Australia host commercial quantities of salt (Lake Deborah), uranium (Lake Way) and potash (Lake Disappointment).

In 1986, Battle Mountain (Australia) Inc. applied for 15 exploration licenses around Lake Disappointment covering 2,500 km². Targeting Telfer style gold mineralisation. One auriferous area was discovered at the Peff Lake Prospect where soil sampling delineated a 1.3km long anomaly with a maximum value of 0.96 g/t. This anomaly was never drill tested and warrants further exploration.

Tyson Resources Pty Ltd (2002 – 2004) unsuccessfully explored for uplifted evaporitic sequences related to salt diaperism in the Officer Basin, near Lake Disappointment. BHP has also taken a number of stream assays around this area and there appear to be a number of elevated gold anomalies with this. The maximum assay is 353 ppb Au and is regarded as exceptionally high, other

assays lending support to this being a genuine result include 43.6 and 64 ppb Au. The nearest gold mine is Telfer, 200km to the NNW which occurs in a Proterozoic sedimentary basin. Further work is recommended on locating the source of this gold anomalism.



Lake Disappointment Gold Anomalies

POTASH MINERALISATION

The Lakes tenement group were applied for in 2007-2008. The salt lake potash model was based on Reward Minerals Lake Disappointment Potash Project located 470 km NE of Wiluna. Reward Minerals have delineated a significant Sulphate of Potash (SOP) deposit within their neighbouring tenure (Reward Minerals Website).

At the Company's Lake Disappointment project, potassium rich brines are present in the sediments at shallow depths. It is planned to use solar evaporation to crystallise the salts.

The Lakes Project represents the eastern adjacent ground to Reward Minerals, however, only a portion of the salt lake is covered. Given the geological similarities between the two areas there are still significant potash brines to test. The landholding does not reputedly cover certain sacred sites

important to the traditional owners. In terms of exploration potential, the project is early stage and brine sampling, along the lines of Reward Minerals approach, need to be initially taken.

GOLD MINERALISATION

The Peff Lake mineralisation exhibits features normally associated with gold mineralisation such as alteration and structural complexity. The mineralisation appears to be related to shallow fluvial marine sedimentary sequences. Testing by drilling has not occurred and the exploration conducted to date is inconclusive.

PROPOSED EXPLORATION PROGRAM AND BUDGET

Tenements within the Lake Projects area are still under application and yet to be granted. No exploration expenditure has been allocated to them at this stage.

DIORITE HILL PROJECT, WA - PLATINOID AND NICKEL – 100% EQUITY

LOCATION AND TENURE

The Diorite Hill Project (gold, nickel and copper, and PGE exploration prospects) is located approximately 20km east of Laverton and lies immediately south of the Duketon Greenstone Belt. The Project comprises of exploration license application E38/2762 covering approximately 75.4 km².

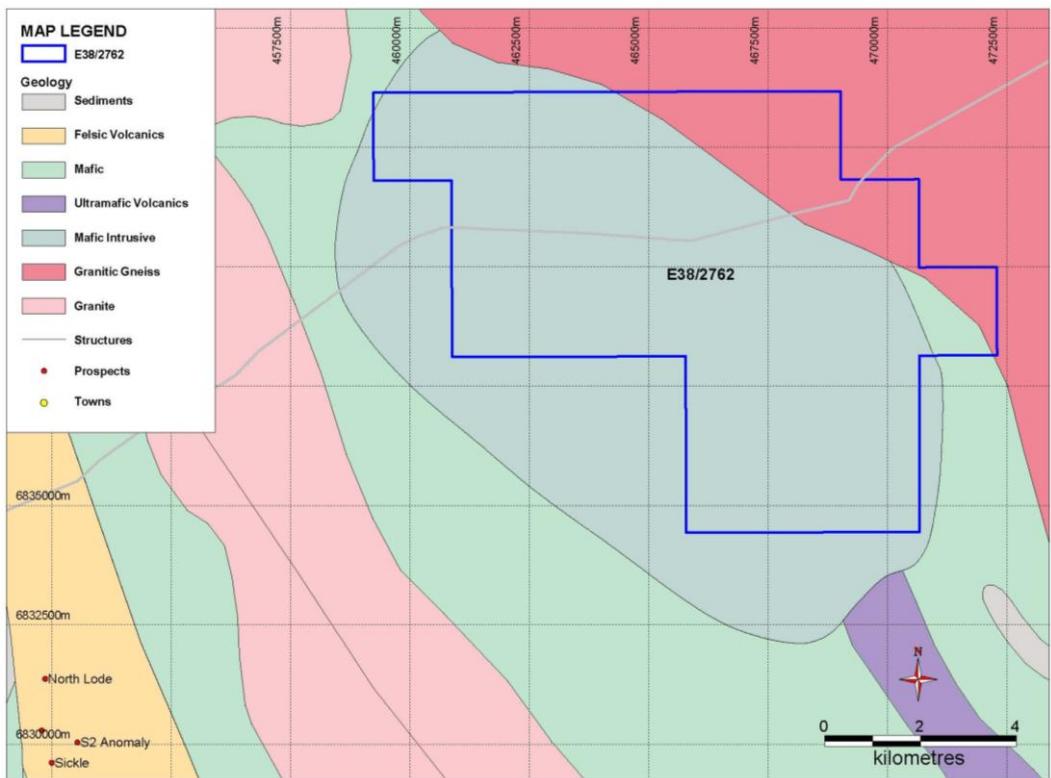
GEOLOGICAL SETTING

The Diorite Hill area is located in the eastern margin of the Merolia Greenstone Belt and is mostly covered by laterite and alluvial deposits with minimal outcrop. It is underlain by a layered sill complex. The rock sequence consists of alternating layers of mafic and ultramafic units. BIF units and internal granitic plutons are also present in the area.

The layered mafic-ultramafic intrusions are the main host for PGE mineralisation and nickel laterites can be targeted where there is high intensity fracturing/faulting. The north-northwest trending shear zones are a target for gold mineralisation

PREVIOUS EXPLORATION

Exploration in the Diorite Hill area has targeted Gold, Nickel and Copper, and PGE mineralisation. Exploration programs have included mapping, soil and rock chip sampling, drilling and geophysical interpretation. Previous exploration in the area has reported gold and Lateritic nickel & cobalt anomalous.



Diorite Hill Project Tenement

Lithologies and structures within the tenement are prospective for gold, nickel and copper, and PGE mineralisation. Both the gold and nickel anomalies are worthy of follow up also the geological and geochemical signatures of PGE mineralisation has been discovered at Diorite Hill and should be targeted.

PROPOSED EXPLORATION PROGRAM AND BUDGET

Diorite Hill Project tenure is still under application and yet to be granted. No exploration expenditure has been allocated at this stage.

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GLOSSARY OF TECHNICAL TERMS

| | |
|---------------------------|--|
| aeolian | Formed or deposited by wind. |
| aerial photography | Photographs of the earth's surface taken from an aircraft. |
| aeromagnetic | A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field. |
| airborne geophysical data | Data pertaining to the physical properties of the earth's crust at or near surface and collected from an aircraft. |
| aircore | Drilling method employing a drill bit that yields sample material which is delivered to the surface inside the rod string by compressed air. |
| alluvial | Pertaining to silt, sand and gravel material, transported and deposited by a river. |
| alluvium | Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries. |
| alteration | The change in the mineral composition of a rock, commonly due to hydrothermal activity. |
| amphibolite facies | An assemblage of minerals formed at moderate to high temperatures (450°C to 700°C) during regional metamorphism. |
| andesite | An intermediate volcanic rock composed of andesine and one or more mafic minerals. |
| anomalies | An area where exploration has revealed results higher than the local background level. |
| anticline | A fold in the rocks in which strata dip in opposite directions away from the central axis. |
| antiformal | An anticline-like structure. |
| Archaeon | The oldest rocks of the Precambrian era, older than about 2,500 million years. |
| assayed | The testing and quantification metals of interest within a sample. |
| Au | Chemical symbol for gold. |
| auger sampling | A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole. |
| axial plane | The plane that intersects the crest or trough of a fold, about which the limbs are more or less symmetrically arranged. |
| basalts | A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene. |
| polymetallics | A non-precious metal, usually referring to copper, lead and zinc. |
| bedrock | Any solid rock underlying unconsolidated material. |
| BIF | A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance. |
| BLEG sampling | Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold. |
| brittle | Rock deformation characterised by brittle fracturing and brecciation. |
| Cainozoic | An era of geological time spanning the period from 65 million years ago to the present. |
| carbonate | Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO ₃ . Essential component of limestones and marbles. |
| chert | Fine grained sedimentary rock composed of cryptocrystalline silica. |
| chlorite | A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks. |
| clastic | Pertaining to a rock made up of fragments or pebbles (clasts). |
| clays | A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates. |

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| colluvium | A loose, heterogeneous and incoherent mass of soil material deposited by slope processes. |
| conduits | The main pathways that facilitate the movement of hydrothermal fluids. |
| conglomerate | A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water. |
| copper | A reddish metallic element, used as an electrical conductor on the basis of brass and bronze. |
| dacite | An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both. |
| depletion | The lack of gold in the near-surface environment due to leaching processes during weathering. |
| diamond drill hole | Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock. |
| dilational | Open space within a rock mass commonly produced in response to folding or faulting. |
| dolerite | A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar. |
| DolR | Department of Industry and Resources, WA. |
| ductile | Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking. |
| dykes | A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle. |
| en-echelon | Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins. |
| erosional | The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface. |
| fault zone | A wide zone of structural dislocation and faulting. |
| feldspar | A group of rock forming minerals. |
| felsic | An adjective indicating that a rock contains abundant feldspar and silica. |
| folding | A term applied to the bending of strata or a planar feature about an axis. |
| foliated | Banded rocks, usually due to crystal differentiation as a result of metamorphic processes. |
| follow-up | A term used to describe more detailed exploration work over targets generated by regional exploration. |
| g/t | Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock. |
| gabbro | A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine. |
| geochemical | Pertains to the concentration of an element. |
| geophysical | Pertains to the physical properties of a rock mass. |
| GIS database | A system devised to present partial data in a series of compatible and interactive layers. |
| gneissic | Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals. |
| granite | A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas. |
| granoblastic | A term describing the texture of a metamorphic rock in which the crystals are of equal size. |
| granodiorite | A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite. |
| greenschist | A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite. |
| greenstone belt | A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies. |
| greywackes | A sandstone like rock, with grains derived from a dominantly volcanic origin. |
| GSAWA | Geological Survey of Western Australia. |
| gypsum | Mineral of hydrated, or water-containing, calcium sulphate. |

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| halite | Impure salt deposit formed by evaporation. |
| hangingwall | The mass of rock above a fault, vein or zone of mineralization. |
| hematite | Iron oxide mineral, Fe ₂ O ₃ . |
| hinge zone | A zone along a fold where the curvature is at a maximum. |
| hydrothermal fluids | Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution. |
| igneous | Rocks that have solidified from a magma. |
| infill | Refers to sampling or drilling undertaken between pre-existing sample points. |
| insitu | In the natural or original position. |
| interflow | Refers to the occurrence of other rock types between individual lava flows within a stratigraphic sequence. |
| intermediate | A rock unit which contains a mix of felsic and mafic minerals. |
| intrusions | A body of igneous rock which has forced itself into pre-existing rocks. |
| intrusive contact | The zone around the margins of an intrusive rock. |
| ironstone | A rock formed by cemented iron oxides. |
| isoclinal | A series of folds that dip in the same direction at the same angle. |
| joint venture | A business agreement between two or more commercial entities. |
| komatiitic | Magnesium-rich mafic to ultramafic extrusive rock. |
| laterite | A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content. |
| lead | A metallic element, the heaviest and softest of the common metals. |
| lineament | A significant linear feature of the earth's crust, usually equating a major fault or shear structure. |
| lithological contacts | The contacts between different rock types. |
| lithotypes | Rock types. |
| magnetite | A mineral comprising iron and oxygen which commonly exhibits magnetic properties. |
| metamorphic | A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids. |
| metasedimentary | A rock formed by metamorphism of sedimentary rocks. |
| monzogranite | A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content. |
| Moz | Millions of ounces. |
| Mt | Million Tonnes. |
| mylonite | A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone. |
| nickel | Silvery-white metal used in alloys. |
| nickel laterite | Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks. |
| open pit | A mine working or excavation open to the surface. |
| Orthoimage | A geographically located composite plan using aerial photography as a base. |
| outcrops | Surface expression of underlying rocks. |
| palaeochannels | An ancient preserved stream or river. |
| pegmatite | A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals. |
| pisolitic | Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile. |
| playa lake | Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts. |
| polymictic | Referring to coarse sedimentary rocks, typically conglomerate, containing clasts of many different rock types. |
| porphyries | Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass. |
| ppb | Parts per billion; a measure of low level concentration. |
| Proterozoic | An era of geological time spanning the period from 2,500 million years to 570 million years before present. |

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| pyroxenite | A coarse grained igneous intrusive rock dominated by the mineral pyroxene. |
| quartz reefs | Old mining term used to describe large quartz veins. |
| quartzofeldspathic | Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks. |
| quartzose | Quartz-rich, usually relating to clastic sedimentary rocks. |
| RAB drilling | A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods. |
| rafts | A relatively large block of foreign rock incorporated into an intrusive magma. |
| RC drilling | A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination. |
| regolith | The layer of unconsolidated material which overlies or covers insitu basement rock. |
| residual resources | Soil and regolith which has not been transported from its point or origin. Insitu mineral occurrence from which valuable or useful minerals may be recovered. |
| rhyolite | Fine-grained felsic igneous rock containing high proportion of silica and felspar. |
| rock chip sampling | The collection of rock specimens for mineral analysis. |
| saline | Salty |
| saprock | Zone of weathered rock preserved within the weathered profile. |
| saprolite | Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering. |
| satellite imagery | The images produced by photography of the earth's surface from satellites. |
| schist | A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals. |
| scree | The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion. |
| sedimentary | A term describing a rock formed from sediment. |
| sericite | A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks. |
| shale | A fine grained, laminated sedimentary rock formed from clay, mud and silt. |
| sheared | A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress. |
| sheet wash | Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica. |
| silcrete | Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica. |
| silica | Dioxide of silicon, SiO_2 , usually found as the various forms of quartz. |
| sills | Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy. |
| silts | Fine-grained sediments, with a grain size between those of sand and clay. |
| soil sampling | The collection of soil specimens for mineral analysis. |
| stocks | A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view. |
| strata | Sedimentary rock layers. |
| stratigraphic | Composition, sequence and correlation of stratified rocks. |
| stream sediment sampling | The collection of samples of stream sediment with the intention of analysing them for trace elements. |
| strike | Horizontal direction or trend of a geological structure. |
| subcrop | Poorly exposed bedrock. |

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| sulphide | A general term to cover minerals containing sulphur and commonly associated with mineralization. |
| supergene | Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment. |
| syenite | An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals. |
| syncline | A fold in rocks in which the strata dip inward from both sides towards the axis. |
| talc | A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks. |
| tectonic | Pertaining to the forces involved in or the resulting structures of movement in the earth's crust. |
| tholeiitic | A descriptive term for a basalt with little or no olivine. |
| thrust fault | A reverse fault or shear that has a low angle inclination to the horizontal. |
| tremolite | A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates. |
| ultramafic | Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar. |
| veins | A thin infill of a fissure or crack, commonly bearing quartz. |
| volcaniclastics | Pertaining to clastic rock containing volcanic material. |
| volcanics | Formed or derived from a volcano. |
| zinc | A lustrous, blueish-white metallic element used in many alloys including brass and bronze. |

**DUKETON MINING LIMITED
SOLICITORS REPORT ON TENEMENTS**

10. Solicitor's Report on Tenements



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20 May 2013

The Directors
Duketon Mining Limited
PO Box 391
West Perth
Western Australia 6872

Dear Sirs

SOLICITORS' REPORT

1. Introduction

This report is prepared for inclusion in a prospectus (**Prospectus**) to be dated on or about 20 May 2013 for issue by Duketon Mining Limited (ACN 159 084 107) (**Duketon** or the **Company**) of one new Share for every two existing Shares held by way of a non-renounceable pro-rata rights issue at a price of \$0.10 per Shares to raise up to \$1,584,160.40.

The report relates to Western Australian mining tenements (**Tenements**) in which the Company holds an interest. The attached Tenement Schedule (**Schedule**) and notes to the Schedule, contain an overview of the Tenements.

2. Opinion

Based on our searches and enquiries and subject to the assumptions and qualifications set out below, we confirm at the date of the searches that:

- (a) the details of the Tenements referred to in the Schedule are accurate as to the status and registered holders of those Tenements;
- (b) unless otherwise specified in this report, the Tenements are in good standing and all applicable rents have been paid;
- (c) none of the Tenements are subject to any unusual conditions of a material nature other than as disclosed in the Schedule; and
- (d) this report provides accurate statements as to third party interests, including encumbrances in relation to the Tenements ascertainable from our searches and the information provided to us; and

- (e) subject to the comments below relating to standard, administrative authorisations (which are normally applied for only at the time of finalising the details of individual exploration plans), or as otherwise detailed in this Prospectus, there are no legal, regulatory or contractual impediments to the Company undertaking the proposed exploration on the Tenements as detailed elsewhere in the Prospectus.

3. Searches

For the purpose of this report, we have conducted the following searches and enquiries:

- (a) searches of the Tenements in the mining tenement register (**DMP Register**) maintained by the Department of Mines and Petroleum of Western Australia (**DMP**) pursuant to the *Mining Act 1978* (WA) and *Mining Regulations 1981* (WA) (**WA Mining Act**) conducted on 3 May 2013;
- (b) quick appraisal searches of the Tenements summarising information obtained online from the 'TENGRAPH' system maintained by the DMP conducted on 3 May 2013;

4. Assumptions and qualifications

In preparing this Report:

- (a) we have assumed the accuracy and completeness of results of the searches of the registers maintained by the DMP and other information obtained from the DMP;
- (b) we have assumed all contracts, agreements or arrangements reviewed were within the capacity and powers of, and were validly authorised, executed and delivered by and binding on each party to them, and where applicable, duly stamped;
- (c) where any agreement, dealing or act (including disturbing the land for exploration or mining) affecting the Tenements requires an authorisation, approval, permission or consent (**Authorisation**) under the WA Mining Act, or any other relevant legislation, we have assumed that Authorisation has been or will be granted in due course;
- (d) where any dealing in the Tenements has been lodged for registration but is not yet registered, we express no opinion as to whether the registration will be effected, or the consequences of non-registration;
- (e) we have assumed that the Company has complied with all applicable provisions of the WA Mining Act and all other legislation relating to the Tenements;
- (f) we have not researched the underlying land tenure in respect of the Tenements to determine if native title rights have or have not been extinguished, or the extent of any extinguishment; and
- (g) we have not researched the area of the Tenements to determine if there are any registered or unregistered sites of significance to aboriginal people within the area.

The Schedule sets out a brief description of the Tenements and a summary of any encumbrances. In relation to the Schedule, we make the following comments:

- (a) references to the areas of the Tenements are taken from the details shown on the tenement searches, it is not possible to verify those areas without conducting a survey which has not been undertaken;

- (b) the area of the Tenements as shown in the Schedule might be reduced by the existence of pre-existing mining tenements situated within the boundaries of the relevant Tenement and a subsequent requirement that the area of the earlier mining tenement is excised from the grant of the Tenement; and
- (c) the rights of a holder of a mining tenement are subject to compliance by that holder with the terms and conditions under the WA Mining Act and the conditions specifically set out in the grant of the Tenements.

5. Western Australia Tenements

The Tenements comprise of Western Australia prospecting licences (prefixed “P”), exploration licences (prefixed “E”), miscellaneous licences (prefixed “L”) and mining leases (prefixed “M”) granted pursuant to the WA Mining Act.

In accordance with the WA Mining Act, the holder of a mining tenement is permitted to explore for all minerals including oil shale, but excluding sand or clay occurring on private land. Exploration or mining for iron is also excluded unless it has been authorised by the Minister and endorsed on the mining tenement title. Under the *Petroleum and Geothermal Energy Resources Act 1987* (WA), petroleum and geothermal energy resources are also excluded from the grant of a mining tenement.

In addition to the authorisations and approvals described below, it is a requirement that any ground disturbing work carried out on a mining tenement has been approved by the DMP. Such approvals may involve referral by the DMP to other Government agencies and any approvals given may be subject to special conditions. Approvals are generally required for an exploration program to be undertaken and are submitted to the DMP for approval at an administrative level.

(a) Prospecting Licences

A prospecting licence authorises the holder to enter land for the purpose of prospecting for minerals. ‘Prospecting’ includes the use of vehicles, machinery and equipment, and permits the undertaking of operations and works such as digging pits, trenches and holes, sinking bores and tunneling, for the purpose of prospecting for minerals in, on, or under the land. The holder of a prospecting licence may excavate, extract or remove earth, soil, rocks, stone, fluid or mineral-bearing substances not exceeding 500 tonnes over the term of the licence.

Prospecting licences are granted for a term of four years. The Minister has discretion to extend the prospecting licence for one further four year period if satisfied that a prescribed ground for extension exists.

A ‘prescribed ground’ for extension includes circumstances where the holder experienced difficulties or delays arising from governmental, legal, climatic, or heritage reasons, where the work carried out justifies further prospecting, or where the Minister considers the land has been unworkable for whole or a considerable part of any year of the term.

During the term of a prospecting licence, the holder may apply for and have granted subject to the Mining Act, one or more mining leases over any part of the land subject to the prospecting licence. Where an application for a mining lease is made and the term of the prospecting licence is due to expire prior to the mining lease application being

determined, the prospecting licence will continue in force over the land subject to the mining lease application pending the outcome of the mining lease application.

The holder of a prospecting licence that was applied for before 10 February 2006 also has a right to apply for a replacement prospecting licence over the area of the existing licence. Where the existing prospecting licence is due to expire prior to the replacement prospecting licence application being determined, the existing prospecting licence will continue in force over the land subject to the replacement prospecting licence application pending the outcome of the replacement prospecting licence application

Annual rent for the first year of a prospecting licence is payable at the time of application, and upon grant will be payable on each anniversary of the prospecting licence at the rate of \$2.25 per hectare with a minimum annual rental of \$22.50 (current as at date of this report).

Prospecting licences are subject to minimum annual expenditure requirements, which are calculated at the rate of \$40.00 per hectare, subject to a minimum of \$2,000 per annum (based on expenditure requirements current as at date of this report). The holder may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the prospecting licence liable to forfeiture.

Forfeiture of Prospecting Licences

The Warden, on the application of the Minister, mining registrar, an authorised officer of the DMP, or any other person, may make an order for forfeiture of a prospecting licence for any of the following reasons:

- (i) refusal of an exemption from expenditure;
- (ii) failure by the holder to comply with a condition of a prospecting licence such as payment of rent, statutory royalty or lodgment of a report as required by the Mining Act;
- (iii) failure by the holder to satisfy a request of the Minister; or
- (iv) if the holder is convicted of an offence under the Mining Act.

An application for forfeiture in respect of expenditure conditions must be made during the expenditure year in which there is non-compliance, or within eight months thereafter.

A Warden may only make an order for forfeiture if the Warden is satisfied that non-compliance is of sufficient gravity to justify the forfeiture of the prospecting licence.

A Warden may, as he or she thinks fit in the circumstances, impose a penalty as an alternative to making an order for forfeiture of a prospecting licence. The penalty must not exceed \$10,000 in a case where expenditure conditions have not been complied with, and not exceed \$50,000 in any other case.

Applications for Prospecting Licences

The Tenements include some applications for prospecting licences. The DMP will not register a transfer of an application for a prospecting licence, but there is no restriction

on an applicant selling an application and providing for the registration of the transfer upon grant.

(b) **Exploration Licences**

An exploration licence permits the holder to explore over land up to a maximum 200 graticular blocks in designated areas of Western Australia and a maximum of 70 graticular blocks elsewhere. Graticular blocks range in area from approximately 2.8km² to 3.3 km². There is no limit to the number of exploration licences which may be held by any one person.

An exploration licence authorises the holder to enter land to explore using vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land.

Significant amendments to the WA Mining Act (**Amendments**) came into operation on 10 and 11 February 2006. The exploration licences held by the Company were applied for or granted both before and after the Amendments.

The exploration licences were applied for or granted both prior to and after the Amendments. All were granted with 5 year terms. The terms of those applied for prior to the Amendments may be extended for up to 4 years in prescribed circumstances and further periods of 1 year in exceptional circumstances. The terms of those exploration licences applied for and granted after the Amendments may be extended by one period of five years and then by further two year periods if the Minister is satisfied that a prescribed ground for extension exists.

'Prescribed grounds' for extension include circumstances when the holder experienced difficulties or delays arising from governmental, legal, climatic or heritage reasons, where work carried out justifies further prospecting, or where the Minister considers the land has been unworkable for whole or a considerable part of any year of the term.

Exploration licences are subject to a requirement that the holder relinquishes portions of the licence during its term. Exploration licences applied for prior to the Amendments are subject to a requirement that 50% of the licence is relinquished at the end of the 3rd years of the term of the tenements, and another 50% of the area relinquished at the end of the 4th year of the term. Exemptions from both relinquishment requirements may be obtained.

Exploration licences applied for and granted after the Amendments carry a requirement that 40% of the tenement area be relinquished at the end of the initial five year period. The Minister may defer the relinquishment requirement for one further year if satisfied that a prescribed ground for deferral exists. No exemption from the relinquishment requirement is available.

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister.

During the term of an exploration licence, the holder may apply for and have granted subject to the WA Mining Act, one or more mining leases over any part of land subject to

the exploration licence. Where an application for a mining lease is made, and the term of the exploration licence is due to expire prior to the mining lease application being determined, the exploration licence will continue in force over the land subject to the mining lease application pending the outcome of that mining lease application.

Annual rent for an exploration licence is \$116.70 per block for years one to three of the term of the licence, \$181.45 per block for years four and five, \$246.20 per block for years six and seven, and \$466.20 per block for year eight and each subsequent year of the term of the licence (based on rental rates current as at date of this report).

Exploration licences are subject to minimum annual expenditure requirements which are calculated at not less than \$1,000 per block for years one to three of the term of the licence (subject to minimums of \$10,000 for licences of one block only, \$15,000 for licences of two to five blocks and \$20,000 for licences of six or more blocks); not less than \$1,500 per block for years four and five of the term of the licence (subject to minimums of \$10,000 for licences of one block only, \$20,000 for licences of two to five blocks and \$30,000 for licences of six or more blocks); not less than \$2,000 per block for years six and seven of the term of the licence (subject to minimums of \$15,000 for licences of one block only, \$30,000 for licences of two to five blocks and \$50,000 for licences of six or more blocks); and not less than \$3,000 per block for years eight and each subsequent year of the term of the licence (subject to minimums of \$20,000 for licences of one block only, \$50,000 for licences of two to five blocks and \$70,000 for licences of six or more blocks) (based on expenditure requirements current as at date of this report).

The holder of an exploration licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the WA Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

Forfeiture of Exploration Licences

The Minister may make an order for the forfeiture of an exploration licence for any of the following reasons:

- (i) failure to pay rent or royalty;
- (ii) non-compliance with conditions of an exploration licence such as lodgment of a report as required by the WA Mining Act;
- (iii) failure to comply with certain provisions of the WA Mining Act;
- (iv) failure to satisfy expenditure conditions; or
- (v) if the holder is convicted of an offence under the WA Mining Act.

An application for forfeiture in respect of expenditure conditions must be made during the expenditure year in which there is non-compliance, or within eight months thereafter.

The Minister may only make an order for forfeiture if the Minister is satisfied that non-compliance is of sufficient gravity to justify the forfeiture of the exploration licence.

The Minister may impose a penalty instead of forfeiting the exploration licence. The penalty must not exceed \$10,000 in a case where expenditure conditions have not been complied with, and not exceed \$50,000 in any other case.

(c) Miscellaneous Licences

A miscellaneous licence may be granted for the use of land for one or more prescribed purposes, including, amongst other things, a road, pipeline, power line, conveyor system, taking water, searching for groundwater, hydraulic reclamation and transport of tailings, aerodrome, pump station, minesite accommodation facility, bore, bore field, water management facility, power generation and transmission facility, and storage or transportation facility for minerals or mineral concentrate. A miscellaneous licence will not be granted unless the purpose for which it is granted is directly connected with mining operations.

There is no limit to the size or shape of a miscellaneous licence, or to the number of miscellaneous licences that any one person may hold.

The Mining Act does not prevent another mining tenement from being marked out, applied for, or granted in respect of land that is the subject of a miscellaneous licence. If another mining tenement is granted in respect of land that is already the subject of a miscellaneous licence then the other mining tenement and the miscellaneous licence apply concurrently with respect to that land.

A miscellaneous licence applied for on or after 6 June 1998 is granted for a term of 21 years. On receipt of an application during the final year of the term of the licence, the Minister will renew the term of the licence as to the whole of the land the subject of the licence for one further period of 21 years. A holder may apply for a further renewal of the term of the licence as to the whole or any part of the land for a period not exceeding 21 years.

There are no expenditure requirements for a miscellaneous licence, however, the licensee must pay annual rent of \$13.65 per hectare (based on rental rates current as at the date of this report). The holder of a miscellaneous licence must not transfer or mortgage a legal interest in the land or any part of the land without the prior written consent of the Minister, or an officer of the DMP acting with the authority of the Minister.

(d) Mining Leases

A mining lease authorises the holder to work and mine the land, and take and remove from the land any minerals and dispose of them, and to do all acts and things necessary to effectually carry out mining operations in, on, or under the land subject to the mining lease.

From 10 February 2006, in addition to other terms and conditions, a mining lease may only be granted if the application is accompanied by either a mining proposal or a "statement" setting out information about the mining operations that are likely to be carried out on the mining lease together with a mineralisation report prepared by a qualified person. If a statement and mineralisation report are lodged, the Director, Geological Survey must be satisfied that there is significant mineralisation in, on, or under the land to which an application for a mining lease relates. For the purposes of the Mining Act "significant

mineralisation” is defined as a deposit of minerals where exploration results indicate that there is a reasonable prospect of minerals being obtained by mining operations.

Every granted mining lease is subject to a condition requiring the lessee, before carrying out mining operations of a prescribed kind on any part of the land the subject of the lease (including open-cut, underground, quarrying, dredging, harvesting, scraping, leaching and tailing treatment operations together with incidental construction activities), to lodge (and have approved) a mining proposal. Mining proposals are required to detail all matters relating to the environmental management of a proposed project including mine closure and rehabilitation.

A mining lease is granted for a term of 21 years and may be renewed for successive terms upon application to the Minister. A term of renewal must not exceed 21 years.

A holder of a mining lease may not transfer or mortgage a legal interest in the land or any part of the land without the prior written consent of the Minister, or of an officer of the DMP acting with the authority of the Minister.

Annual rent for a mining lease is \$15.40 per hectare (based on rental rates current as at the date of this report).

The holder of a mining lease must expend, or cause to be expended, in mining, or in connection with mining, on the lease \$100 for each hectare, with a minimum of \$10,000 per year during each year of the term of the lease. If the mining lease does not exceed 5 hectares the minimum annual expenditure will be \$5,000.

Forfeiture of Mining Leases

The Minister may forfeit a mining lease in the same manner and for the same reasons as apply to an exploration licence (described above).

6. Royalties and Levies

Tenement holders must pay royalties on minerals (including material containing minerals) obtained from a mining tenement to the Western Australia State Government. Royalties are payable quarterly to the DMP and must be accompanied by a royalty return in an approved form. The holder of a mining tenement must provide a quarterly production report to the Director General of Mines commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement. Royalty rates and methods of calculation differ depending on the type of mineral produced or obtained from a mining tenement.

A tenement holder may also be liable to pay a safety levy based on the number of hours spent working on a group of tenements (including all employees or contractors). Environmental levies or bonds may also be required to be paid to the Department or any other governmental or regulatory body or organisation in connection with, or to secure, the performance of a tenement holders’ rehabilitation obligations on a mining tenement.

7. Native Title

Native Title or claims for native title exist over large areas of Western Australia and will likely affect new mining tenements. The Schedule sets out relevant native title claims (if any) affecting the Tenements. The existence of a lodged claim does not necessarily mean that native title exists

over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists in an area. The existence of native title will be established pursuant to the determination of claims by the Federal Court.

The grant of a mining tenement is a “Future Act” for the purposes of the *Native Title Act 1993* (Cth) (NTA). A Future Act is an activity or development on land or waters that affects native title. Native title claimants’ gain the “right to negotiate” in relation to the grant of certain mining tenements if their native title claim is registered at the time the government issues a notice (known as a section 29 notice), stating it intends to do the act (i.e. grant the mining tenement), or if their claim becomes registered within four months after that notice. The right to negotiate applies in the main to the grant of a mining lease and describes a process whereby the tenement applicant and native title claimant must negotiate in good faith to attempt to resolve any potential concerns the native title claimants may have arising from the mining lease application or its grant.

(a) **Western Australia**

In some cases (especially for exploration or prospecting licences) the Western Australia State Government applies a “fast track” procedure (the ‘expedited procedure’) in place of the right to negotiate process. If the proposed grant of a mining tenement is advertised under the expedited procedure, native title parties can lodge an objection to the use of the expedited procedure for the grant of the mining tenement (as opposed to an objection to the grant of the mining tenement). If there is no objection lodged, the mining tenement can be granted. If an objection is lodged, the parties may either negotiate and reach agreement, or apply to the National Native Title Tribunal (NNTT) for a determination of the matter.

It is a policy of the DMP to apply the expedited procedure to the grant of exploration and prospecting licences in Western Australia where the applicant has executed a Regional Standard Heritage Agreement (RSHA) or has an existing Alternative Heritage Agreement (AHA) in place. In the absence of such an agreement applications will be subject to the right to negotiate procedure.

A RSHA or AHA is intended to address potential Aboriginal heritage concerns with respect to work on the area subject to a mining tenement. The agreements generally provide for a native title party to withdraw their objection to the expedited procedure and consent to the grant of the mining tenement upon the terms of the agreement, which include compensation conditions and requirements such as that heritage survey be conducted prior to exploration activities.

8. Validity of titles

Right to Negotiate Procedure

Mining tenements granted after 23 December 1996 that affect native title will be valid only if the applicable processes of the NTA have been complied with. Under the right to negotiate procedures, parties are required to negotiate in relation to the grant of the proposed Future Act, eg the grant of a mining tenement. Negotiations are initiated to obtain the agreement of the relevant native title parties to the carrying out of the proposed Future Act on the native title land. The right to negotiate procedure consists of a statutory minimum six month period of

negotiation between the relevant government party, the native title party and the grantee, during which time the parties must negotiate in good faith with a view to reaching agreement about the doing of the Future Act.

If parties cannot reach agreement as to the terms of grant, a negotiation party may apply to the NNTT (as the arbitral body) to make a determination as to whether the grant may proceed (and if so, on what conditions).

(a) **Western Australia**

Compensation

The WA Mining Act makes mining tenement holders liable for any native title compensation that may be payable as a result of the grant of the mining tenement. If the existence of native title is proven over any of the land subject to the Tenements, and the native title holders make an application to the Federal Court for compensation, the tenement holder may be liable to pay any compensation awarded. To date, the Federal Court has never awarded native title compensation (although very few compensation claims have been commenced).

Conversion to Mining Lease

In relation to the tenements in Western Australia undergoing a conversion from an exploration licence or prospecting licence to a mining lease over an area where native title claims are lodged and registered, it will be necessary to go through the right to negotiate process, unless the Company has earlier entered into an agreement with the claimants that incorporates such conversion.

9. Aboriginal Heritage

(a) **Commonwealth**

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which can affect exploration activities. Compensation is payable by the Minister to a person who is, or is likely to be, affected by a permanent declaration of preservation.

(b) **Western Australia**

Holders of mining tenements in Western Australia are subject to the *Aboriginal Heritage Act 1972 (WA) (WA Heritage Act)*, which protects sites that may be of spiritual, cultural or heritage significance to Aboriginal people (**Aboriginal Site**). The Western Australia Department of Indigenous Affairs maintains a register of Aboriginal Sites but registration of an Aboriginal Site is not required by the WA Heritage Act.

To alter or damage an Aboriginal Site is an offence under the WA Heritage Act that can lead to prosecution (unless approval has been obtained under the WA Heritage Act). Any

party disturbing an area of the State has an obligation to avoid interfering with an Aboriginal Site. To satisfy this obligation, tenement holders commonly undertake Aboriginal heritage surveys which involve the relevant traditional owners and as necessary, an archeologist or anthropologist walking the land identifying sites and discussing the impact of proposed exploration activity. The costs of a heritage survey are met by the tenement holder.

(c) **Aboriginal Sites within the Tenements**

We have not undertaken any searches or investigations as to whether there are or may be any sites protected by the WA Heritage Act within the area of the Tenements. It is common practice for an explorer to undertake heritage surveys only over areas about to be disturbed and only when work is imminent.

10. Consent

This report is given on 14 May 2013 and unless specified to the contrary, speaks only to the laws in force on that date. Kings Park Corporate Lawyers has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included and have not withdrawn that consent before the lodgement of the Prospectus with ASIC.

11. Disclosure of Interest

Kings Park Corporate Lawyers will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus.

Yours faithfully

Kings Park Corporate Lawyers

Kings Park Corporate Lawyers

Tenements Schedule

| Western Australia Tenements | | | | | | | | |
|-----------------------------|-------------------------|--------|-----------|------------------|------------|-------------|----------------------|---|
| Tenement | Holder | Status | Area | Application Date | Grant Date | Expiry Date | Required Expenditure | Notes |
| E38/1511 | South Boulder Mines Ltd | Live | 11 Blocks | 02/07/2002 | 09/08/2006 | 08/08/2013 | \$50,000 | 1, 2, 3, 4, 41 |
| E38/1535 | South Boulder Mines Ltd | Live | 8 Blocks | 26/11/2002 | 10/06/2008 | 09/06/2013 | \$30,000 | 5, 7 (L38/20, L38/29, L38/47 & L38/49), 8, 37 |
| E38/1537 | South Boulder Mines Ltd | Live | 22 Blocks | 03/12/2002 | 23/08/2006 | 22/08/2013 | \$50,000 | 3, 41 |
| E38/1800 | South Boulder Mines Ltd | Live | 9 Blocks | 05/04/2005 | 13/02/2007 | 12/02/2014 | \$50,000 | 3, 40, 41 |
| E38/1979 | South Boulder Mines Ltd | Live | 4 Blocks | 21/12/2006 | 10/06/2008 | 09/06/2013 | \$20,000 | 3, 5, 40 |
| E38/2177 | South Boulder Mines Ltd | Live | 3 Blocks | 19/06/2008 | 04/05/2009 | 03/05/2014 | \$20,000 | 5, 6 |
| E38/2206 | South Boulder Mines Ltd | Live | 12 Blocks | 02/09/2008 | 23/11/2009 | 22/11/2014 | \$30,000 | 5, 11 (Res 4374), 40 |
| E38/2231 | South Boulder Mines Ltd | Live | 18 Blocks | 15/01/2009 | 28/04/2010 | 27/04/2015 | \$30,000 | 3, 9 |

| | | | | | | | | |
|----------|-------------------------|---------|-----------|------------|------------|------------|----------|---|
| E38/2255 | South Boulder Mines Ltd | Live | 1 Block | 09/03/2009 | 06/01/2010 | 05/01/2015 | \$10,000 | 5 |
| E38/2397 | South Boulder Mines Ltd | Live | 64 Blocks | 04/12/2009 | 12/10/2011 | 11/10/2016 | \$64,000 | 1, 2, 3, 7 (L38/73, 38/116, 38/131, 38/138) |
| E38/2614 | South Boulder Mines Ltd | Live | 66 Blocks | 02/03/2011 | 20/12/2011 | 19/12/2016 | \$66,000 | 3, 5, 7 (L38/131 & 38/134) |
| E38/2649 | South Boulder Mines Ltd | Pending | 57 Blocks | 26/05/2011 | n/a | n/a | n/a | 1, 2, 3, 4, 41 |
| E38/2660 | South Boulder Mines Ltd | Pending | 57 Blocks | 29/06/2011 | n/a | n/a | n/a | 1, 2, 3, 40, 41 |
| E38/2661 | South Boulder Mines Ltd | Live | 18 Blocks | 29/06/2011 | 08/08/2012 | 07/08/2017 | \$20,000 | 5, 7 (L38/110), 35 |
| E38/2666 | South Boulder Mines Ltd | Live | 22 Blocks | 20/07/2011 | 01/11/2012 | 31/10/2017 | \$22,000 | 3, 5, 7 (L38/181-182, 38/190, 38/204, 38/216, 38/219), 35 |
| E38/2686 | South Boulder Mines Ltd | Pending | 60 Blocks | 26/10/2011 | n/a | n/a | n/a | 1, 2, 3, 40, 41, 46 |
| E38/2697 | South Boulder Mines Ltd | Pending | 69 Blocks | 25/11/2011 | n/a | n/a | n/a | 1, 2, 3 |
| E38/2699 | South Boulder Mines Ltd | Live | 65 Blocks | 25/11/2011 | 20/12/2012 | 19/12/2017 | \$65,000 | 3, 7 (L38/85, 38/143, 38/155, 38/221), 10, 11 (9292), 35 |

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|----------|-------------------------|---------|-----------|------------|------------|------------|----------|-------------------|
| E38/2714 | South Boulder Mines Ltd | Pending | 53 Blocks | 23/02/2012 | n/a | n/a | n/a | 1,2, 3, 4, 41 |
| E38/2716 | South Boulder Mines Ltd | Pending | 66 Blocks | 24/02/2012 | n/a | n/a | n/a | 3 |
| E38/2717 | South Boulder Mines Ltd | Pending | 68 Blocks | 24/02/2012 | n/a | n/a | n/a | 3, 5, 40 |
| E38/2730 | South Boulder Mines Ltd | Live | 1 Block | 12/04/2012 | 01/11/2012 | 31/10/2017 | \$10,000 | 5, 7 (L38/20), 35 |
| E38/2731 | South Boulder Mines Ltd | Live | 1 Block | 12/04/2012 | 01/11/2012 | 31/10/2017 | \$10,000 | 5, 35 |
| E38/2736 | South Boulder Mines Ltd | Pending | 70 Blocks | 23/05/2012 | n/a | n/a | n/a | 5, 6 |
| E38/2737 | South Boulder Mines Ltd | Pending | 57 Blocks | 23/05/2012 | n/a | n/a | n/a | 1, 2, 3, 40, 41 |
| E38/2738 | South Boulder Mines Ltd | Live | 14 Blocks | 23/05/2012 | 24/01/2013 | 23/01/2018 | \$20,000 | 3, 35 |
| E38/2767 | South Boulder Mines Ltd | Pending | 12 Blocks | 23/08/2012 | n/a | n/a | n/a | 1, 2, 3, 41, 46 |
| E38/2781 | South Boulder Mines Ltd | Pending | 6 Blocks | 17/10/2012 | n/a | n/a | n/a | 5 |

| | | | | | | | | |
|----------|-------------------------|---------|-----------|------------|-----|-----|-----|-----------------|
| E38/2782 | South Boulder Mines Ltd | Pending | 2 Blocks | 17/10/2012 | n/a | n/a | n/a | 5 |
| E38/2803 | South Boulder Mines Ltd | Pending | 46 Blocks | 21/11/2012 | n/a | n/a | n/a | 5 |
| E38/2804 | South Boulder Mines Ltd | Pending | 69 Blocks | 21/11/2012 | n/a | n/a | n/a | 1, 2, 3, 40, 41 |
| E38/2805 | South Boulder Mines Ltd | Pending | 45 Blocks | 21/11/2012 | n/a | n/a | n/a | 5, 6 |
| E38/2807 | South Boulder Mines Ltd | Pending | 1 Block | 07/12/2012 | n/a | n/a | n/a | 3, 40 |
| E38/2811 | Duketon Mining Ltd | Pending | 3 Blocks | 08/01/2013 | n/a | n/a | n/a | 5 |
| E38/2812 | Duketon Mining Ltd | Pending | 2 Blocks | 08/01/2013 | n/a | n/a | n/a | 5 |
| E38/2819 | Duketon Mining Ltd | Pending | 49 Blocks | 30/01/2013 | n/a | n/a | n/a | 5 |
| E38/2834 | Duketon Mining Ltd | Pending | 70 Blocks | 15/04/2013 | n/a | n/a | n/a | 1, 2, 3 |
| E38/2835 | Duketon Mining Ltd | Pending | 70 Blocks | 15/04/2013 | n/a | n/a | n/a | 1, 2, 3 |

| | | | | | | | | |
|--------------------------|-------------------------|------|----------|------------|------------|------------|-----------|--------------------|
| L38/174 (road, pipeline) | South Boulder Mines Ltd | Live | 70.04 Ha | 17/05/2010 | 23/12/2010 | 22/12/2031 | n/a | 3, 37 |
| M38/330 | South Boulder Mines Ltd | Live | 150 Ha | 12/07/1991 | 27/11/1991 | 26/11/2033 | \$15,000 | 1, 2, 3, 38 |
| M38/1252 | South Boulder Mines Ltd | Live | 1,913.20 | 17/05/2010 | 19/11/2010 | 18/11/2031 | \$191,400 | 3, 37 |
| P38/3893 | South Boulder Mines Ltd | Live | 48 Ha | 20/01/2010 | 06/10/2010 | 5/10/2014 | \$2,000 | 3 |
| P38/3897 | South Boulder Mines Ltd | Live | 57 Ha | 03/03/2010 | 12/04/2011 | 11/04/2015 | \$2,280 | 3, 7 (L38/143) |
| P38/3984 | South Boulder Mines Ltd | Live | 77 Ha | 26/10/2011 | 21/06/2012 | 20/06/2016 | \$3,080 | 3, 35 |
| P38/4028 | South Boulder Mines Ltd | Live | 122 Ha | 18/07/2012 | 11/02/2013 | 10/02/2017 | \$4,880 | 3, 7 (L38/143), 35 |
| P38/4029 | South Boulder Mines Ltd | Live | 113 Ha | 18/07/2012 | 11/02/2013 | 10/02/2017 | \$4,520 | 3, 35 |
| P38/4030 | South Boulder Mines Ltd | Live | 59 Ha | 18/07/2012 | 11/02/2013 | 10/02/2017 | \$2,360 | 3, 35 |
| P38/4031 | South Boulder Mines Ltd | Live | 196 Ha | 18/07/2012 | 11/02/2013 | 10/02/2017 | \$7,840 | 3, 7 (L38/143), 35 |

| | | | | | | | | |
|----------|-------------------------|---------|------------|------------|------------|------------|----------|--------------------|
| P38/4032 | South Boulder Mines Ltd | Live | 177 Ha | 18/07/2012 | 11/02/2013 | 10/02/2017 | \$7,080 | 3, 7 (L38/143), 35 |
| P38/4033 | South Boulder Mines Ltd | Live | 73 Ha | 18/07/2012 | 11/02/2013 | 10/02/2017 | \$2,920 | 3, 35 |
| P38/4034 | South Boulder Mines Ltd | Live | 122 Ha | 18/07/2012 | 11/02/2013 | 10/02/2017 | \$4,880 | 3, 7 (L38/143), 35 |
| P38/4035 | South Boulder Mines Ltd | Live | 168 Ha | 18/07/2012 | 11/02/2013 | 10/02/2017 | \$6,720 | 3, 35 |
| P38/4067 | South Boulder Mines Ltd | Pending | 61 Ha | 07/12/2012 | n/a | n/a | n/a | 3, 40, 41 |
| E45/3259 | South Boulder Mines Ltd | Pending | 63 Blocks | 17/06/2008 | n/a | n/a | n/a | 12, 34 |
| E45/4047 | South Boulder Mines Ltd | Pending | 140 Blocks | 16/05/2012 | n/a | n/a | n/a | 12, 34 |
| E69/2558 | South Boulder Mines Ltd | Pending | 138 Blocks | 11/06/2008 | n/a | n/a | n/a | 13, 14, 15 |
| E38/2762 | South Boulder Mines Ltd | Pending | 25 Blocks | 07/08/2012 | n/a | n/a | n/a | 6 |
| E15/1188 | South Boulder Mines Ltd | Live | 26 Blocks | 20/01/2010 | 30/08/2011 | 29/08/2016 | \$26,000 | 16, 17 |

| | | | | | | | | |
|------------|--------------------------|---------|------------|------------|------------|------------|-----------|--------------------------------|
| E26/132 | South Boulder Mines Ltd | Live | 7 Blocks | 25/06/2008 | 01/03/2011 | 29/02/2016 | \$20,000 | 7 (L26/241), 17, 18 |
| E08/2302 | South Boulder Mines Ltd | Live | 104 Blocks | 30/06/2011 | 21/06/2012 | 20/06/2017 | \$104,000 | 19, 20, 21, 22, 35 |
| E08/2303 | South Boulder Mines Ltd | Live | 141 Blocks | 30/06/2011 | 21/06/2012 | 20/06/2017 | \$141,000 | 20, 21, 22, 23, 24, 35, 43 |
| E08/2322 | South Boulder Mines Ltd | Live | 94 Blocks | 15/08/2011 | 12/06/2012 | 11/06/2017 | \$94,000 | 21, 22, 23, 24, 35, 43 |
| E08/2411 | South Boulder Mines Ltd | Pending | 172 Blocks | 18/07/2012 | n/a | n/a | n/a | 21, 22, 25, 43 |
| E08/2423 | South Boulder Mines Ltd | Pending | 97 Blocks | 20/09/2012 | n/a | n/a | n/a | 22, 26, 43 |
| E08/2424 | South Boulder Mines Ltd | Pending | 152 Blocks | 20/09/2012 | n/a | n/a | n/a | 21, 22, 23, 26, 43 |
| E45/2375 | South Boulder Mines Ltd | Live | 3 Blocks | 22/01/2002 | 13/02/2006 | 12/02/2015 | \$50,000 | 27, 28, 29, 30, 31, 39, 44, 45 |
| E45/2768-I | Atlas Operations Pty Ltd | Live | 20 Blocks | 01/08/2005 | 09/08/2006 | 08/08/2013 | \$50,000 | 32, 33, 42 |

Holders

The Tenements set out above are registered in the name of South Boulder, Duketon Mining and Atlas Operations Pty Ltd (**Atlas**). The rights of Duketon to the Tenements registered to South Boulder and Atlas are set out in section 6(a) “Asset Sale Agreement - Duketon Divestment” of the “Material Contract Summaries” of this Prospectus.

Notes

The notes below refer to particular conditions and endorsements of the Western Australia Tenements. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the DMP Register should be conducted.

Each of the Tenements are subject to standard conditions that must be complied with including rent payments, annual expenditure requirements and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of the DMP prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions (such as the removal of all waste, capping of drill holes etc) and prohibitions or restrictions on disturbing existing infrastructure such as roads, powerlines, aerial landing ground, airstrips and geodetic survey stations. In addition to these standard conditions, the following applies:

1. This tenement is subject to the Mantjintjarra Ngalia #2 Native Title Claim (WAD372/06: WC06/6).
2. This tenement is subject to the Wutha Native Title Claim (WAD6064/98: WC99/10).
3. This tenement is located wholly or partly within the boundaries of the Banjawarn Pastoral Lease (3114/1212).
4. This tenement is located wholly or partly within the boundaries of the Wonganoo Pastoral Lease (3114/1060).
5. This tenement is located wholly or partly within the boundaries of the Erlistoun Pastoral Lease (3114/693).
6. This tenement is located wholly or partly within the boundaries of the Laverton Downs Pastoral Lease (3114/932).
7. The rights of ingress to and egress from Miscellaneous Licences are preserved to the licensee.
8. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing mining on Water Reserve 13913, Trigonometrical Station Reserves 7171 and 7173.
9. The prior written consent of the Minister obtained before commencing any exploration activities on Recreation Reserve 9291 and State Battery Reserve 10165.
10. The prior written consent of the Minister is required before commencing any exploration activities on Sanitary Depot Reserve 9293.

11. No exploration activities on Cemetery Reserve and such activities within a distance of 140 metres laterally from the Reserve being confined to below a depth of 50 metres from the lowest part of the surface of the land with rights of ingress to and egress from the said Reserve being at all times preserved to the public.
12. This tenement is subject to the Martu Native Title Claim (WAD6110/98: WC96/78). A determination of the Federal Court on 27 September 2002 found that native title exists in the entire determination area.
13. This tenement is located wholly or partly within the boundaries of the Carnegie Pastoral Lease (3114/1070).
14. This tenement is subject to the Wiluna Native Title Claim (WAD6164/98: WC99/24).
15. This tenement is subject to the Birriliburu People (WAD6284/98: WC98/68). A determination of the Federal Court on 20 June 2008 found that native title exists in the entire determination area.
16. This tenement is located wholly or partly within the boundaries of the Mt Monger Pastoral Lease (3114/1192).
17. This tenement is subject to the Ngadju Native Title Claim (WAD6020/98: WC99/2).
18. This tenement is located wholly or partly within the boundaries of the Woolibar Pastoral Lease (3114/981).
19. This tenement is located wholly or partly within the boundaries of the Mia Mia Pastoral Lease (3114/728).
20. This tenement is located wholly or partly within the boundaries of the Winning Pastoral Lease (3114/1030).
21. This tenement is located wholly or partly within the boundaries of the Cardabia (Indigenous Held) Pastoral Lease (I3114/729).
22. This tenement is subject to the Gnulli Native Title Claim (WAD6161/98: WC97/28).
23. This tenement is located wholly or partly within the boundaries of the Marrilla Pastoral Lease (3114/756).
24. Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
25. This tenement is located wholly or partly within the boundaries of the Warroora Pastoral Lease (3114/660).
26. This tenement is located wholly or partly within the boundaries of the Bullara Pastoral Lease (3114/623).
27. This tenement is located wholly or partly within the boundaries of the Strelley (Indigenous Held) Pastoral Lease (I3114/1281).
28. This tenement is located wholly or partly within the boundaries of the Wallarenya Pastoral Lease (3114/1266).

29. This tenement is subject to the Njamal Native Title Claim (WAD6028/98: WC99/8).
30. This tenement is subject to the Njamal People #10 Native Title Claim (WAD6003/00: WC00/5).
31. This tenement is subject to the Warrarn # 1 Native Title Claim (WAD82/98: WC95/61).
32. This tenement is located wholly or partly within the boundaries of the Hillside Pastoral Lease (3114/1265).
33. This tenement is subject to the Palyku Native Title Claim (WAD6287/98: WC99/16).
34. This tenement is affected by the Lake Disappointment Project Mining Indigenous Land Use Agreement (ILUA WI2012/09).
35. This tenement covers an area which is subject of artesian aquifers and wells, waterways and a proclaimed groundwater area. Special endorsements are recorded on the tenement to protect the area and to preserve access to the area for officers from the Department of Water.
36. Number not used.
37. This tenement was subject to the Duketon Nickel Farmin and Joint Venture Agreement. Under this agreement, Independence Group NL (IGO) had certain rights to earn an interest in nickel on the tenement. IGO has lodged caveats against L38/174 and M38/1252 to protect that interest. By a notice dated 10 May 2013, IGO advised South Boulder that it had withdrawn from the joint venture. Details of the joint venture and withdrawal are more fully described in section 6(b) "Duketon Nickel Farmin and Joint Venture Agreement" under the heading "Material Contracts" of the Prospectus.
38. This tenement is subject to the Wedgetail (Hootanui) deed which requires Duketon Mining to pay a royalty equal to \$1.00 per tonne of ore mined as more fully described in section 6(f) "Wedgetail Royalty (Hootanui)" under the heading "Material Contracts" of this Prospectus.
39. A caveat by Lithex Resources Ltd (Lithex) has been lodged against this tenement. As described below in notes 44 and 45, Duketon Mining's interest had been reduced to a 10% free carried interest in all minerals other than tin, tantalum and lithium and it had retained all of the rights to the tin, tantalum and lithium. By a purchase agreement, Lithex has purchased a 90% interest in the tin, tantalum and lithium leaving Duketon Mining with a 10% free carried interest in all minerals as more fully described in section 6(k) "East Kimberley Purchase Agreement in the "Material Contracts" of this Prospectus.
40. The Company must pay a royalty equal to 2% of net smelter return with respect to all or part of this tenement in accordance with the Duketon South West Royalty Deed as more fully described in section 6(c) "Duketon South West Royalty Deed" under the heading "Material Contracts" of this Prospectus.

41. The Company must pay a royalty equal to 2% of net smelter return with respect to all or part of this tenement in accordance with the Duketon West Royalty Deed as more fully described in section 6(d) "Duketon West Royalty Deed" under the heading "Material Contracts" of this Prospectus.
42. The Company's interest in this tenement is limited to a 10% interest in the rights to explore for and mine lithium, tantalum and tin only. These rights are more fully described in section 6(g) "East Pilbara Project" under the heading "Material Contracts" of this Prospectus.
43. This tenement is subject to a joint venture agreement with Strata Minerals Pty Ltd under which Strata may earn up to an 80% interest in the tenement. The terms of the joint venture are more fully described in section 6(h) "Joint Venture Agreement - Strata Minerals" under the heading "Material Contracts" of this Prospectus.
44. This tenement is subject to an agreement whereby a 90% interest in all minerals other than tin, tantalum and lithium were sold to enement to Montezuma Mining Company Ltd. The sale and the rights of the parties are more fully described in section 6(i) "Heads of Agreement - East Pilbara Project" in the "Material Contract Summaries" of this Prospectus. The Companies interests may also be reduced by virtue of the agreements referred to in notes 39 and 45, as more fully described in sections 6(j) "Pilgangoora Farmin and Joint Venture Agreement" and 6(k) East Kimberley Purchase Agreement" in the "Material Contracts" of this Prospectus.
45. This tenement is subject to an agreement (the Pilgangoora Farmin and Joint Venture Agreement) whereby Montezuma Mining Company Ltd has sold a part of its interest to Trafford Resources Ltd. Montezuma's interest is described in note 44 above. The terms of this agreement are more fully 's described in section 6(j) "Pilgangoora Farmin and Joint Venture Agreement" under the heading "Material Contract Summaries" of this Prospectus. The Companies interests may also be reduced by virtue of the agreements referred to in note 39 as more fully described in section 6(k) East Kimberley Purchase Agreement" in the "Material Contracts" of this Prospectus
46. This tenement is subject to the Wedgetail Royalty deed which requires Duketon Mining to pay a royalty equal to \$1.00 per tonne of ore mined as more fully described in section 6(e) "Wedgetail Royalty" under the heading "Material Contracts" of this Prospectus.

11. Additional Information

11.1 Rights attaching to Shares

There is only one class of issued shares in the Company being fully paid ordinary shares. The rights attaching to shares in the Company are:

- (a) set out in the constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act and the general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares, including New Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All New Shares issued pursuant to this Prospectus will from the time they are issued, rank pari passu with all the Company's existing Shares.

(a) General Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution of the Company or the Corporations Act.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of Duketon Mining:

- i each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii on a poll, every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in such Shareholder's name on the Company's share register.

(c) Dividend Rights

Dividends are payable out of the Company's profits and are declared by the Directors. Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), dividends declared will be paid according to the amounts paid up on the shares for which the dividends are paid.

(d) Winding-Up

Subject to the rights of holders of Shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among

DUKETON MINING LIMITED
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members will be distributed in proportion to the number of Shares held by them, irrespective of the amount paid-up or credited as paid up on the Shares.

(e) Transfer of Shares

Subject to the Constitution of the Company, the Corporations Act, and any other laws, Shares are freely transferable.

(f) Future Increases in Capital

Subject to any rights and restrictions attached to a class of shares, the Directors of the Company may allot and issue Shares and granted options over Shares on such terms and conditions as they see fit.

(g) Variation of Rights

Subject to the terms of issue of shares in a particular class, the Company, with the sanction of a special resolution passed at a meeting of Shareholders or with the consent in writing of members who are entitled to at least three quarters of the votes that may be cast in respect of Shares in that class, vary or cancel the rights attached to shares in that class or convert shares from one class to another class.

(h) Shareholder Liability

As the New Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(i) Alteration to the Constitution

The constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) Liquidation Rights

The Company has only issued one class of shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of Shareholders, divide the whole or any part of the remaining assets of the Company.

11.2 Rights attaching to Options

The Company currently has 5,500,000 20 cent Options on issue, the terms and conditions of which are set out below.

- (a) Each Option entitles the holder to subscribe for one Share in Duketon Mining upon the payment of 20 cents per Share subscribed for.
- (b) The Options will lapse at 5.00 pm, Western Standard Time 6 years from the date of issue (**Expiry Date**).
- (c) The Options are transferable and will not be listed for official quotation on the ASX.

DUKETON MINING LIMITED
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- (d) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
- (e) Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
- (f) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (h) The Options shall be exercisable at any time until the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by it.
- (i) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
- (j) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

The Company currently has 2,000,000 25 cent Options on issue, the terms and conditions of which are identical to those set out above, with the exception that each Option entitles the holder to subscribe for one Share in Duketon Mining upon the payment of 25 cents per Share subscribed for.

The Company currently has 750,000 35 cent Options on issue, the terms and conditions of which are set out above, with the exception that each Option entitles the holder to subscribe for one Share in Duketon Mining upon the payment of 35 cents per Share subscribed for.

11.3 Interests of Directors of the Company

Except as set out below or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last two years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer;

DUKETON MINING LIMITED
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and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (d) to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

Mr Dennis Wilkins is the principal of DWCorporate Pty Ltd (**DWCPL**), a company that provides company secretarial services to Duketon Mining. As at the date of this Prospectus the Company has paid approximately \$48,000 to DWCPL for company secretarial services provided by staff members of DWCPL. DWCPL has provided these services on normal commercial terms. The Directors resolved (with the exception of Mr Wilkins who has an interest in the matter) that the payment of the invoice to DWCPL was on an arms' length basis as DWCPL invoiced the Company at the same rate that it invoices unrelated parties and the amount invoiced was not more than what the Company would expect to pay for those services to an un-related party so that Shareholder approval was not required.

11.4 Directors' Security Holdings

The Directors are not required to hold any Securities in Duketon Mining under the constitution of Duketon Mining.

At the date of this Prospectus the relevant interests of each of the Directors in the Securities of the Company are as follows:

Securities

| Director | No. of Shares Held Directly | No. of Shares Held Indirectly | No. of Options Held Directly | No. of Options Held indirectly |
|------------------|------------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|
| Seamus Cornelius | 159,746 ¹ | 1,071,212 ¹ | 1,000,000 ² | Nil |
| Dennis Wilkins | Nil | Nil | Nil | 1,000,000 ² |
| Mark Gunther | Nil | Nil | Nil | 3,000,000 ² |
| TOTAL | 159,746 | 1,071,212 | 1,000,000 | 4,000,000 |

¹Shares were acquired by Mr Cornelius as part of the in-specie distribution and transfer of Duketon Mining Shares to South Boulder Shareholders on 15 April 2013 referred to in Section 3.14 of this Prospectus.

²Options granted in consideration for acting as Directors of the Company. The Directors have determined that this form of remuneration is reasonable so that shareholder approval is not required under Chapter 2E of the Corporations Act.

Nothing in this Prospectus precludes Directors, officers or employees of Duketon Mining from applying for Shares under this Prospectus.

11.5 Remuneration of Directors

Duketon Mining pays Mark Gunther an annual salary of \$239,800 gross (including statutory superannuation) pro rata for 2.5 days per week as Executive Director and Chief Executive Officer of the Company. No other directors' fees are currently being paid.

DUKETON MINING LIMITED
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The Directors, other than Mr Gunther, have determined that Mr Gunther's remuneration is reasonable so that shareholder approval is not required under Chapter 2E of the Corporations Act.

11.6 Other Interests

The Company has entered into Deeds of Insurance, Indemnity and Access with each of the Directors and the Company Secretary under which the Company agrees to indemnify the officers against certain liabilities incurred by the officers while acting as an officer of the Company, to insure the officers against certain risks to which the officers are exposed to as an officer of the Company and to grant to the officers a right of access to certain records of the Company for a period up to seven years after the officer ceases to be an officer. These Deeds of Insurance, Indemnity and Access are in a usual form for documents of this nature.

DWCorporate, a company for which Mr Dennis Wilkins is principal, has been engaged to provide Company Secretarial services. The hourly charge-out rates are based on normal commercial terms for this service.

11.7 Interests of Persons Named in this Prospectus

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or has had within the two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of Duketon Mining; or
- (b) property acquired or proposed to be acquired by Duketon Mining in connection with its formation or promotion or in connection with the Offer; or
- (c) the Offer,
- (d) and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Malcolm Castle has acted as the Independent Geologist and has prepared an Independent Geologist's Report which is included in section 9 of this Prospectus. The Company estimates it will pay Malcolm Castle a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Malcolm Castle has not received any other fees from the Company.

Rothsay Consulting Services Pty Ltd ("Rothsay Consulting") has acted as Investigating Accountant in this Prospectus and has prepared an Investigating Accountant's Report which is included in section 8 of this Prospectus. The Company estimates it will pay Rothsay a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Rothsay has not received fees from the Company.

Rothsay Chartered Accountants will act as auditors of the Company for which they will be paid at their usual commercial rates. It has not provided any other services to the Company since incorporation.

Kings Park Corporate Lawyers has acted as solicitors to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements set out in section 10 of this Prospectus. The Company estimates it will pay Kings Park Corporate Lawyers \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Kings Park Corporate Lawyers has not provided any other professional services to the Company.

DUKETON MINING LIMITED
ADDITIONAL INFORMATION

DWCorporate Pty Ltd has provided corporate advisory and company secretarial services to the Company in relation to the Offer and will be paid approximately \$30,000 (including GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, DWCorporate has provided other professional services to the Company to the value of approximately \$48,000.

Security Transfer Registrars Pty Limited has been appointed as the Company's share registry and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus and will be paid for these services on normal commercial terms.

Silver Sino Holdings Limited is acting as Underwriter for the Offer and for this it is entitled to be paid the fees set out in Section 6(n) of this Prospectus.

11.8 Consents

The following parties have given their written consent to be named in the Prospectus and for the inclusion of the following statements made by those parties, and have not withdrawn such consent before lodgement of this Prospectus with ASIC:

- (a) Malcolm Castle has consented to being named as Independent Geologist in this Prospectus and to the inclusion of the Independent Geologist's Report in section 9 of this Prospectus in the form and context in which the report is included.
- (b) Rothsay Consulting Services Pty Ltd has consented to being named as the Company's Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in section 8 of this Prospectus in the form and context in which the report is included.
- (c) Rothsay has consented to being named as the Company's Auditor in this Prospectus.
- (d) Kings Park Corporate Lawyers has consented to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements set out in section 10 of this Prospectus in the form and context in which the report is included.
- (e) DWCorporate Pty Ltd has consented to being named in this Prospectus.
- (f) Security Transfer Registrars Pty Ltd has consented to being named as the share registry to the Company in this Prospectus.
- (g) Silver Sino Holdings Limited has consented to be named as Underwriter in this Prospectus

Each of the persons referred to above in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and
- (c) has not caused or authorised the issue of this Prospectus.

DUKETON MINING LIMITED
ADDITIONAL INFORMATION

11.9 Expenses of the Offer

The total expenses of the Offer are expected to be applied towards the items set out in the table below (exclusive of GST):

| Expense | Cost |
|-------------------------------------|-----------------|
| ASIC lodgement fee | \$2,171 |
| Legal services | \$15,000 |
| Accounting services | \$10,000 |
| Geological Services | \$10,000 |
| Corporate advisor | \$30,000 |
| Printing postage and other expenses | \$12,829 |
| Underwriter fee | \$15,000 |
| TOTAL | \$95,000 |

11.10 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company. Each of the Directors has completed a questionnaire confirming that they are not personally involved in any material litigation proceedings.

11.11 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic entitlement and acceptance form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic entitlement and acceptance form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form.

If you have not, please email the Company at info@duketonmining.com.au and the Company will send you, free charge, either a hard copy or a further electronic copy of the Prospectus or both.

Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.duketonmining.com.au.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

DUKETON MINING LIMITED
ADDITIONAL INFORMATION

11.12 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

11.13 Offer to Underwriter

By this Prospectus the Company offers Shortfall Shares to the Underwriter. This offer may only be accepted by the Underwriter or its nominees on an application form that accompanies this Prospectus.

DUKETON MINING LIMITED
DIRECTORS RESPONSIBILITY AND CONSENTS

12. Directors' Responsibility and Consents

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that with respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons having given their consent to the statements being included in this Prospectus in the form and context in which they are included and having not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each of the Directors of Duketon Mining Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 20 May 2013



Mr Dennis Wilkins

Non-executive Director

Duketon Mining Limited

DUKETON MINING LIMITED
GLOSSARY

13. Glossary

Where the following terms are used in this Prospectus they have the meanings set out below:

"A\$" or "\$" means an Australian dollar.

"Additional New Shares" means New Shares which become available as a result of Entitlements not taken up by Eligible Shareholders.

"Applicant" means a person who has applied for New Shares under this Prospectus.

"Application" means a valid application to subscribe for New Shares.

"Application Monies" means monies received by Duketon Mining from you.

"ASIC" means Australian Securities & Investments Commission.

"ASX" means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as the context requires).

"Auditors" means Rothsay Chartered Accountants.

"Board" means the board of Directors as constituted from time to time.

"Business Day" means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

"Closing Date" means the closing date of the Offer as set out in section 2.2 of this Prospectus (subject to the Closing Date being extended).

"Company" or **"Duketon Mining"** or **"Duketon"** means Duketon Mining Limited (ACN 159 084 107).

"Constitution" means the constitution of the Company.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Directors" mean the directors of the Company at the date of this Prospectus.

"Dollars" or **"\$"** means Australian dollars unless otherwise stated.

"Duketon Mining" means Duketon Mining Limited (ACN 159 084 107) or the Company.

"Eligible Shareholders" means those Shareholders as at the Record Date with a registered address in Australia or Hong Kong.

"Entitlement" means the number of New Shares to which Shareholders on the Record Date are entitled pursuant to the Offer.

"Entitlement and Acceptance Form" means the application form attached to and forming part of this Prospectus in respect of the Offer.

"Exposure Period" means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

DUKETON MINING LIMITED
GLOSSARY

"Full Subscription" means full subscription under the Offer of raising \$1,584,160.40 through the issue of 15,841,604 Shares at \$0.10 each.

"Independent Geologist" means Malcolm Castle.

"Independent Geologist's Report" means the technical report prepared by Malcolm Castle, which appears at section 9 of this Prospectus.

"Investigating Accountant" means Rothsay Consulting Services Pty Ltd.

"Investigating Accountant's Report" means the investigating accountant's report prepared by Rothsay Consulting Services Pty Ltd included in section 8 of this Prospectus.

"JORC" or "JORC Code" means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 Edition).

"New Share" means a fully paid ordinary share in the capital of the Company to be issued under this Prospectus.

"Offer" means the offer of 1 New Share for every 2 existing Shares held as at the Record Date at an issue price of 10 cents per Share.

"Offer Price" means 10 cents per Share.

"Opening Date" means the opening date of the Offer as set out in section 2.2.

"Option" means an option to acquire a Share;

"Projects" means Duketon Mining's mineral assets, more fully described in Section 4 of this Prospectus.

"Prospectus" means this prospectus.

"Record Date" means 20 May 2013.

"Rights Issue" means the issue of New Shares under this Prospectus as set out in section 3.1 of this Prospectus.

"Share" means a fully paid ordinary share in the capital of the Company.

"Share Registry" means Security Transfer Registrars Pty Ltd (ACN 008 894 488).

"Shareholder" means a holder of Shares.

"Shortfall Shares" means New Shares for which successful valid Applications have not been received by the Closing Date.

"Solicitor's Report on the Tenements" means the report contained in Section 10 of this Prospectus.

"South Boulder" or **"STB"** means South Boulder Mines Limited (ACN 097 904 302).

"South Boulder Shareholders" means holders of fully paid ordinary shares in South Boulder.

"Tenements" means the tenements in which the Company has an interest as set out in the Solicitor's Report on Tenements in section 10 of this Prospectus.

DUKETON MINING LIMITED
GLOSSARY

"**WST**" means Western Standard Time observed in Perth, Western Australia.