



ASX Announcement

14 July 2015

## Duketon Secures Gold Joint Venture with Regis

### HIGHLIGHTS

- Joint Venture (gold rights only) covers four of Duketon's 39 tenements (over the Duketon Greenstone Belt) for a 2 year term
- Regis can earn a 75% interest on specific project areas upon achieving the following;
  - An up-front initial payment of \$100,000
  - \$1 million minimum expenditure (within the 2 year term)
  - Tenements to be kept in good standing at Regis' expense
  - Confirming to Duketon a decision to mine
- On decision to mine, Duketon may contribute (in respect of its 25% interest) to the mining project, sell its 25% interest for \$850,000 or convert its 25% interest to a 2% net smelter royalty on all gold produced from the mining project
- Regis to fund 100% of the initial \$4 million of capital on each project where Duketon elects to contribute

Duketon Mining Limited (ASX: DKM) is pleased to advise that it has signed a letter of agreement with Regis Resources Limited (ASX: RRL) to enter into a gold only exploration joint venture on four of Duketon's exploration licences which are contiguous with some of Regis' tenure in proximity to the Moolart Well project.

The joint venture tenure covers approximately 373 square kilometres and hosts a number of shear zones prospective for gold (see Figure 1). These include the northern strike continuation of the shear zone hosting Regis' Petra gold deposit and part of the shear zone extending north of the Garden Well gold deposit.

The joint venture will require Regis to make an up-front payment to Duketon of \$100,000. In addition, Regis must spend a minimum of \$1 million exploring for gold on the tenure, over a two year period, to earn a 75% interest in any mining project that is confirmed by a Regis decision to mine. Regis will also be required to keep all of the joint venture tenements in good standing. All non-gold mineral rights remain with Duketon. If Regis does not confirm a decision to mine within 2 years, gold rights revert back to Duketon.

In the event of a decision to mine by Regis on any gold deposit discovered, Duketon will have the options of participating in a mining joint venture at a 25% contributing interest (subject to some capital funding assistance from Regis), selling its interest in the mining project to Regis for \$850,000 or commuting the interest to a 2% net smelter royalty on all gold produced from the project. These options will relate to each separate discovery on which a decision to mine is made by Regis.

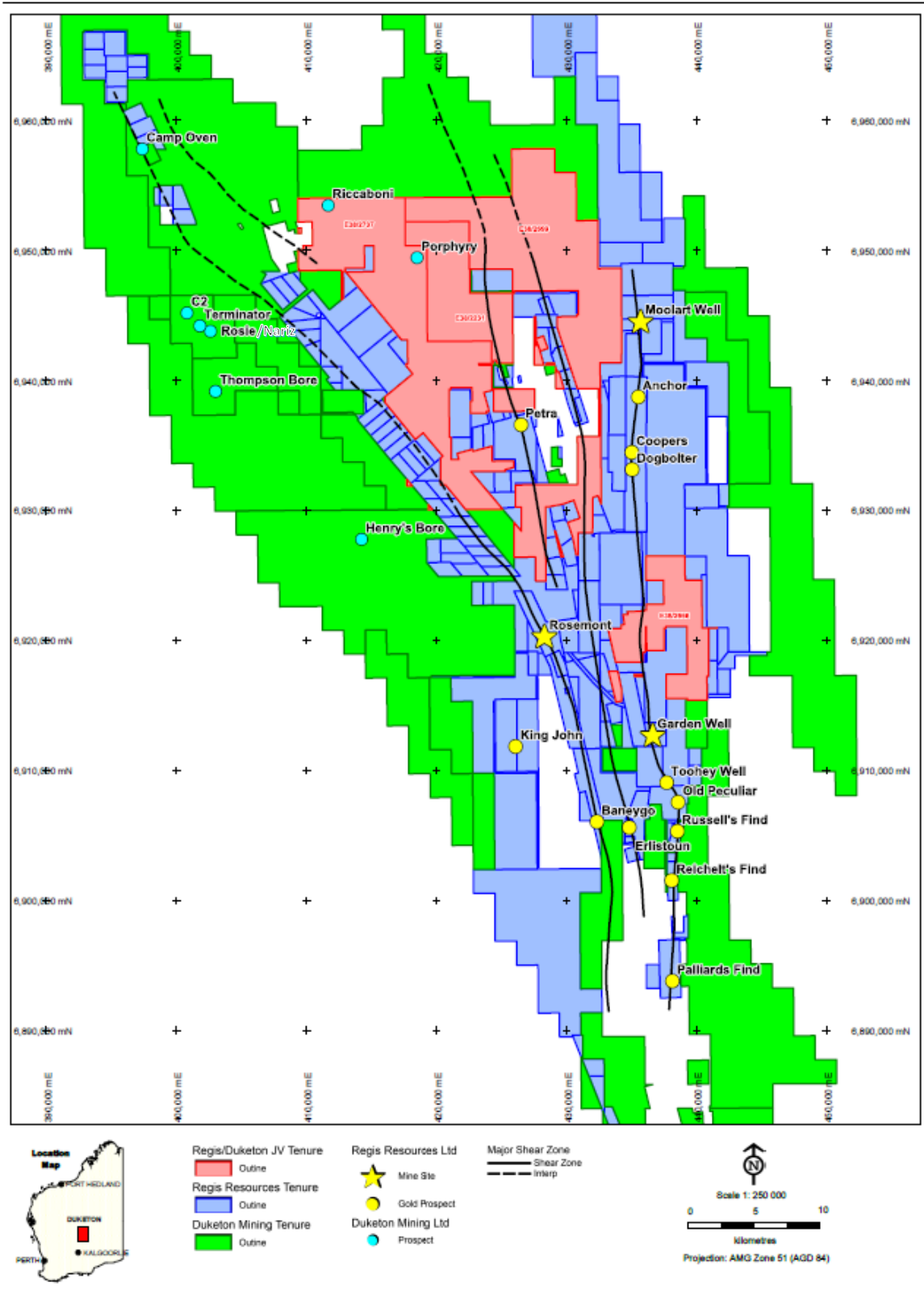


Figure 1. Plan of Duketon Mining and Regis Resources Tenements.



The heads of agreement is subject to the execution of formal legal agreements, work on which the parties will commence immediately in order to expedite exploration efforts on the joint venture. Formal legal agreements are expected to be executed within weeks with exploration expected to commence within Q3 2015.

Regis and Duketon believe that this joint venture is a sensible collaboration in the Duketon district given the proximity of these areas to Regis' Moolart Well gold processing plant and the higher prospectivity of this part of Duketon's extensive tenure holdings for gold rather than nickel. This allows Duketon to continue its focus on its core nickel exploration efforts whilst Regis explores the joint venture area for gold with the prospect of any discoveries close to the Moolart Well processing plant creating value for both companies.

Duketon's Managing Director, Stuart Fogarty, said:

"This is a great outcome for both companies and a true win-win. It allows Duketon to continue to focus on nickel exploration whilst exposing our shareholders to the potential upside of gold exploration by Regis. It also achieves a significant cost savings on the maintenance of those tenements."

"Duketon is now well positioned to drive value from three approaches – our nickel exploration programmes over our highly prospective 100% owned tenure, our gold exploration across our 100% owned tenure which may provide future mining or divestment opportunities and this gold joint venture with Regis in respect of four of our tenements over the Duketon Greenstone Belt."

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