



ASX Announcement

14 October 2016

Gold Joint Venture with Regis Resources - Update

HIGHLIGHTS

- Excellent first pass gold intercepts continue at the Petra North and Commonwealth Projects in Joint Venture with Regis Resources Limited (ASX: RRL)
- Assays from recent AC drilling at the Petra North Project include;
 - **3m @ 6.12g/t Au from 64m**
 - **3m @ 11.72g/t Au from 74m**
 - **2m @ 11.03g/t Au from 62m**
- Infill drilling is planned around these intercepts at the Petra North Project
- First pass assays from initial AC drilling at the Commonwealth Project include;
 - **4m @ 4.07g/t Au from 56m**
 - **4m @ 2.08g/t Au from 56m**
 - **8m @ 1.12g/t Au from 72m**
 - **4m @ 2.65g/t Au from 56m**
- Follow up drilling at Commonwealth will be assessed once all assays have been returned
- Numerous +75ppb Au gold anomalies have been defined in ongoing regional lag sampling.

Duketon Mining Limited (ASX: DKM) is pleased to announce an update in regards to progress and drilling results at the Duketon Gold Exploration Joint Venture where Regis Resources Limited (ASX: RRL) is earning a 75% interest (see Figure 1 below).

Readers are referred to the Regis' September 2016 Quarterly Activities Report released to the ASX on 14 October 2016 for full details of drilling and JORC Table 1.

Duketon Gold Exploration Joint Venture (Regis Earning 75%)

Petra North

The Petra North project is located immediately adjacent to Regis' 100% owned Petra project which has a reported JORC 2012 Resource of 44,000 ounces. A follow up air core drill programme was designed to test intercepts received in the first air core program last quarter. 46 AC holes have been completed for 4,506 metres.



Gold results received from this drilling programme include:

- 3m @ 6.12g/t Au from 64m in hole RRLPTRAC559
- 3m @ 11.72g/t Au from 74m RRLPTRAC560
- 2m @ 11.03g/t Au from 62m RRLPTRAC562

Infill drilling is planned around these encouraging intercepts.

At Petra and Petra North, the basement rocks are dominated by an uninterrupted sequence of felsic and intermediate composition andesites and dacites. The volcanic rocks have been moderately to strongly metamorphosed into variably chloritised quartz sericite schists with occasional pyrite mineralisation. Weathering extends generally to between 50 and 80 metres and occasionally to in excess of 100 metres depth.

Mineralisation at Petra North appears to consist of supergene enriched gold, interpreted to be the result of complex weathering fronts around the hypogene ore.

Hacks Bore Project

The Hacks Bore Project is located 6 kilometres north along strike of Regis' 100% owned Garden Well mining operation. A first pass broad spaced air core drill programme of 55 holes for 4,385 metres tested the Garden Well to Moolart Well shear zone located under a paleochannel for approximately 2 kilometres of strike. The programme did not return any significant assays and testing for chert hosted mineralisation east of the tested shear zone is planned for the current quarter.

Commonwealth

The Commonwealth project is located immediately 7 kilometres north of the Petra North Prospect. Lag sampling has defined a 3 kilometre (north-south) x 1.5 kilometre, +75ppb gold anomaly with peak values of +1ppm Au.

A wide spaced (circa 400m by 160m) first pass air core drill programme was designed to test the anomaly. 101 AC holes have been completed for 9,674 metres. Gold results received from this drilling programme to date include:

- 4m @ 4.07g/t Au from 56m in hole RRLCMAC024
- 4m @ 2.08g/t Au from 56m RRLCMAC027
- 8m @ 1.12g/t Au from 72m RRLCMAC056
- 4m @ 2.65g/t Au from 56m RRLCMAC082

Follow up drilling will be assessed once all assays have been returned.

Lag Sampling (E38/2231, 2666, 2699, 2737)

A total of 587 (-6+2mm) infill lag soil samples were collected in the September 2016 quarter on the Duketon Gold Exploration JV tenements to complete the geochemical survey programme. The infill lag sampling across mineralised trends was completed on a 100m x 50m grid to follow up anomalies highlighted in the first pass lag sampling program completed in 2015.

Gold and pathfinder element results have been received for all of the samples collected. Contouring of gold results has been completed. Numerous +75ppb Au gold anomalies of interest have been defined that require further investigation and follow up Air Core drilling is underway as outlined below.

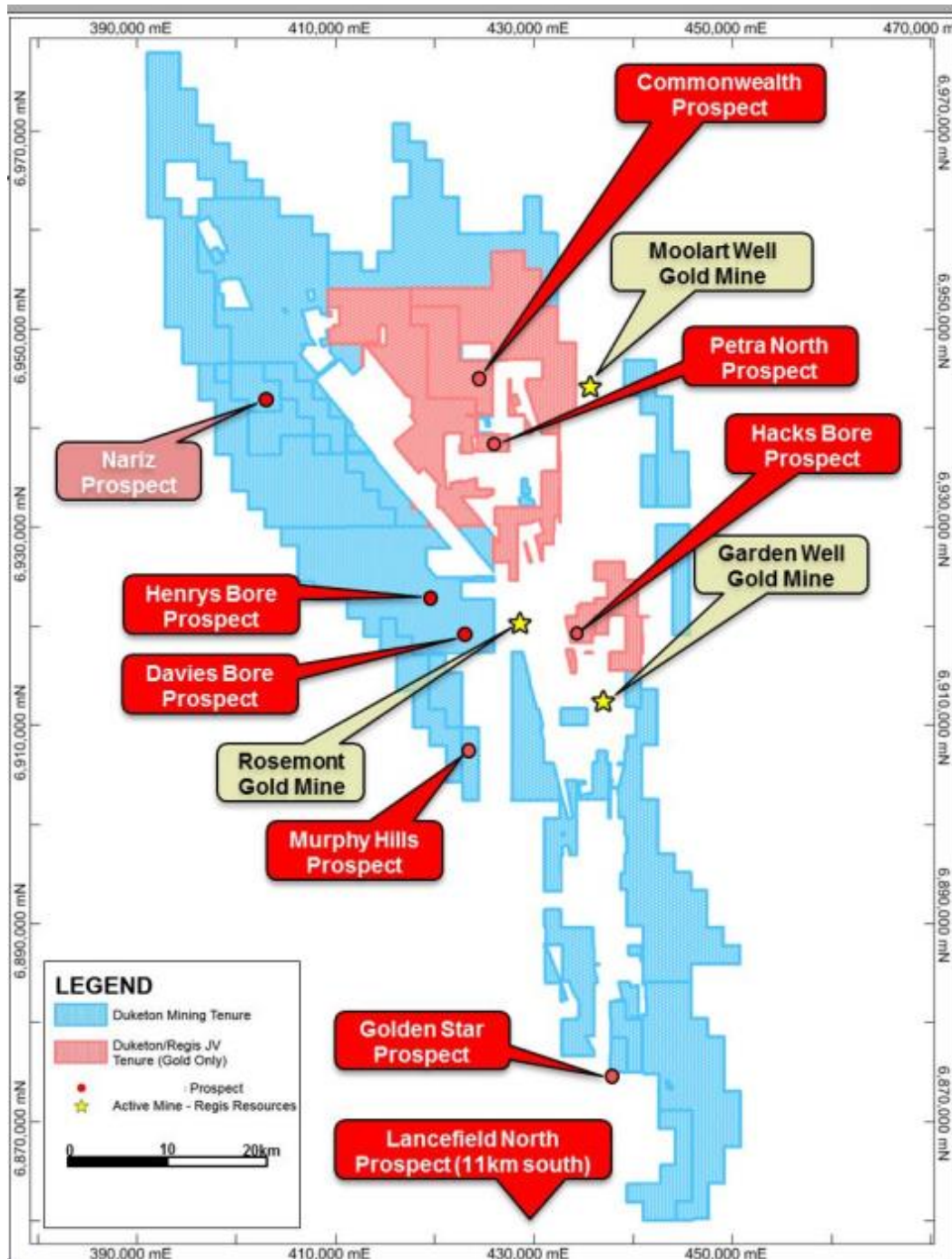


Figure 1: DKM Tenements showing location of Gold Prospects and Joint Venture Ground



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