



ASX Release

29 July 2016

## June 2016 Quarterly Report

### HIGHLIGHTS

- **Gold anomaly extended to over 1.2km at Davies Bore prospect (100% owned)**
  - Inclined (-60°) aircore drilling returned intersections including;
    - **16m @ 1.5 g/t Au from 104m, including 4m @ 5.2 g/t Au from 104m**
    - **12m @ 0.6 g/t Au from 96m, including 4m @ 1.4 g/t Au from 96m**
    - **4m @ 1.8 g/t Au from 68m**
    - **8m @ 1.2 g/t Au from 96m**
- **Gold anomaly at Henry's Bore South (100% owned) extended and open to the south**
  - Inclined (-60°) aircore drilling has intersected the following;
    - **8m @ 1.8 g/t Au from 40m, including 4m @ 3.3 g/t Au from 40m**
    - **4m @ 1.6 g/t Au from 52m**
    - **4m @ 1.3 g/t Au from 48m**
    - **1m @ 1.1 g/t Au from 112m**
- **Multiple geochemical anomalies identified on joint venture tenements**
- **Multiple gold intersections from shallow aircore drilling at Petra North**
  - Inclined (approx.-60°) aircore drilling includes the following intersections;
    - **3m @ 8.77 g/t Au from 21m**
    - **2m @ 7.00 g/t Au from 30m**
    - **4m @ 6.00 g/t Au from 56m**
    - **4m @ 2.66 g/t Au from 40m**
    - **4m @ 2.49 g/t Au from 46m**
    - **1m @ 8.56 g/t Au from 54m**
    - **1m @ 8.08 g/t Au from 69m**
    - **1m @ 4.48 g/t Au from 44m**
- **Targeting on regional nickel and gold opportunities continuing**
- **Portfolio of gold opportunities continue to be extended**
- **Cash and liquids as at 30 June 2016 of \$5.0 million**

Duketon Mining Limited (Duketon or the "the Company") (ASX:DKM) is pleased to present its quarterly report for the period ended 30 June 2016.



Duketon enjoyed a successful quarter which included four key outcomes:

- Extending a significant gold anomaly at Henry's Bore
- Extending a significant gold anomaly at Davies Bore
- Identification of multiple gold anomalies over the 4 tenements subject to the gold joint venture with Regis Resources Limited (ASX:RRL)
- Multiple gold intersections at Petra North, within the joint venture area

## OPERATIONS

### Davies Bore 100% (Au)

Aircore drilling during the quarter at the 100% owned Davies Bore prospect (within the Kulguddi Project) has further extended and upgraded the previously identified significant gold anomaly.

The anomaly is now over **1.2km long** and identified across 5 aircore lines spaced between 200m and 500m apart. Intersections from the recent holes include; **16m @ 1.5 g/t Au** including **4m @ 5.2 g/t Au** , **12m @ 0.6 g/t Au** including **4m @ 1.4 g/t Au**, **4m @ 1.8 g/t Au**, **8m @ 1.2 g/t Au** and **1m @ 1.0 g/t Au** (refer to ASX announcement 30 May 2016). The shallowest intersection is approximately 59 meters vertical depth below surface. The gold anomaly remains open to the northwest and to the southeast.

The Davies Bore Prospect is located 5km west of Regis Resources Ltd (ASX: RRL) owned Rosemont Mine and approximately 5km north west of King John Resource (RRL) .

The rocks are interpreted to be part of a package of felsic to mafic meta-volcanics and meta-sediments.

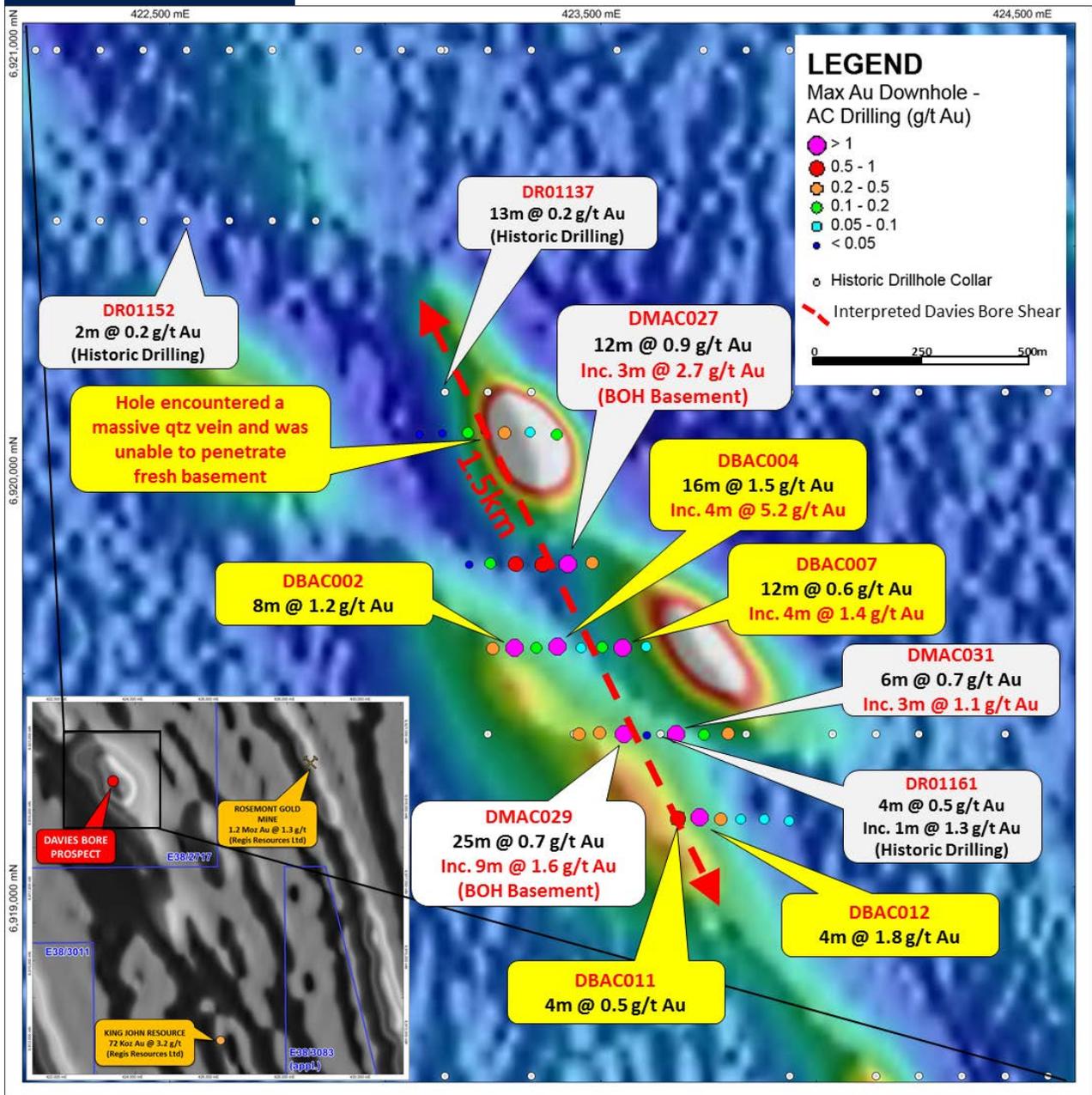


Figure 1. Davies Bore Prospect showing Max Au in aircore holes over magnetics.

## Henry's Bore South 100% (Au)

Aircore drilling during the quarter at the 100% owned Henry's Bore South prospect (within the Kulguddi Project) has further extended and upgraded the previously identified gold anomaly.

The anomaly is now over **250m long**, identified across four aircore lines and open to the south. Intersections from the recent holes include; **8m @ 1.8 g/t Au from 40m**, including **4m @ 3.3 g/t Au from 40m**, **4m @ 1.6 g/t Au from 52m**, **4m @ 1.3 g/t Au from 48m** and **1m @ 1.1 g/t Au from 112m** (refer to ASX announcement 15 June 2016). The shallowest intersection is approximately 35 meters vertical depth below surface. The gold anomaly remains open to the south.

The rocks are interpreted to be part of a package of sheared and altered intermediate meta-volcanics and meta-sediments. Shallow cover extends over the southern extent of the project area inhibiting any surface geochemistry.

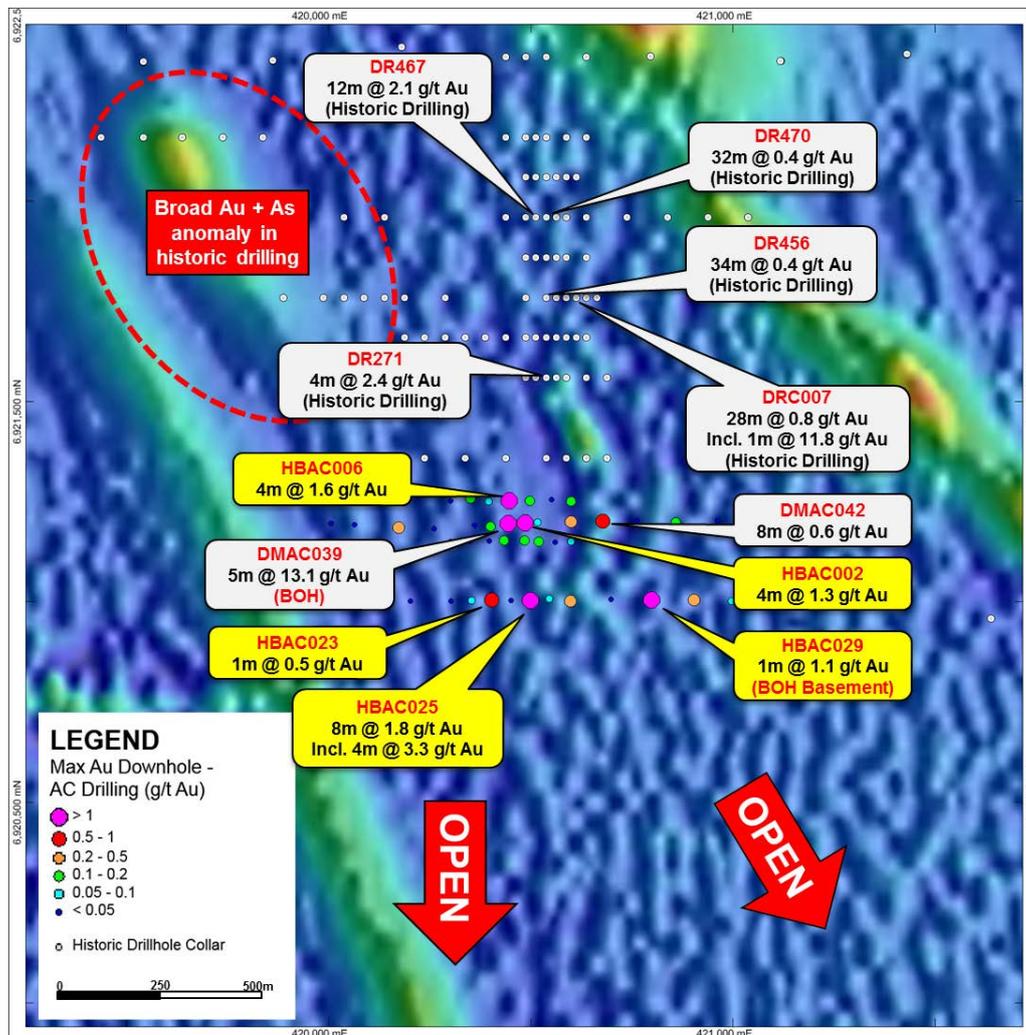


Figure 2. Henry's Bore Prospect showing Max Au in aircore holes over magnetics.



## **Joint Venture with Regis Resources Limited - RRL earning 75% (Au Only)**

### **Geochemistry**

First pass lag sampling on the four tenements subject to the farm-in with RRL (see ASX announcement 13 Oct 2015) has identified numerous gold anomalies greater than +75ppb.

A total of 9,516 (-6mm +2mm) lag samples were collected on the Duketon Mining Farm-In tenements to complete the first pass programme. This reconnaissance lag sampling was completed on a 400m x 100m grid with particular areas of interest infilled to 200m x 50m.

The best of the gold anomalies is over **3km long and 300m wide at greater than 75 ppb Au with a core of greater than 250 ppb Au** and has **two point samples of greater than 1g/t Au**.

This anomaly is situated about 7km north, along strike from Regis Resources Petra Deposit. The anomaly is discordant to the Petra mineralisation and trends broadly northeast and is approximately 3km long and up to 300m wide at greater than 75 ppb Au with a core of greater than 250 ppb Au. Two samples within this highly significant anomaly have returned assays over 1 g/t Au.

Several other anomalies generated as part of this regional lag programme trend in a northeast direction, oblique to the dominant structural orientation in the region.

All significant Au anomalies will require further investigation and potentially infill sampling/geological mapping. Once this second phase of work has been completed, drill testing is likely on specific targets of interest.

### **North Petra**

Aircore drilling during the quarter at the Petra North prospect has identified multiple significant intersections. There are 27 intersections of more than 1g/t Au over 1m.

Mineralisation extends north from the tenement boundary across all 6 lines over a strike distance of approximately 750m. Better intersections from the recent holes include; **3m @ 8.77 g/t Au from 21m, 2m @ 7.00 g/t Au from 30m, 4m @ 6.00 g/t Au from 56m, 4m @ 2.66 g/t Au from 40m, 4m @ 2.49 g/t Au from 46m, 1m @ 8.56 g/t Au from 54m, 1m @ 8.08 g/t Au from 69m, 1m @ 4.48 g/t Au from 44m** (refer to ASX announcement 12 July 2016). The shallowest intersection is less than 20 vertical meters below surface. The mineralisation remains open at depth and to the north.

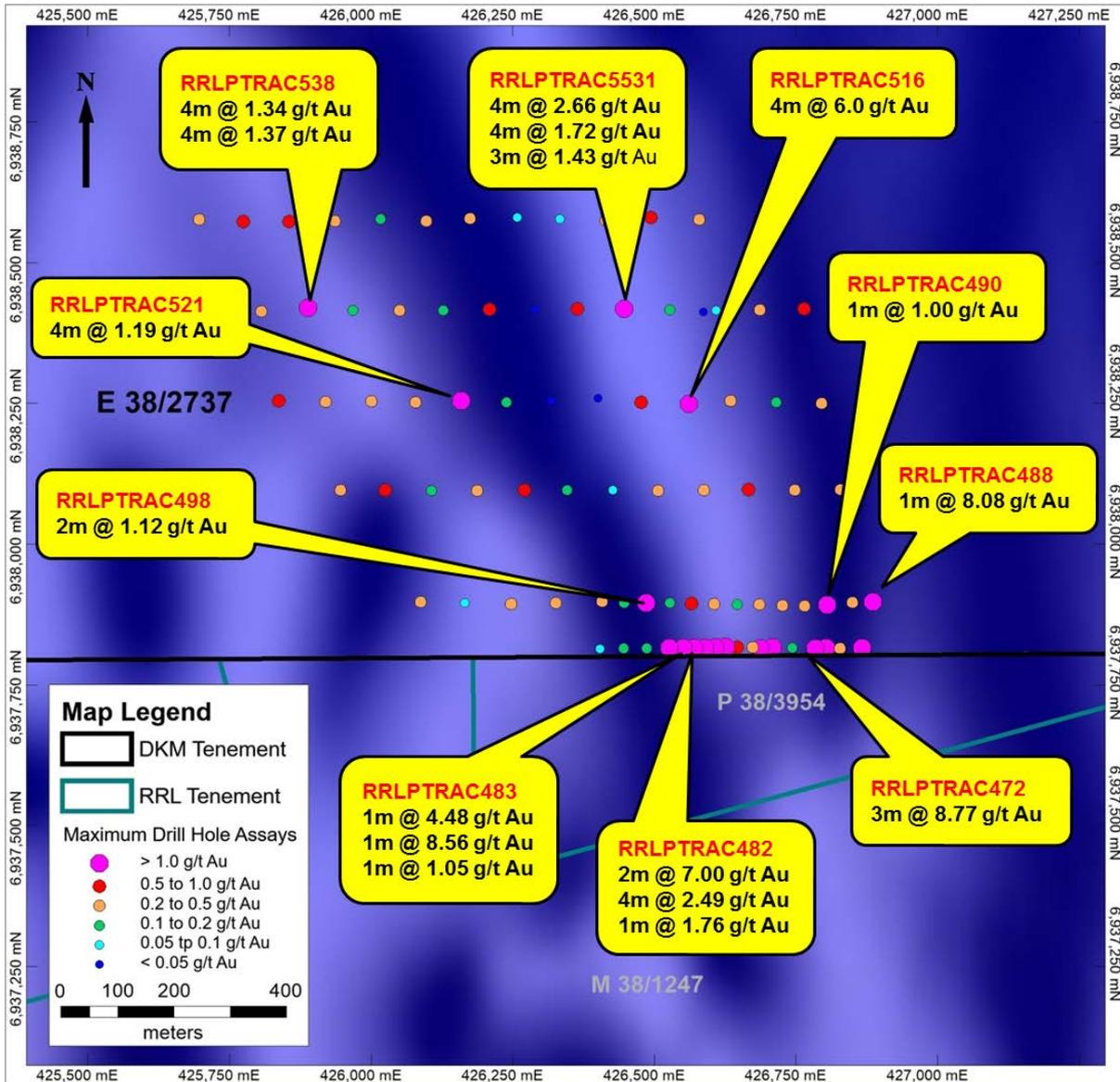


Figure 3. Petra North Prospect showing Max Au in aircore holes over magnetics.

The Joint venture is structured as follows;

- RRL 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
- RRL to fund 100% of the initial \$4 million of capital on each project where Duketon elects to contribute

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.

DKM believes 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 gold and nickel exploration efforts over 100% owned tenements whilst Regis explores the joint venture area for gold.

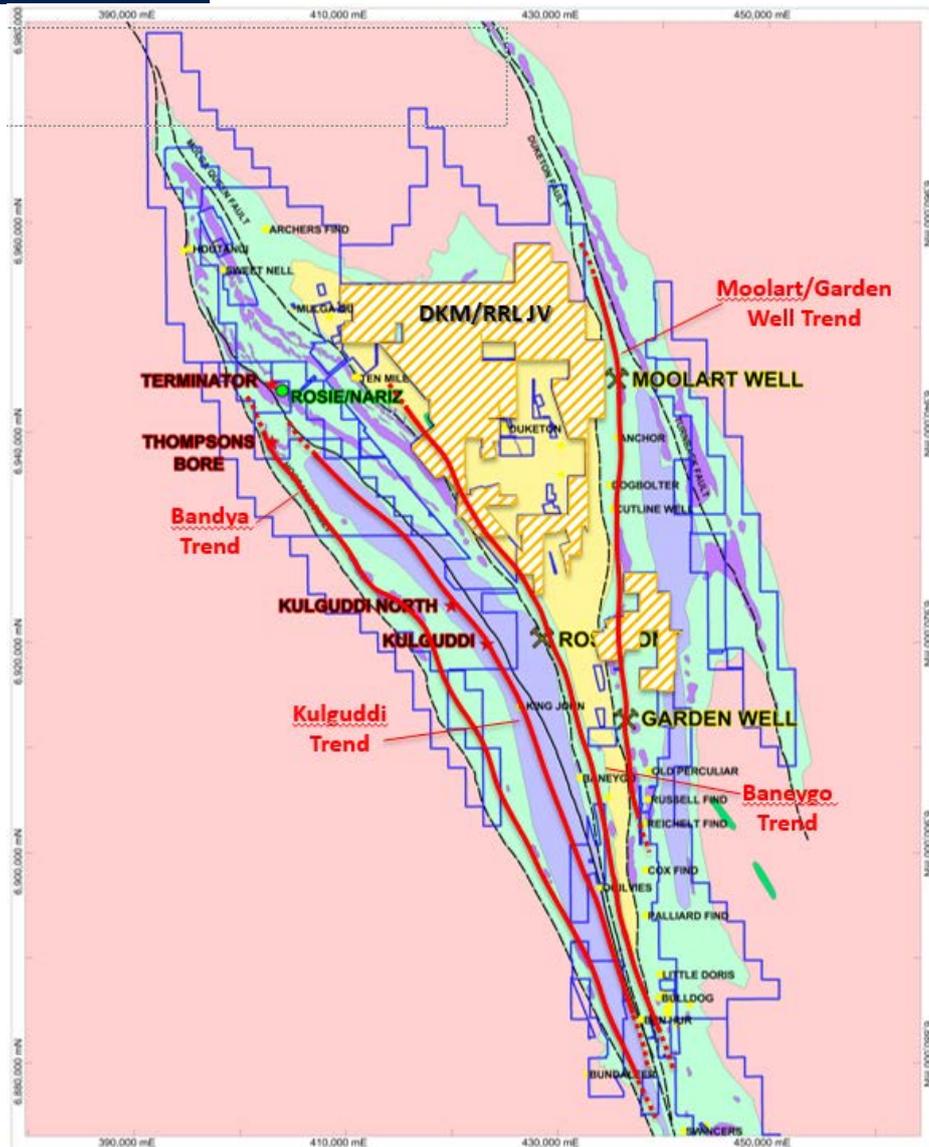


Figure 4: Plan view of the Duketon area showing the Regis Joint Venture tenements in yellow cross hatching.

### Nariz Nickel Discovery (Nickel).

During the June 2016 quarter no work was carried out on the Nariz project.

The first round of drilling at Nariz was completed in January 2015. Assays from the massive sulphide section of the first hole at its Nariz prospect, within the Duketon Project, returned grades of **7.1% nickel, 0.5% copper and 3.8g/t combined platinum and palladium over 5.7m from 438.4 metres** within a broader zone of massive and stringer mineralisation of **9.2m @ 5% nickel, 0.4% copper and 2.4g/t combined platinum and palladium** (refer ASX Announcement 2 December 2014).

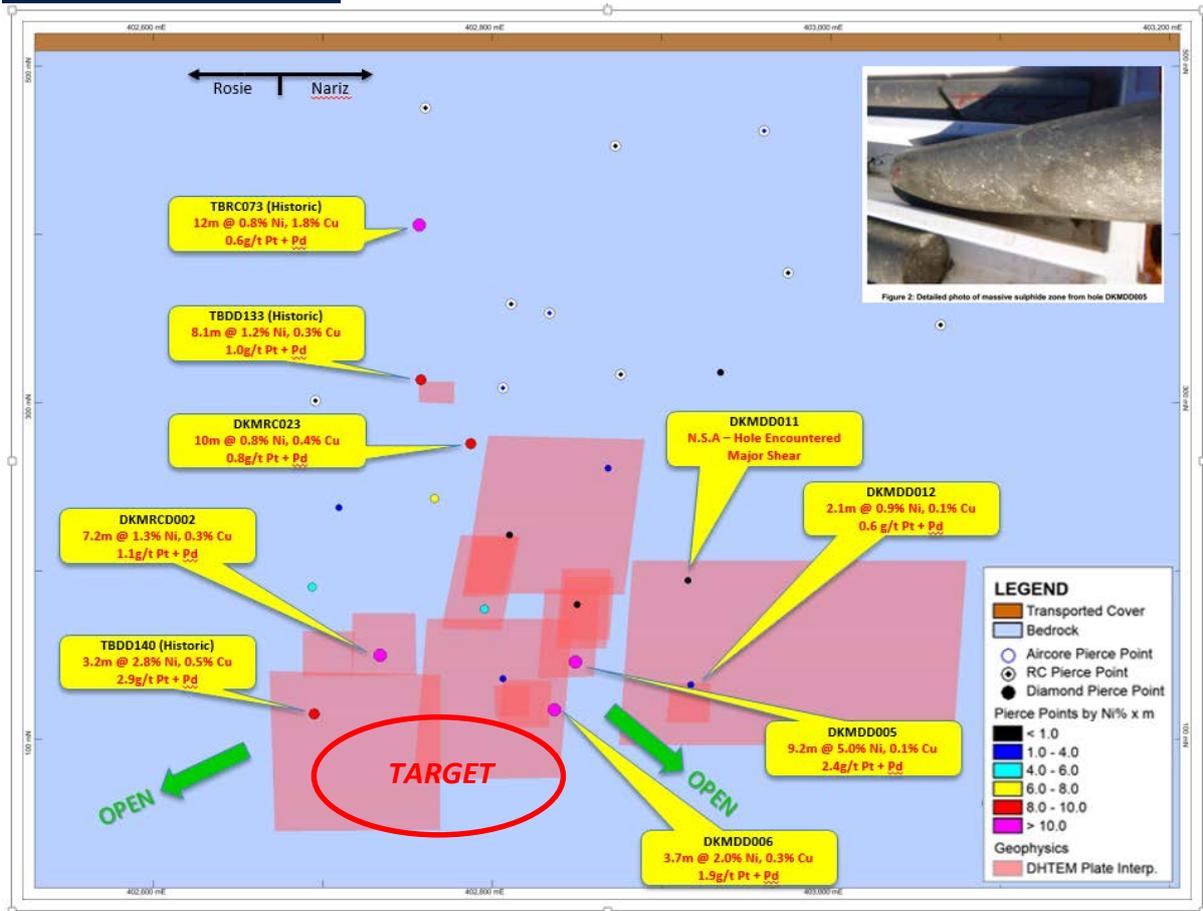


Figure 5: Long Section of Nariz looking north. Relevant DHEM plates are in pink.

The high-grade nickel sulphide discovery at Nariz is a major advancement for the Company's nickel exploration strategy in the Duketon Greenstone Belt, of particular importance is the following:

- The Nariz prospect remains open to the east (towards the bulk of the untested and large Bulge Ultramafic Complex), west and down-dip;
- The discoveries to date support the fundamental prospectivity of "The Bulge Ultramafic Complex" and highlight the scope to discover and grow nickel resources at the 100% owned Duketon Project; and
- The Nariz prospect is located approximately 120 metres from the most southerly intersection of nickel-copper mineralisation at Rosie and approximately 2km from C2.

The Company remains excited at the prospect of drilling more holes directly into and along strike from Nariz and is encouraged by the DHEM interpretation and drilling results that indicate the potential for more significant mineralisation in the system.



### **Rosie and C2 Mineral Resources (Nickel)**

No work was completed at C2 or Rosie this quarter, however they remain one of the company's key resources and when combined the total for the Duketon Project is **71,000 Ni tonnes and 144,000 oz of Pt and Pd**. The Company's view is that there is significant scope to grow nickel and copper resources at C2 and Rosie.

### **Regional Exploration**

Regional exploration has been ongoing throughout the quarter. Multiple new targets have been generated creating a significant and robust pipeline of organic opportunities.

### **Ongoing Strategy**

Duketon remains well positioned to drive value from four approaches;

1. Discovering new gold deposits on 100% owned DKM tenure
2. Joint venturing 4 of our tenements to RRL for gold only on terms favourable to DKM.
3. Expanding our know nickel deposits through targeted extensions to Rosie, C2 and Nariz on 100% owned DKM tenure, and
4. Discovering new nickel deposits through regional work in the Bulge area and other new belts on 100% owned DKM tenure,

## **CORPORATE**

At 30 June 2016 Duketon had approximately A\$5.0M available from cash reserves of A\$3.7M and a liquids position of circa A\$1.3 million.

For further enquiries, please contact:

**Investors:**

Stuart Fogarty  
Duketon Mining - Managing Director  
+61 8 6315 1490



## Appendix 1. Summary of Mining Tenements

As at 30 June 2016 the Company had an interest in the following tenements:

Project Name	Tenement Number	Status	Interest
Duketon	E38/1537	Granted	100%
Duketon	E38/1800	Granted	100%
Duketon	E38/2231	Granted	100%
Duketon	E38/2661	Granted	100%
Duketon	E38/2666	Granted	100%
Duketon	E38/2699	Granted	100%
Duketon	E38/2714	Granted	100%
Duketon	E38/2717	Granted	100%
Duketon	E38/2737	Granted	100%
Duketon	E38/2738	Granted	100%
Duketon	E38/2781	Granted	100%
Duketon	E38/2805	Granted	100%
Duketon	E38/2819	Granted	100%
Duketon	E38/2834	Granted	100%
Duketon	E38/2866	Granted	100%
Diorite Hill	E38/2891	Granted	100%
Duketon	E38/2892	Granted	100%
Duketon	E38/2898	Granted	100%
Duketon	E38/2916	Granted	100%
Duketon	E382919	Granted	100%
Duketon	E38/2976	Granted	100%
Duketon	E38/2983	Granted	100%
Duketon	E38/3002	Granted	100%
Duketon	E38/3004	Granted	100%
Duketon	E38/3011	Granted	100%
Duketon	E38/3012	Granted	100%

<b>Project Name</b>	<b>Tenement Number</b>	<b>Status</b>	<b>Interest</b>
Duketon	E38/3022	Granted	100%
Duketon	E38/3026	Granted	100%
Duketon	E38/3061	Pending	100%
Duketon	E38/3083	Pending	100%
Duketon	E38/3085	Pending	100%
Duketon	E38/3090	Pending	100%
Duketon	E38/3098	Pending	100%
Duketon	L38/174	Granted	100%
Duketon	M38/330	Granted	100%
Duketon	M38/1252	Granted	100%
Duketon	P38/3893	Granted	100%
Duketon	P38/3984	Granted	100%
Duketon	P38/4028	Granted	100%
Duketon	P38/4033	Granted	100%
Duketon	P38/4034	Granted	100%
Duketon	E38/3143	Acquired	100%

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

**Duketon Mining Limited**

ABN

76 159 084 107

Quarter ended ("current quarter")

30 June 2016

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(413)	(1,457)
(b) development	-	-
(c) production	-	-
(d) administration	(109)	(437)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	30	131
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(492)</b>	<b>(1,763)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	100
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>100</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(492)</b>	<b>(1,663)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(492)	(1,663)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(3)
	<b>Net financing cash flows</b>	-	(3)
	<b>Net increase (decrease) in cash held</b>	(492)	(1,666)
1.20	Cash at beginning of quarter/year to date	4,186	5,360
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	3,694*	3,694*

\* Excludes 30 June 2016 market value of listed equity investments of \$1,329,445.

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	84
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	450
4.2 Development	-
4.3 Production	-
4.4 Administration	150
<b>Total</b>	<b>600</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	174	216
5.2 Deposits at call	3,520	3,970
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,694</b>	<b>4,186</b>

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements and petroleum tenements acquired or increased	E38/3143	Registered Applicant	Nil	100%

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	82,524,812	77,392,046		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	3,000,000	-	20 cents	31 March 2019
	15,000,000	-	20 cents	1 August 2019
	2,800,000	-	20 cents	30 November 2020
	2,250,000	-	20.2 cents	18 November 2019
	1,500,000	-	25 cents	31 March 2019
	300,000	-	30 cents	31 January 2018
	1,000,000	-	30 cents	31 March 2019
	3,000,000	-	35 cents	4 August 2017
	1,550,000	-	35 cents	31 March 2019
	8,250,000	-	35 cents	14 May 2019
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/cancelled during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 29 July 2016

Print name: **Dennis Wilkins**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
- 6 By the Company signing this Appendix 5B, the Managing Director and CFO declare that the Appendix 5B for the relevant quarter:
  - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
  - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
  - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

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+ See chapter 19 for defined terms.