



ASX Release

27 April 2017

March 2017 Quarterly Report

HIGHLIGHTS

- Significant intercepts from DKMs first phase of RC drilling at the 100% owned Lancefield North Prospect include;
 - **16m @ 12.0 g/t Au**, including **8m @ 23.8 g/t Au**
 - **14m @ 4.0 g/t Au**, including **8m @ 6.9 g/t Au**,
 - **10m @ 1.3 g/t Au**, including **2m @ 5.7 g/t Au**
 - **4m @ 2.8 g/t Au**,
 - **4m @ 2.6 g/t Au**,
 - **4m @ 2.6 g/t Au**, including **2m @ 4.9 g/t Au**,
 - **4m @ 1.7 g/t Au**,
 - **3m @ 2.1 g/t Au**, including **2m @ 3.1 g/t Au**,
 - **5m @ 1.3 g/t Au** including **1m @ 4.1 g/t Au**,
- Intersections start at 43m down hole or 37m below surface
- Individual assays up to **119g/t Au**
- Targeting on regional gold and nickel opportunities continuing
- Portfolio of gold opportunities continue to be extended
- **Cash and liquids** as at 31 March 2017 of **\$6.4 million**

Duketon Mining Limited (Duketon or the "the Company") (ASX:DKM) is pleased to present its quarterly report for the period ended 31 March 2017.

OPERATIONS

Lancefield North (100%) Au

The Lancefield Prospect is located 5 km north of the 1Moz Lancefield Mine and covers 3.5 km of prospective sequence. Historic intersections include **8m @ 11.01g/t Au**, **8m @ 4.41g/t Au**, **8m @ 4.02g/t Au** & **1m @ 7.03g/t Au**, **4m @ 4.25 g/t Au**, **2m @ 13.18g/t Au**, **1m @ 29.4g/t Au** & **1m @ 7.05g/t Au**, **1m @ 6.35g/t Au** (see ASX announcement 28 July 2016).

Both AC and RC drilling was completed at the 100% owned Lancefield North prospect during the previous quarter to validate significant Au mineralisation encountered in historic drilling. A total of 35 Aircore holes and 11 RC holes were completed.



Intersections from the RC drill holes include; **16m @ 12.0 g/t Au** including **8m @ 23.8 g/t Au**, **10m @ 1.3 g/t Au** including **2m @ 5.7 g/t Au**, **4m @ 2.6 g/t Au**, **4m @ 1.7 g/t Au**, **1m @ 2.0 g/t Au**, **1m @ 2.7 g/t Au**, **14m @ 4.0 g/t Au**, including **8m @ 6.9 g/t Au**, **4m @ 2.6 g/t Au** including **2m @ 4.9 g/t Au**, **4m @ 2.8 g/t Au**, **3m @ 2.1 g/t Au**, including **2m @ 3.1 g/t Au**, **5m @ 1.3 g/t Au** including **1m @ 4.1 g/t Au**, **2m @ 1.0 g/t Au** and **1m @ 1.6 g/t Au** (see Figure 1). Importantly, individual assays are indicating higher grades in parts with a single assay returning **119 g/t Au** (see ASX announcements 1 and 8 February 2017). None of the aircore holes penetrated the Permian cover.

Importantly the shallowest intersection is 43m down hole or 37m below surface.

Mineralisation appears to be associated with shear zones along the contact of variable mafic units and is associated with quartz, sulphide, magnetite and pervasive chlorite alteration.

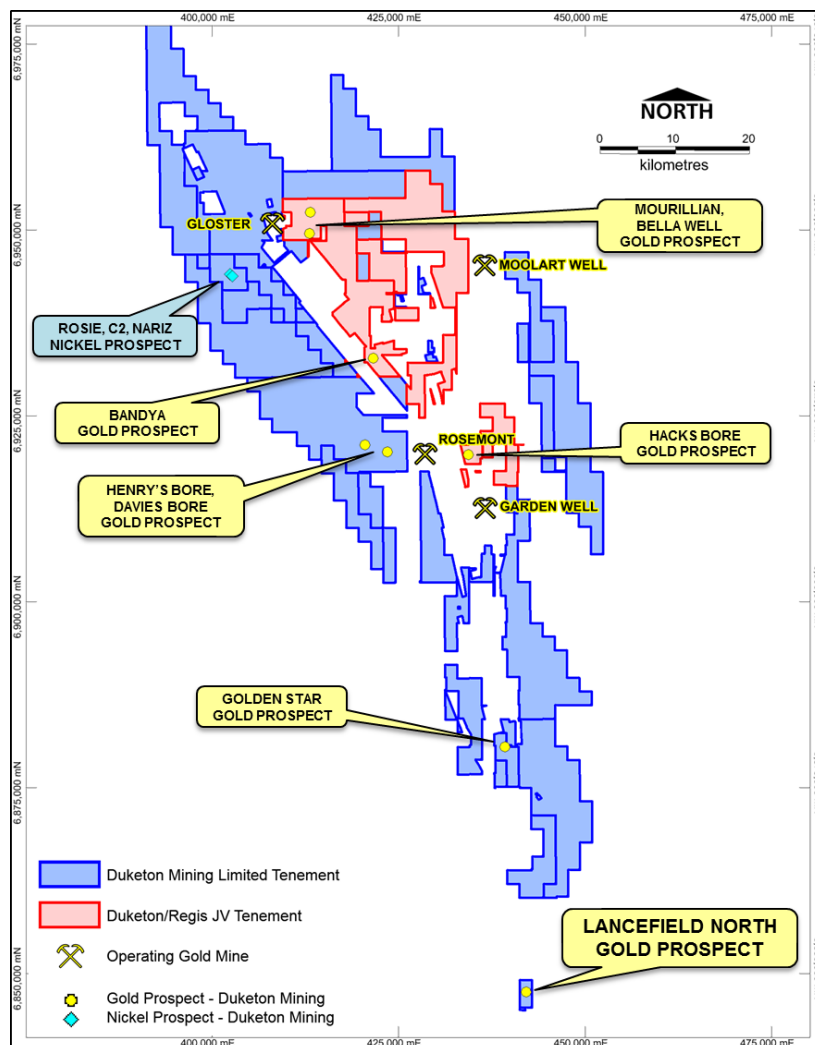


Figure 1. Plan View of the Duketon area showing tenements.

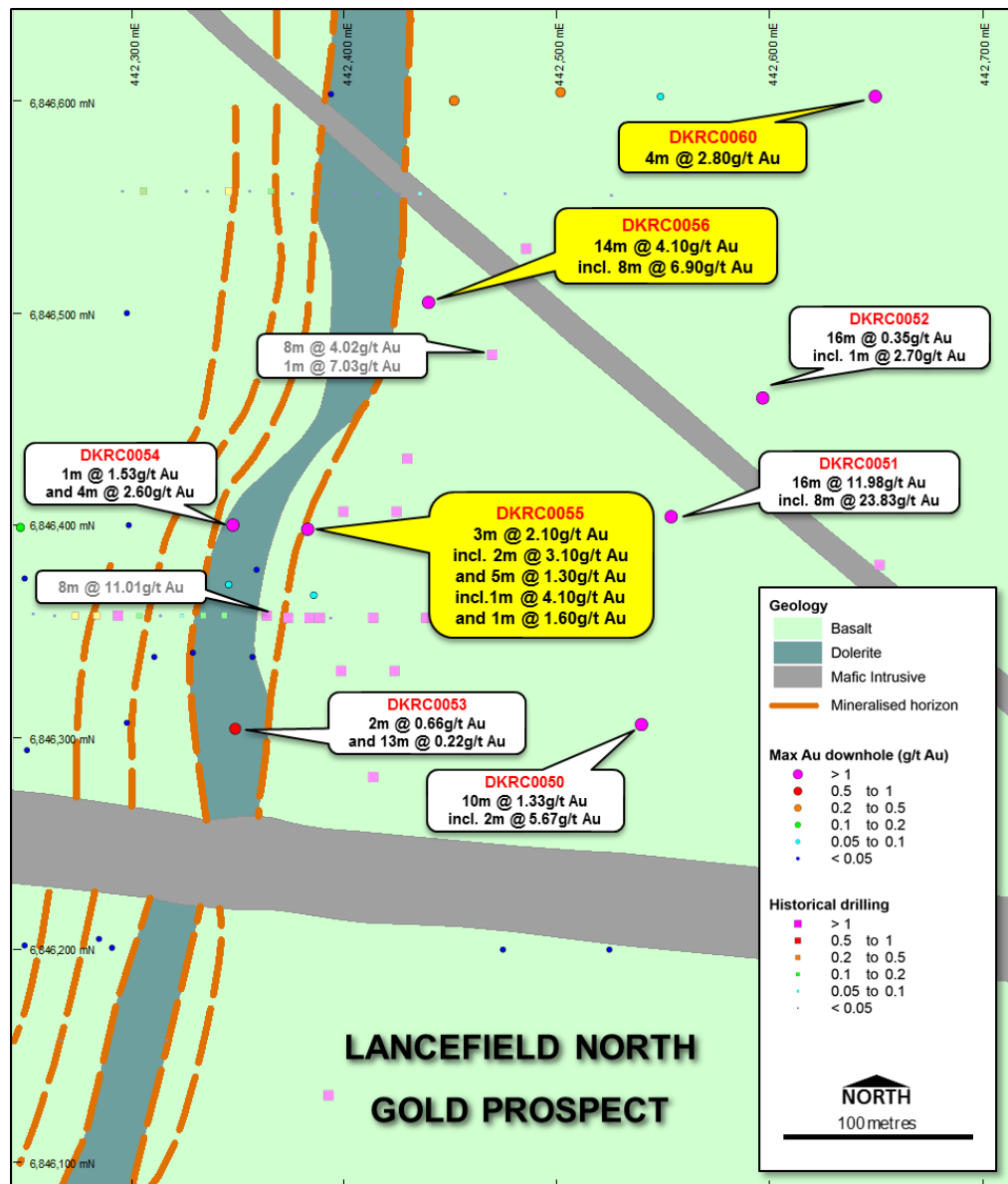


Figure 2. Plan View of the Lancefield North Prospect.

Davies Bore 100% (Au)

During the March 2017 quarter no work was carried out on the Davies Bore project.

Davies Bore is a large anomaly defined by aircore, reverse circulation and diamond drilling located approximately 5km west of Regis Resources Ltd (ASX: RRL) owned Rosemont Mine (see Figure 3 and ASX announcement 21 November 2016). During the previous quarter assays from aircore



drilling was received that further reinforced the prospectivity of the project. Previously reported intersections of note along the 600m long mineralised trend within the weathered horizon include;

35m @ 2.3g/t Au from 79m, incl. **9m @ 7.6 g/t Au***

10m @ 7.7 g/t Au from 89m, including **3.2m @ 23.3 g/t Au***

2m @ 7.4 g/t Au from 37m, incl. **1m @ 14.4 g/t Au***

16m @ 1.5 g/t Au from 104m, incl. **4m @ 5.2 g/t Au***

9m @ 1.6 g/t Au from 116m*

5m @ 1.2 g/t Au from 67m, incl. **3m @ 2.0 g/t Au***

9m @ 5.7 g/t Au from 55m, incl. **1m @ 10.0 g/t Au** and **3m @ 12.9 g/t Au***

The best previously reported intersection of note within the fresh rock horizon is;

19m @ 1.4 g/t Au from 176m, including **4.3m @ 3.4 g/t Au** and **2.5m @ 3.5 g/t***

* denotes previously reported assays from ASX announcements 7 April 2016, 30 May 2016, 21 Nov 2016 13 December 2016.

The mineralised zone is striking north north-west. The rocks are interpreted to be part of a package of felsic to mafic meta-volcanics and meta-sediments.

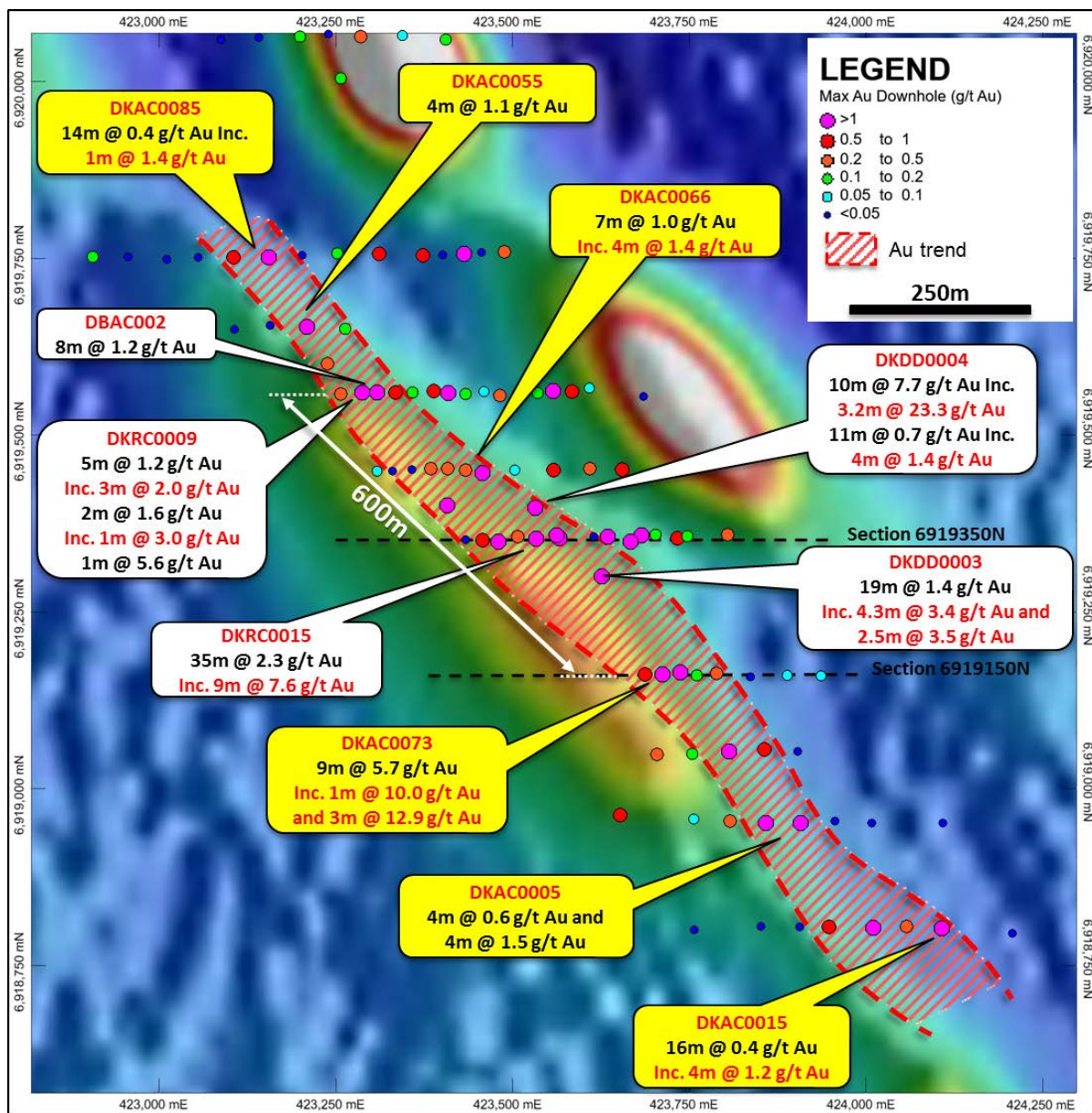


Figure 3. Davies Bore Prospect showing Max Au in Diamond, RC and Aircore holes at the collar location over magnetics.

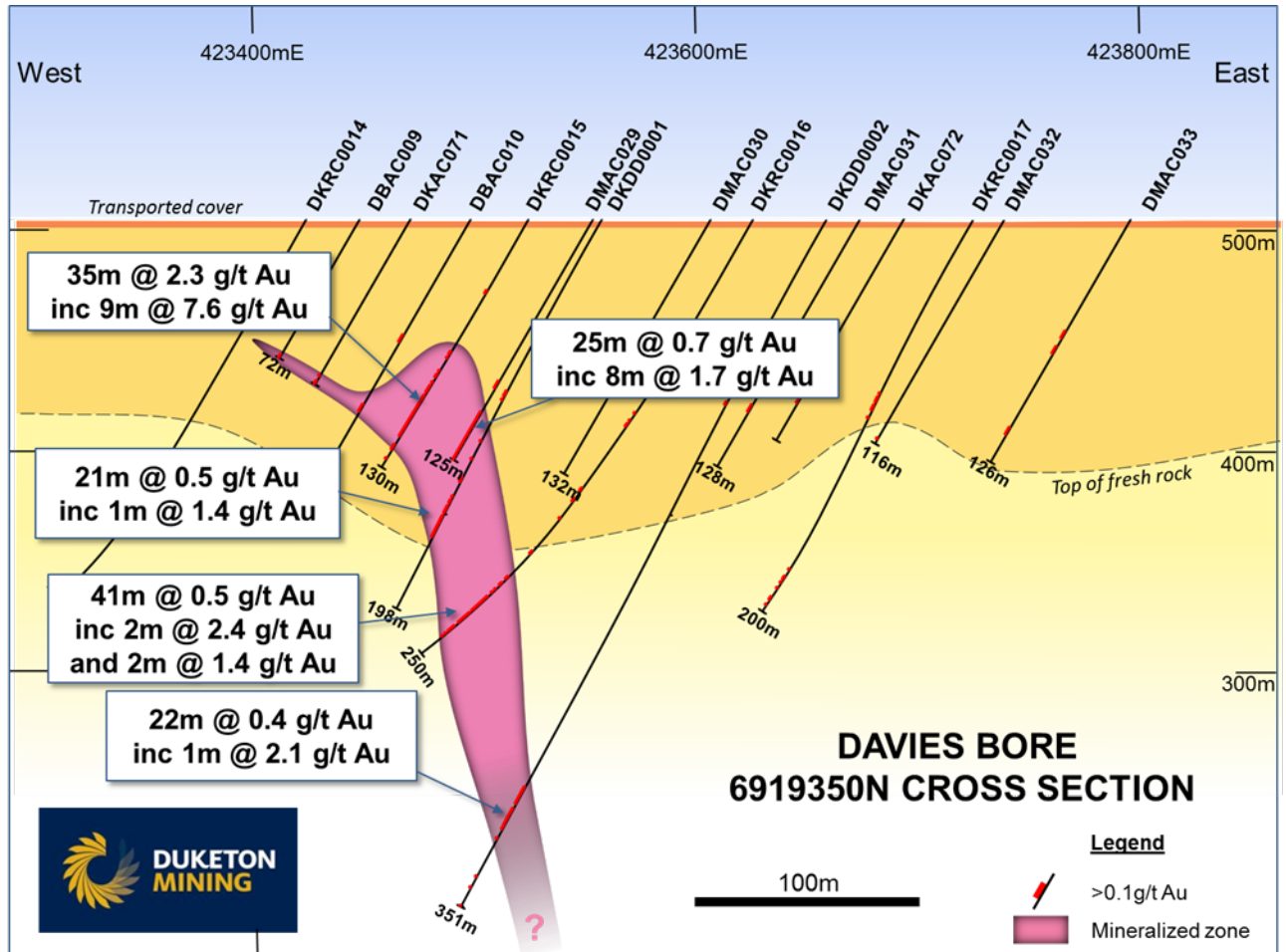


Figure 4. Davies Bore Cross Section 6919350mN

Henry's Bore South 100% (Au)

During the March 2017 quarter no work was carried out on the Henry's Bore project.

The Henry's Bore Prospect is located 8km west northwest of Regis Resources Ltd (ASX: RRL) owned Rosemont Mine and approximately 3km north west of DKMs Davies Bore prospect (see Figure 1 and 5).

The anomalous zone at Henry's Bore is now over **900m** long and is identifiable across seven aircore lines and open to the north and the south. The shallowest intersection is approximately 35 metres vertical depth below surface.

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.

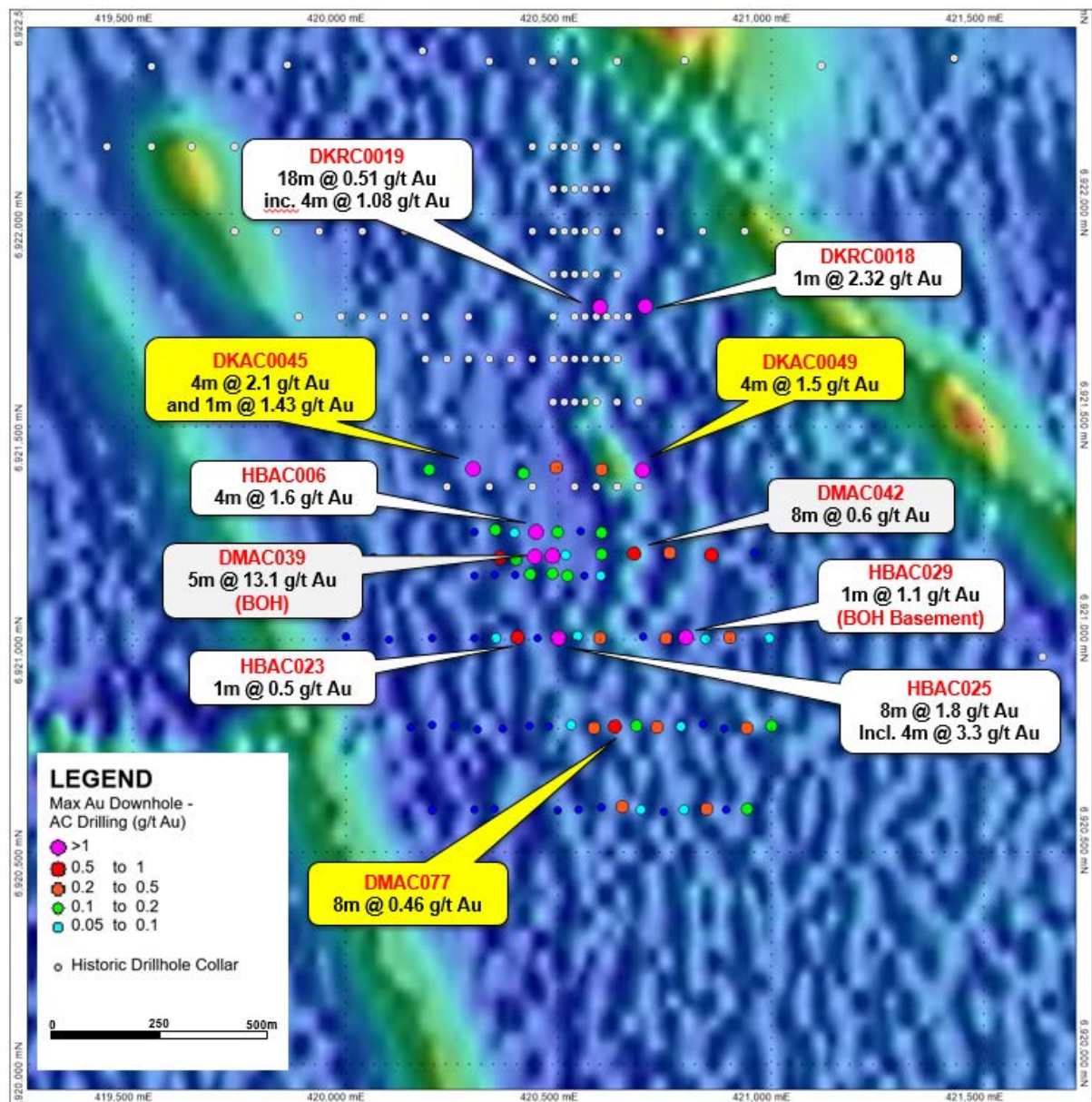


Figure 5. Henry's Bore South Prospect showing Max Au in aircore holes over magnetics.



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

Bandya

The Bandya project is located 5km to the South West from Regis' 100% owned Petra Gold Project. The target is a NNW trending epidote altered dolerite – felsic volcanic contact over a 1 kilometre strike where historical gold workings occur.

Two RC drill holes for 318 metres were drilled late in the quarter to follow up anomalous results (4m @ 2.20g/t Au from 80m) received in the December 2016 quarter. No anomalous results were reported.

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.

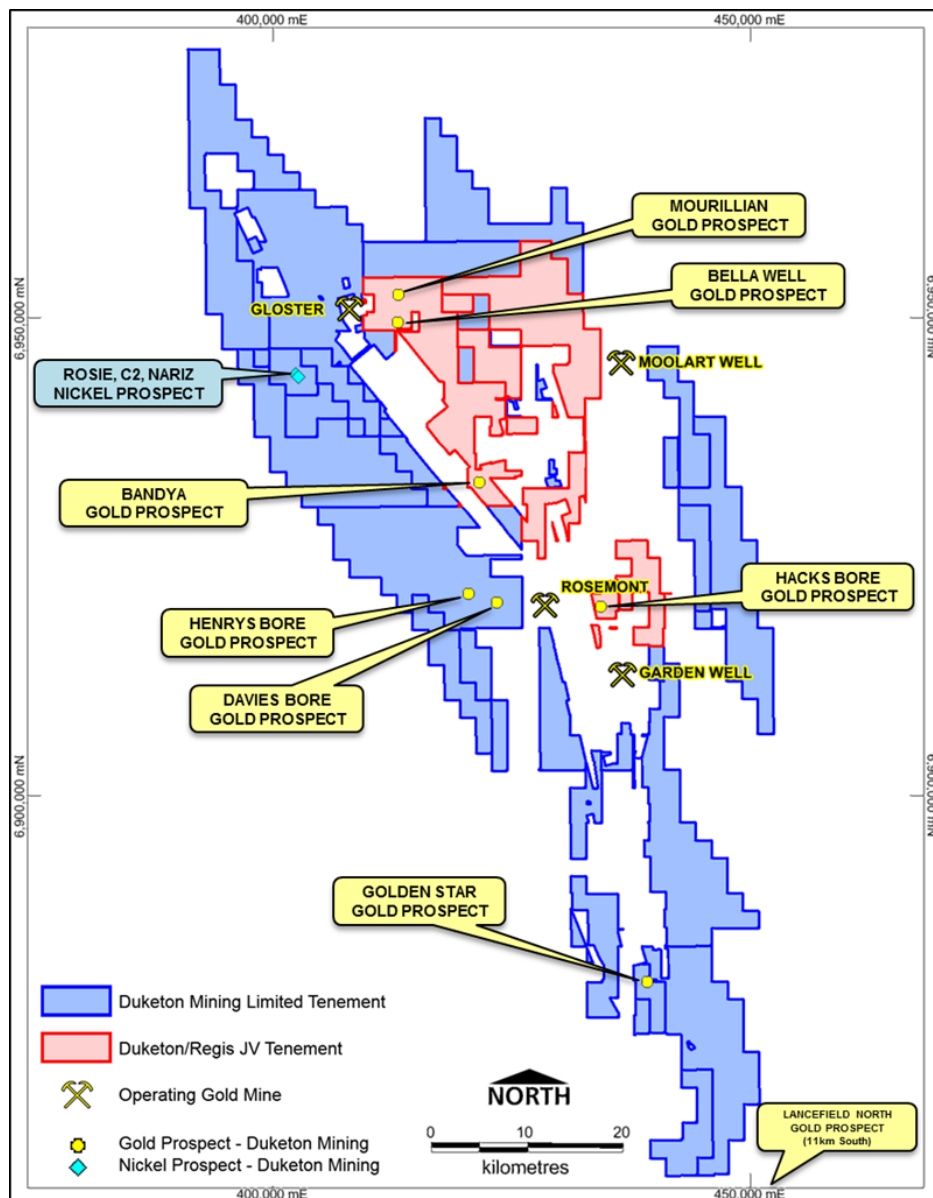


Figure 6: Plan view of the Duketon area showing the Regis Joint Venture tenements in red.

Nariz Nickel Discovery 100% (Nickel).

During the March 2017 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).

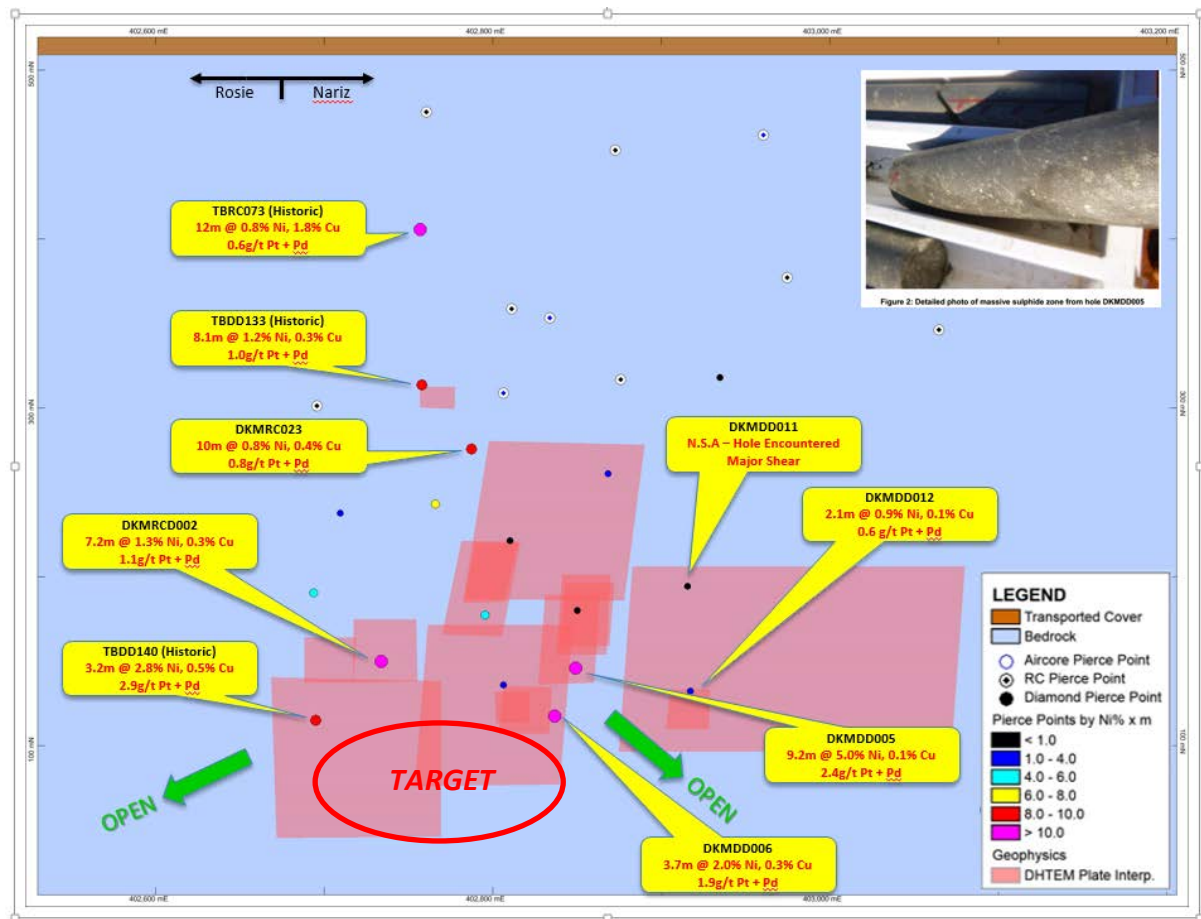


Figure 7: Long Section of Nariz looking north. Relevant DHEM plates are in pink.

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 100% (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 on terms favourable to DKM.
3. Expanding our known 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 31 March 2017 Duketon had approximately **A\$6.4M** available from cash reserves of **A\$5.4M** and a liquids position of circa **A\$1.0M**.



For further enquiries, please contact:

Investors:

Stuart Fogarty

Duketon Mining - Managing Director

+61 8 6315 1490

The information in this report that relates to exploration results is based on information compiled by Miss Kirsty Culver, Member of the Australian Institute of Geoscientists (AIG) and an employee of Duketon Mining Limited. Miss Culver has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a competent person as defined in the JORC Code 2012. Miss Culver consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



Appendix 1. Summary of Mining Tenements

As at 31 March 2017 the Company had an interest in the following tenements:

Project Name	Tenement Number	Status	Interest at end of quarter
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	E38/2805	Granted	100%
Duketon	E38/2819	Granted	100%
Duketon	E38/2834	Granted	100%
Duketon	E38/2866	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	E38/3011	Granted	100%
Duketon	E38/3012	Granted	100%
Duketon	E38/3022	Granted	100%
Duketon	E38/3026	Granted	100%
Duketon	E38/3061	Granted	100%
Duketon	E38/3083	Granted	100%
Duketon	E38/3090	Granted	100%
Duketon	E38/3098	Granted	100%
Duketon	E38/3159	Granted	100%
Duketon	E38/3160	Granted	100%
Duketon	E38/3176	Pending	100%
Duketon	E38/3177	Granted	100%
Duketon	E38/3178	Pending	100%
Duketon	E38/3200	Pending	100%
Duketon	E38/3208	Pending	100%

Project Name	Tenement Number	Status	Interest at end of quarter
Duketon	P38/4251	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	P38/4251	Granted	100%
Duketon	P38/4393	Acquired	100%
Duketon	E38/3143	Disposed	0%
Duketon	P38/4028	Disposed	0%
Duketon	P38/4033	Disposed	0%
Duketon	P38/4034	Disposed	0%

+Rule 5.5

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, 01/05/13, 01/09/16

Name of entity

Duketon Mining Limited

ABN

76 159 084 107

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(422)	(2,600)
(b) development	-	-
(c) production	-	-
(d) staff costs	(34)	(91)
(e) administration and corporate costs	(35)	(251)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	80
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(465)	(2,862)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	4,848
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(289)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(1)
3.10	Net cash from / (used in) financing activities	-	4,558

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,855	3,694
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(465)	(2,862)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,558
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,390	5,390

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	333	597
5.2 Call deposits	5,057	5,258
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,390*	5,855

* Excludes 31 March 2017 market value of listed equity investments of \$1,004,776.

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	84
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

7. Payments to related entities of the entity and their associates

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	Nil
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	Nil	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	800
9.2 Development	-
9.3 Production	-
9.4 Staff costs	30
9.5 Administration and corporate costs	120
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	950

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E38/3143 P38/4028 P38/4033 P38/4034	Registered Applicant Registered Holder Registered Holder Registered Holder	100% 100% 100% 100%	Nil Nil Nil Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	P38/4393	Registered Applicant	Nil	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 27 April 2017

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. 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.