



ASX Release

28 January 2016

December 2015 Quarterly Report

- **Gold joint venture with Regis Resources underway**
 - **Geochemical soil sampling commenced over entire JV area ~ 80% complete**
 - **Drilling at Nth Petra and Nth Garden Well expected to commence in the later part of the March 2016 Quarter**
- **Nariz re-interpretation complete**
 - **Geological/geophysical vectors point to further mineralisation to the east and west of Nariz discovery hole**
- **Additionally, new DHEM target identified west of Rosie**
- **Regional Aircore drilling undertaken at The Bulge South East prospect (targeting Ni & Au signatures) - assays pending**
- **Targeting on regional nickel and gold opportunities continuing**
- **Portfolio of gold opportunities being extended**
- **Cash and liquids as at 31 December 2015 of \$5.9 million**

Duketon Mining Limited (Duketon or the “the Company”) (ASX:DKM) is pleased to present its quarterly report for the period ended 31 December 2015.

Duketon enjoyed a successful quarter which included five key outcomes:

- Gold joint venture commenced with Regis Resources
- Geochemical sampling over the 4 tenements subject to the gold joint venture with Regis Resources Limited (ASX:RRL) approximately 80% complete
- Complete re-interpretation of the Nariz DHEM data confirms mineralisation remains open
- New DHEM nickel target identified west of Rosie
- Drilling commenced at The Bulge South East Prospect (targeting Ni & Au signatures)

Duketon is an exploration company focused on the discovery of nickel and gold deposits whilst evaluating other opportunities in the Duketon Greenstone Belt of Western Australia. The Company is currently advancing numerous nickel exploration targets including expanding the Nariz nickel discovery, the Rosie nickel deposit, the C2 nickel deposit and assessing future mining and processing options within the 100% owned Duketon Project. In addition, there remains significant potential for new gold and base metals discoveries given the Company's substantial ground holding adjacent to Regis Resources Limited (ASX:RRL) in the Duketon Belt, where several multi-million ounce gold deposits have been brought into production.



OPERATIONS

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

Work during the December 2015 quarter focused mainly on soil geochemical sampling, regolith logging and visiting old gold workings. A total of 9,647 reconnaissance lag soil samples were planned across the Duketon Gold JV leases. The lag sampling was planned generally on a 400m x 100m grid, and across mineralised trends on a 200m x 50m grid.

During the December 2015 quarter 7,522 lag sites were sampled from the Duketon JV ground. It is anticipated that first pass sampling should be completed by the end of January 2016 and that follow up sampling will be conducted during the March 2016 quarter.

Some gold analytical results for early samples have been received but are yet to be assessed. Contouring and interpretation will commence in the March 2016 quarter when all results have been received. Dependent on sample results, Aircore drilling is expected commence in the later part of the March 2016 quarter to test any soil anomalies and gold mineralised trends identified.

In addition, drill programs have been planned at Nth Petra and Nth Garden Well. These are anticipated to commence in Q1 2016.

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

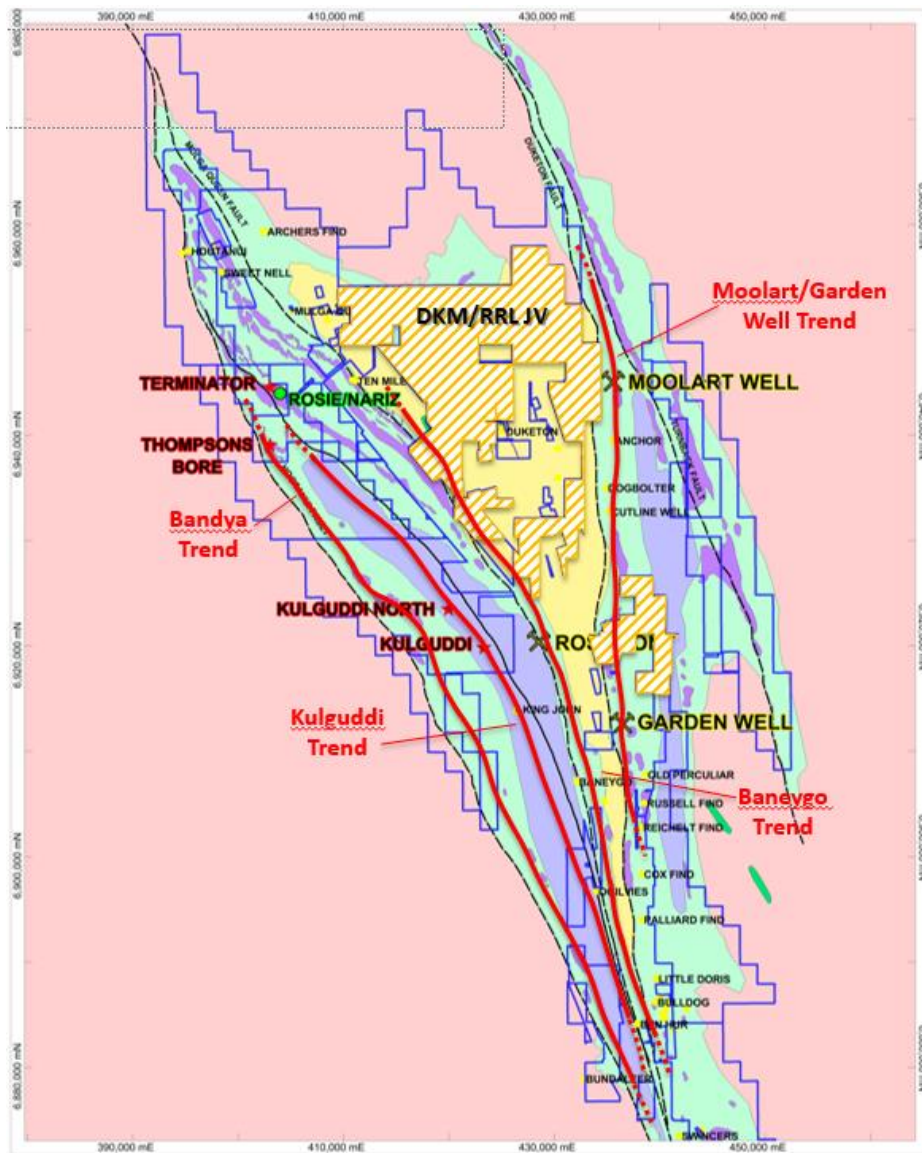


Figure 1: Plan view of the Duketon area showing the Regis Joint Venture tenements in yellow cross hatching.

Nariz Nickel Discovery (Nickel)

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).

During the December 2015 quarter re-interpretation of the geology and most recent down hole electromagnetic (DHEM) data identified further potential at Nariz. The geological and geophysical vectors point primarily below and to the east and west of the discovery hole DKMDD005 (see Figure 2).

Drilling of this target is scheduled for Q1 2016. DKM will announce the expected RC/Diamond drilling programme when programme planning is finalised.

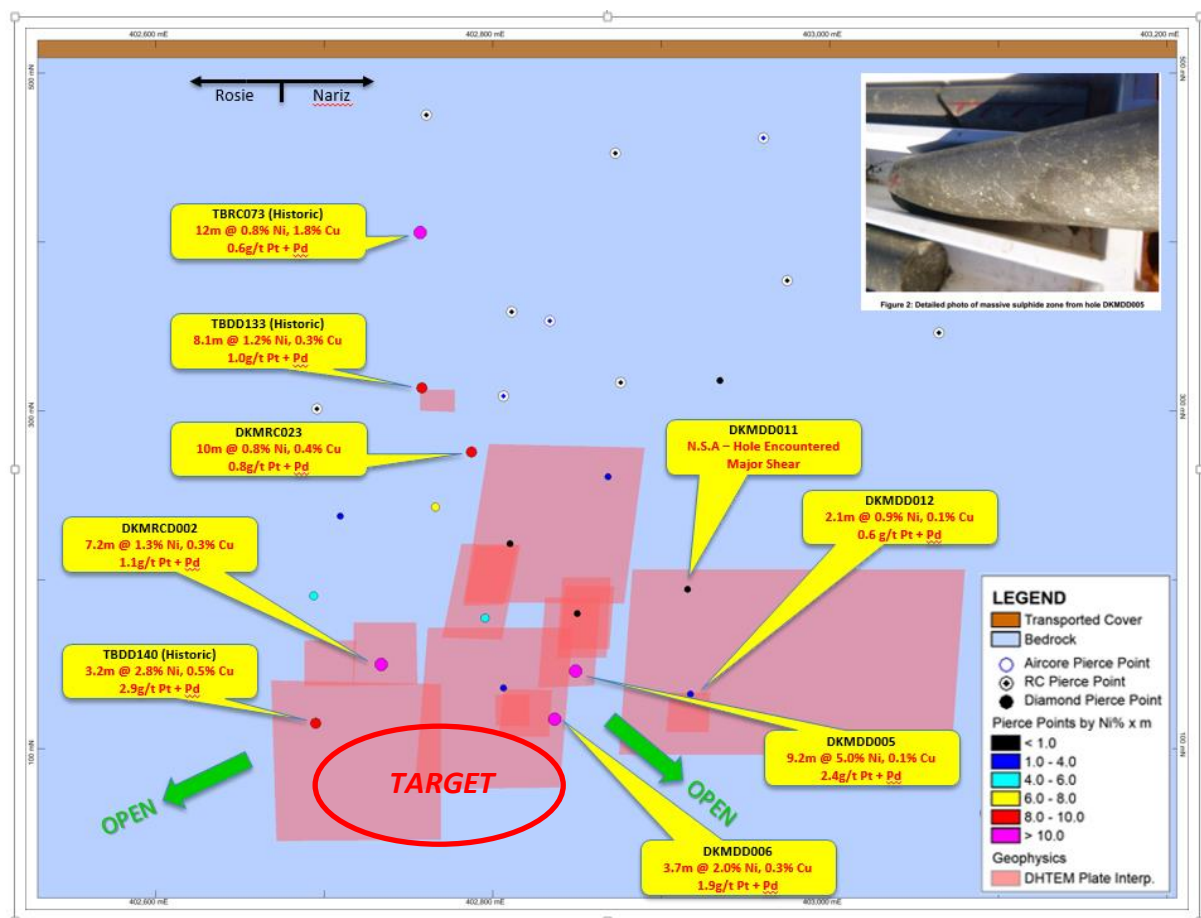


Figure 2: Long Section of Nariz looking north. Relevant DHEM plates are in pink.



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.

141 DHEM Nickel Target - New DHEM Ni Target West of Rosie

An untested off-hole DHEM anomaly has been identified through geological and geophysical re-interpretation of the southern continuation of the C2 mineralised contact (Figure 3). This is approximately 300m to the west of the Rosie contact, 1km to the south of C2 and represents a possible structural repeat of Rosie. Several DHEM targets in the area have been reviewed with one being selected for drill testing based on geological and geophysical criteria. The selected DHEM anomaly is incomplete as it is modelled off the end of a hole. It is modelled as a 200m x 200m plate.

This is a very complex area with nickel values on the C2 basal contact up to 2.4% Ni and several conductive sediments further in the footwall. This ultramafic unit is interpreted to fault back to the north through the selected target area and is repeated to the east (where it becomes the Rosie contact).

RC and/or diamond drilling is planned for this target in early 2016. DKM will announce when this is finalised and when the drill rig is mobilised.

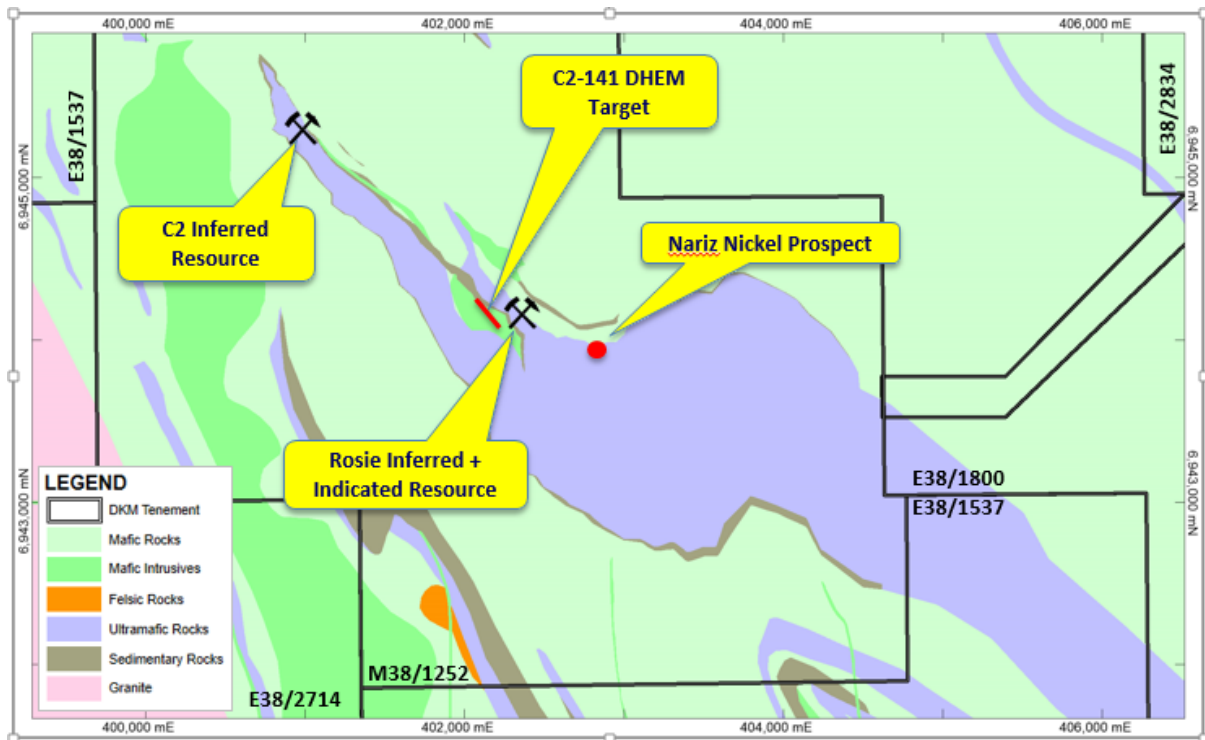


Figure 3: Plan view of “The Bulge” showing locations of 141 DHEM Target, C2, Rosie and Nariz.

The Bulge South East (Ni & Au)

The Bulge South East is located to the south-east of “The Bulge” (see Figure 4) and is a continuation of the same ultramafic package that hosts the C2 and Rosie resources and the Nariz discovery. The northern most contact is considered to be prospective for nickel. Aircore drilling commenced during the quarter to test for nickel and platinum group elements along the interpreted ultramafic contact. This is designed to identify anomalous areas for RC/Diamond drilling early in 2016.

In addition, the aircore drilling will infill and further delineate an approximately 2km long gold geochemical anomaly (Figure 4). The anomalous trend has a peak intercept in hole STB149 of 2m @ 475ppb Au from 60-62m including 1m @ 850ppb (EOH). This is in an area of complex geology with felsic, mafic and ultramafic rocks present with significant magnetite destruction apparent. This drilling was designed to delineate a geochemical anomaly for follow-up drilling early in 2016.

Assays from this programme are pending and the results will be used to determine the next stage of drilling.

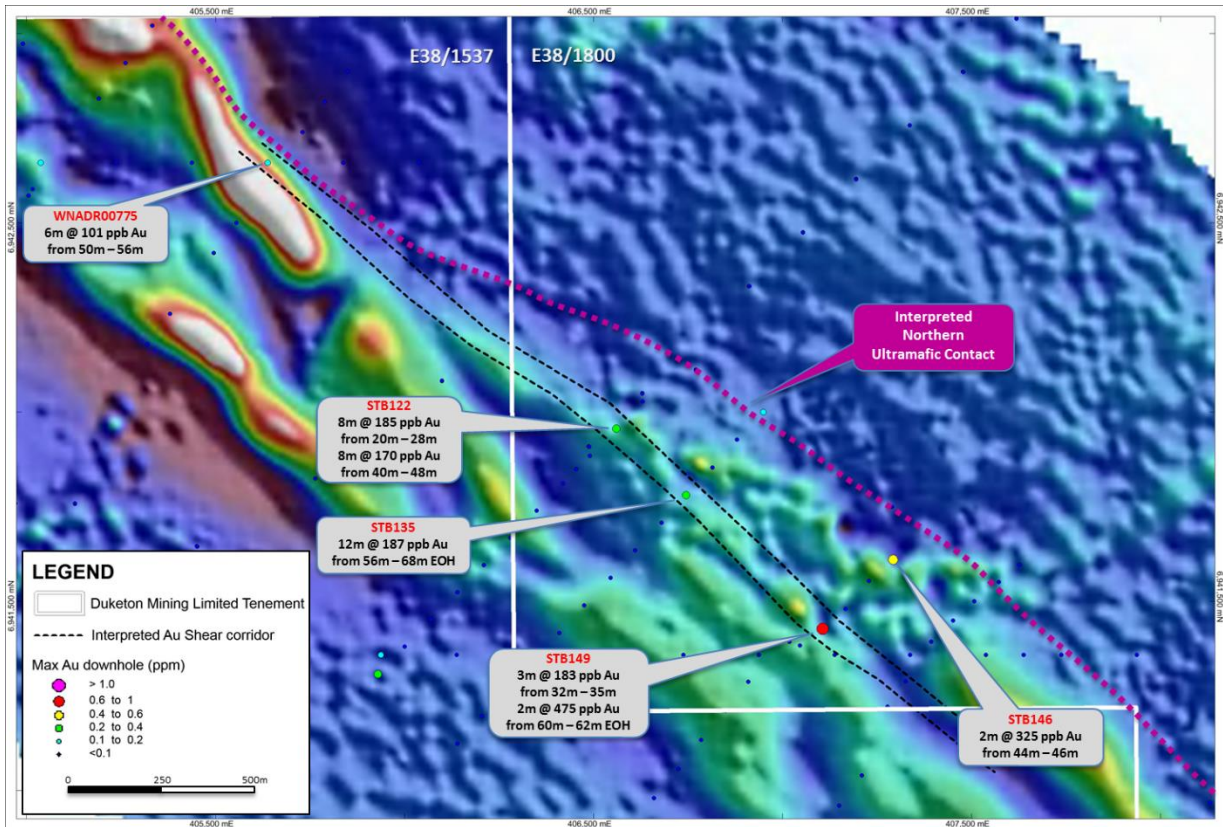


Figure 4: The Bulge South East showing the interpreted ultramafic contact and the anomalous gold trend.

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

CORPORATE

At 31 December 2015 Duketon had approximately A\$5.9M available from cash reserves of A\$4.4M and a liquids position of circa A\$1.5 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 31 December 2015 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	E38/2811	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	E38/2960	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%
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	L38/174	Granted	100%
Duketon	M38/330	Granted	100%
Duketon	M38/1252	Granted	100%
Duketon	P38/3893	Granted	100%

Project Name	Tenement Number	Status	Interest
Duketon	P38/3984	Granted	100%
Duketon	P38/4028	Granted	100%
Duketon	P38/4033	Granted	100%
Duketon	P38/4034	Granted	100%
Duketon	P38/4092	Granted	100%
Western Shaw	E45/2768	Granted	100% Tin Only
Duketon	E38/3090	Acquired	100%
Duketon	E38/3098	Acquired	100%
Duketon	E38/3017	Disposed	Nil

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")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(301)	(843)
(b) development	-	-
(c) production	-	-
(d) administration	(68)	(235)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	59
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(346)	(1,019)
Cash flows related to investing activities		
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)	-	-
Net investing cash flows	-	100
1.13 Total operating and investing cash flows (carried forward)	(346)	(919)

+ 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)	(346)	(919)
	Cash flows related to financing activities		
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)	(2)	(2)
	Net financing cash flows	(2)	(2)
	Net increase (decrease) in cash held	(348)	(921)
1.20	Cash at beginning of quarter/year to date	4,787	5,360
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,439*	4,439*

* Excludes 31 December 2015 market value of listed equity investments of \$1,516,722.

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	88
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	350
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	500

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	102	174
5.2 Deposits at call	4,337	4,613
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,439	4,787

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	E38/3017	Registered Applicant	100%	Nil
6.2 Interests in mining tenements and petroleum tenements acquired or increased	E38/3090	Registered Applicant	Nil	100%
	E38/3098	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 Preference +securities				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	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 +Convertible debt securities				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (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	2,800,000	-	20 cents	30 November 2020
7.9 Exercised during quarter				
7.10 Expired/cancelled during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (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: 28 January 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.

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+ See chapter 19 for defined terms.