



ASX Announcement

20 July 2016

Gold Drilling Commences at Hacks Bore, 5km North of Multi-million ounce Garden Well Mine

HIGHLIGHTS

- 57 holes planned in gold drilling program
- Approximately 5km along strike from Regis Resources (ASX: RRL) multi-million ounce Garden Well Mine.
- Hacks Bore is targeted as a Garden Well analogue;
 - under transported cover (paleochannel).
 - lag geochemical support at the edge of the paleochannel.
 - within the main north south structural corridor that hosts Garden Well, Moolart Well, and Tooheys Well.
- Drilling is part of Farm-In for the Joint Venture with Regis Resources.

Duketon Mining Limited (ASX: DKM) is pleased to announce that drilling has commenced on the Hacks Bore tenement (E38/2666), one of four tenements subject to the joint venture with Regis Resources (ASX: RRL) (refer ASX announcement 13 October 2015).

The initial 57 hole air core drill program targeting gold mineralisation is designed to identify gold within and beneath an area of transported cover that is interpreted to be a tertiary paleochannel. Immediately to the west of the paleochannel is an area of anomalous gold in lag surface samples (refer ASX announcement 2 May 2016) that increases in magnitude towards the western edge of the paleochannel before being covered by the transported material which may be masking the signature (see Figure 1).

Hacks Bore is located approximately 5km north of Regis Resources Garden Well Mine (see Figure 2) that contains 2.14M ounces of gold in resource (refer RRL ASX Announcement 31 March 2016).

Drill holes are spaced between approximately 80m and 160m apart and will be drilled as a single campaign.

About the Joint Venture

The farm-in period for the joint venture formally commenced on October 13 and has a 2 year term (refer to ASX announcement 13 October 2015). The vesting point for RRL to achieve 75% is at the decision to mine and limited to the areas selected. To achieve the decision to mine RRL need to discover, delineate, study and achieve a positive mining outcome.

Upon a decision to mine DKM has three options that it may choose. DKM can contribute to the joint venture at 25%, sell to RRL or convert to a 2% NSR.

Where DKM elects to contribute, RRL will fund the first \$4M of capital costs and in addition fund 100% of the exploration expenditure up to the first gold production.

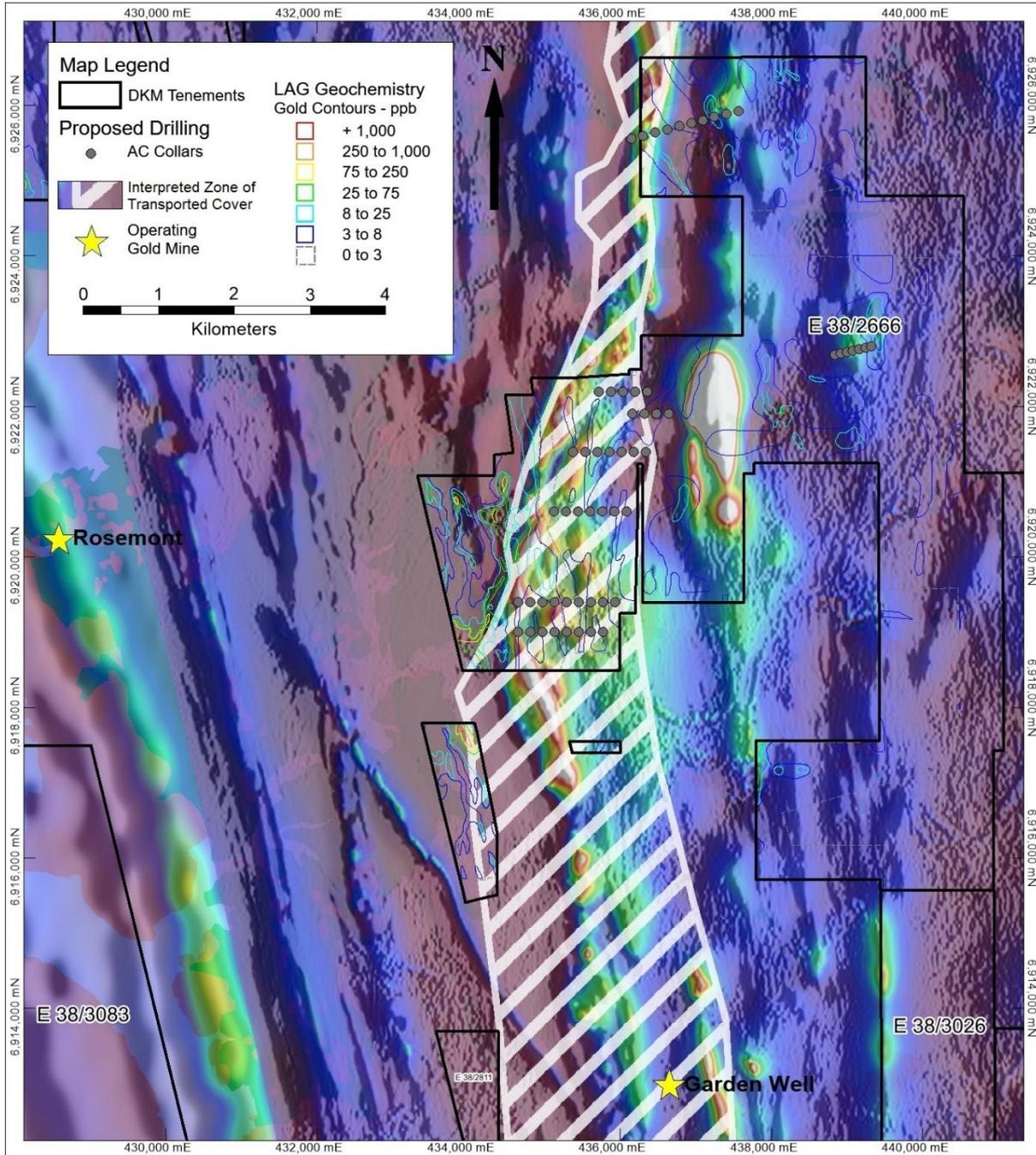


Figure 1: Map of planned drill collars, showing tenements and location of the Hacks Bore Tenement E38/2666.

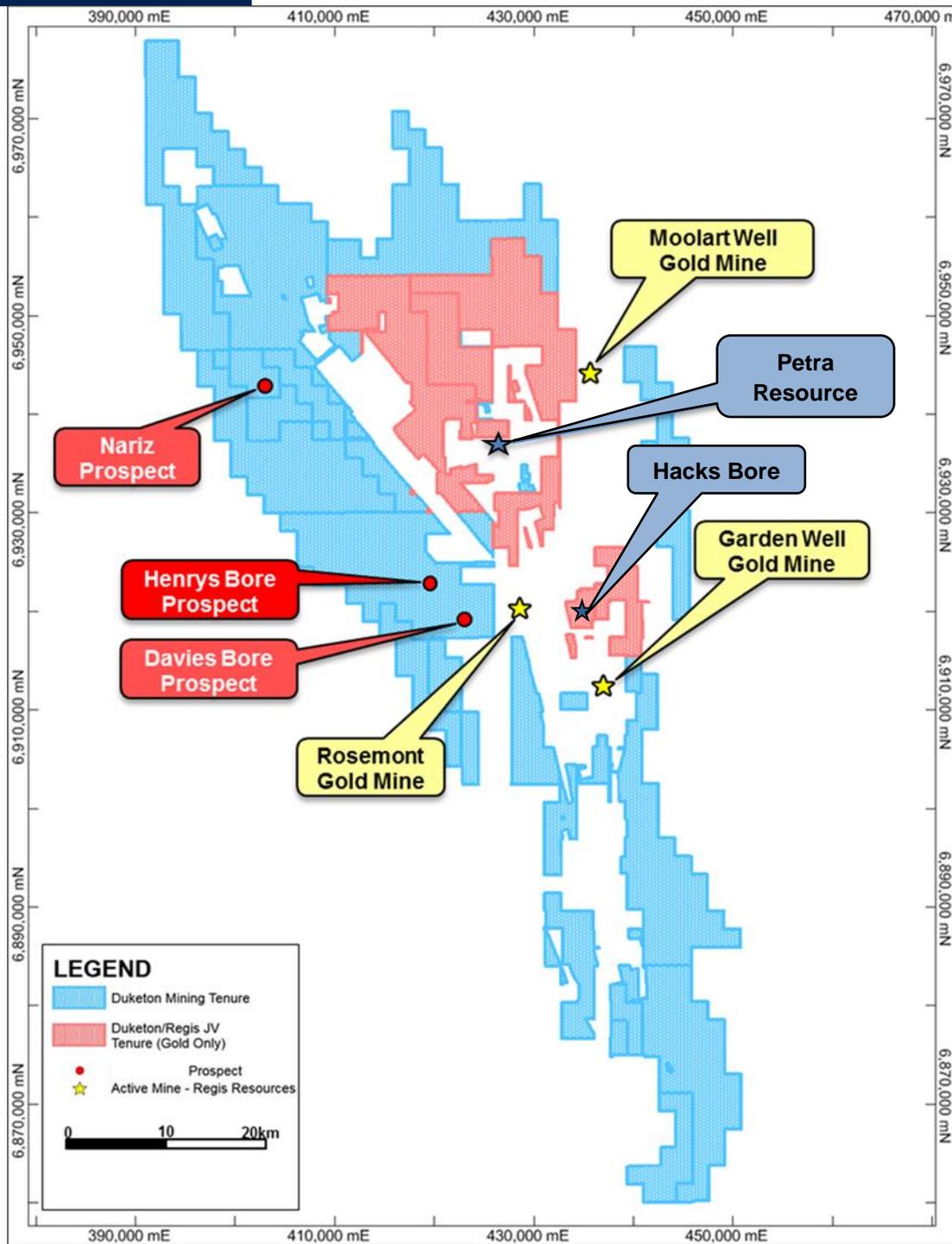


Figure 2: DKM Tenements Showing Location of Hacks Bore

For further enquiries, please contact:

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