



ASX Release

30 April 2018

## March 2018 Quarterly Report

### HIGHLIGHTS

- Drilling completed at **Golden Star** (DKM 100%). Significant results received include;
  - **25m @ 2.5 g/t Au\*** incl. **5m @ 10.7g/t Au**
  - **6m @ 6.6 g/t Au** incl. **1m @ 37.7g/t Au**
  - **4m @ 2.7g/t Au**
  - Drilling confirms **600m strike length**
  - High grades - individual assays up to **47.9g/t Au**
  - **+50 gram meter** intersections
  - Open down dip
- **Maiden JORC 2012 Mineral Resource Estimate** complete for **Lancefield North** at the Duketon Project;
  - **1.9 million tonnes at 1.5 g/t Au**
  - **96,000 Oz of Gold**
  - Resource **open along strike and down plunge**
  - **~5km north of historical Lancefield Mine (circa. +1Moz Au)**
  - **Cyanide leach** check assays completed, **confirms leachable gold**. Recovery of samples over **1g/t reconcile at 101%** compared to fire assay
- De-risking of portfolio continues through discovery and conversion of resources
- Nickel prospects under review for potential demerger
- Targeting on regional gold and nickel opportunities continuing
- Cash and liquids as at 31 March 2018 of **\$3.7 million**
- **St Barbara Limited (ASX:SBM)** invest **\$4.0 million** on 4 April 2018

Duketon Mining Limited (Duketon or the "the Company") (ASX: DKM) is pleased to present its quarterly report for the period ending 31 March 2018.

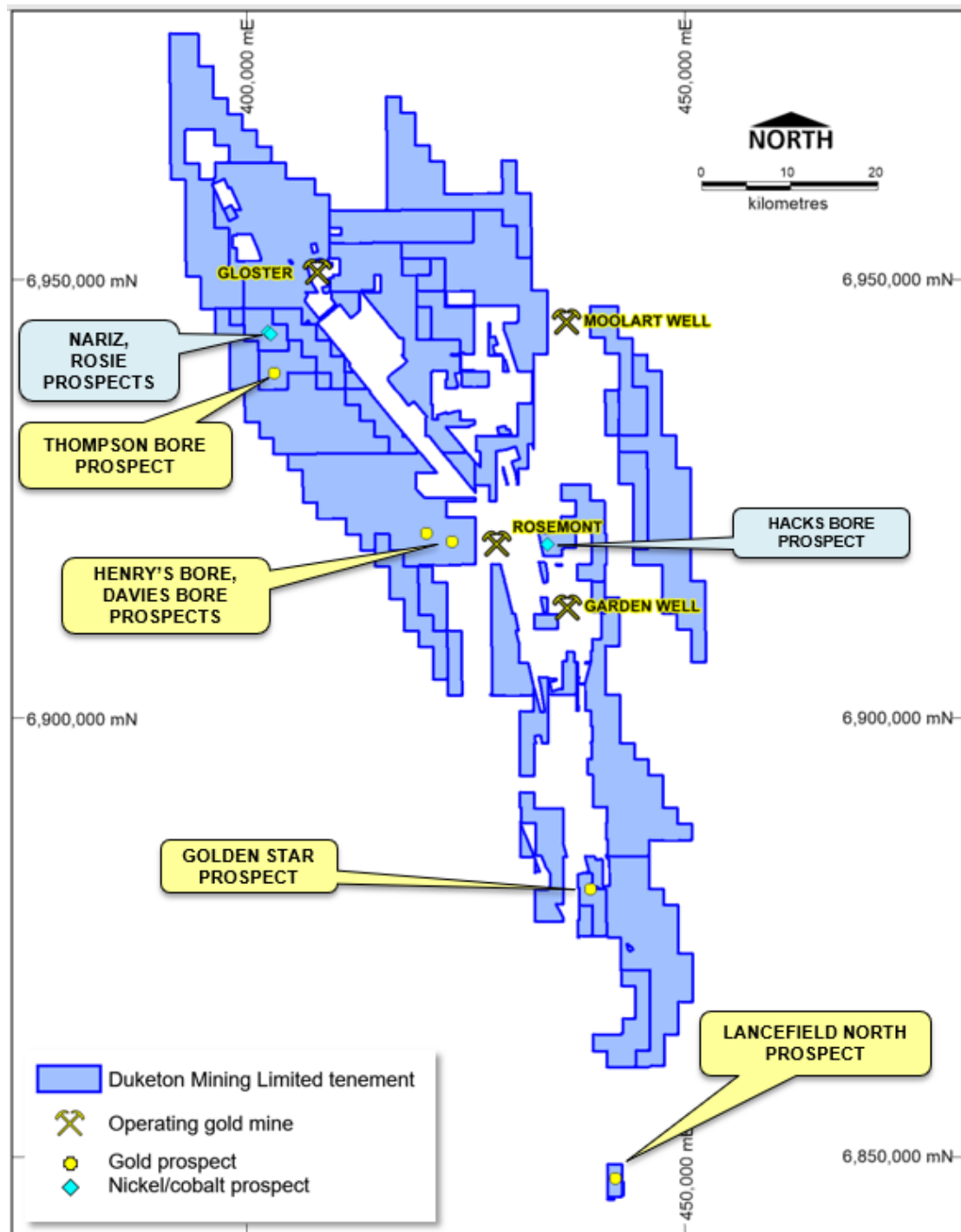


Figure 1. Plan View of the Duketon area showing tenements.



## OPERATIONS

### Golden Star (100% DKM)

Significant intersections from the latest drill program of drill holes include the following (see ASX announcement 19 April 2018);

- **25m @ 2.5g/t Au including 5m @ 10.7g/t Au**
- **6m @ 6.6g/t Au including 1m @ 37.7g/t Au**
- **4m @ 2.7g/t Au**

These latest results, along with significant historic intersections (see ASX Announcements 19 December 2017 and 23 October 2017) confirm a major new discovery at Golden Star that is continuous over 600 metres of strike and remains open both to the north, south and down dip. High grades, up to 47.9g/t Au, continue to be intersected as does substantial +50 gram meter intersections. Alteration, sulphides and some quartz veining have been identified north and south of this main zone of mineralisation.

The mineralisation occurs as several stacked lenses within an intermediate to mafic intrusive unit and is associated with quartz veining and sulphide alteration between two strike parallel shear zones. The prospect is along the same geological trend from the Rosemont Mine (Regis Resources (ASX:RRL)).

Golden Star is located approximately 25km south of Regis Resources Garden Well mine and processing facility (see Figure 1).

Assays from RC drilling during 2017 into the prospect include the following (see ASX Announcements 19 December 2017 and 23 October 2017);

- **50m @ 1.6g/t Au incl. 17m @ 3.8g/t Au and**
- **16m @ 2.3g/t Au incl. 8m @ 4.3g/t Au**
- **26m @ 1.6g/t Au incl. 5m @ 6.3g/t Au**
- **20m @ 0.9g/t Au incl. 1m @ 9.4g/t Au**
- **12m @ 4.0 g/t Au incl. 8m @ 5.9 g/t Au**
- **28m @ 1.0 g/t Au incl. 4m @ 4.7 g/t Au**
- **20m @ 1.1 g/t Au incl. 8m @ 2.2 g/t Au**
- **12m @ 1.6 g/t Au incl. 4m @ 3.1 g/t Au and 4m @ 1.4 g/t Au**
- **8m @ 3.5 g/t Au incl. 3m @ 2.8 g/t Au**
- **16m @ 1.2 g/t Au incl. 4m @ 3.2 g/t Au**

All these holes were targeting areas along strike and down dip of historical intersections in this area that include (see ASX announcements 15 June 2017 and 28 July 2016);

- 44m @ 1.0 g/t Au
- 14m @ 2.7 g/t Au
- 12m @ 1.2 g/t Au
- 10m @ 1.5 g/t Au
- 6m @ 2.5 g/t Au
- 4m @ 7.2 g/t Au
- 4m @ 2.8 g/t Au
- 5m @ 2.0 g/t Au
- 2m @ 5.21 g/t Au

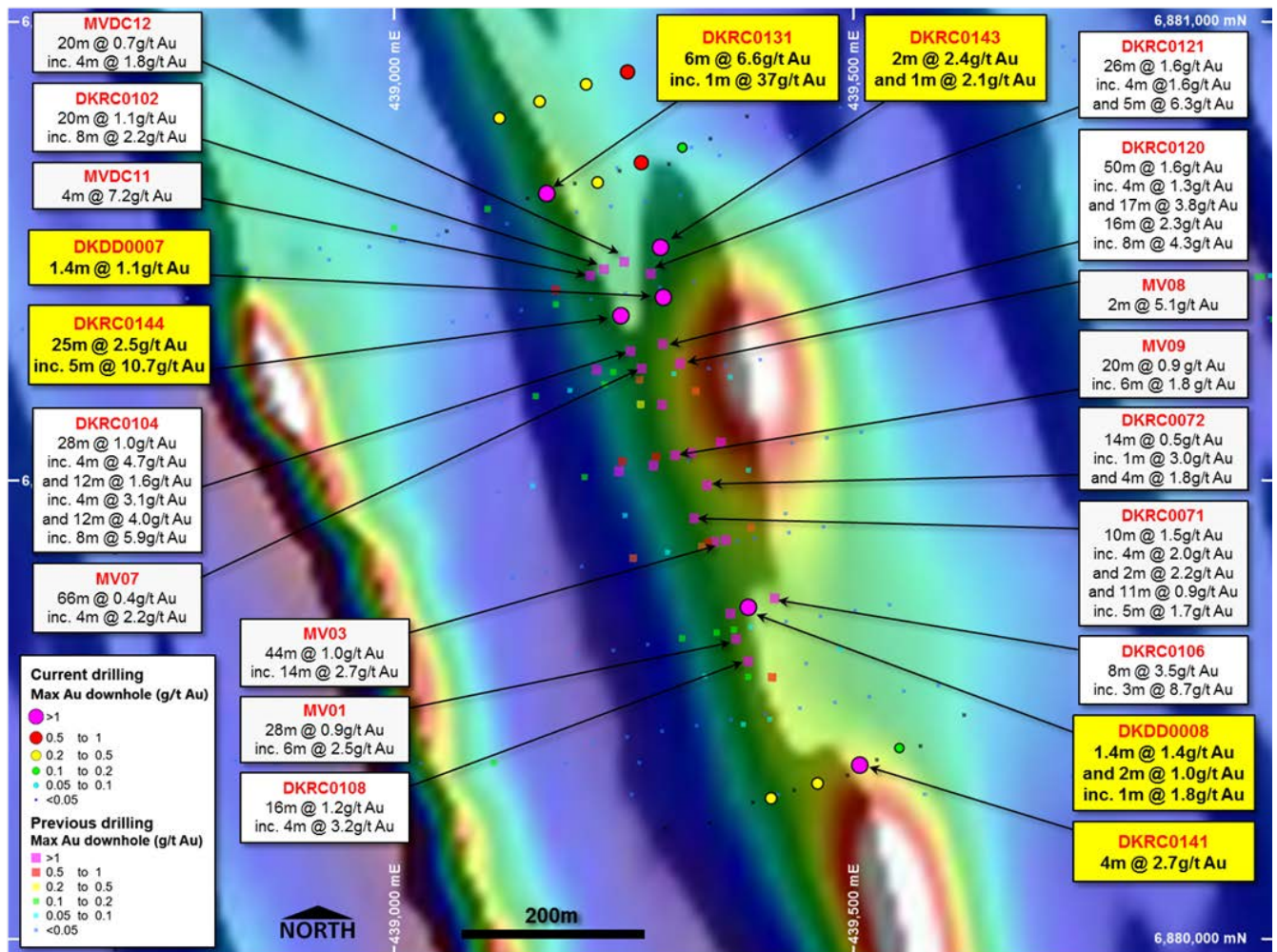


Figure 2: Plan View of Golden Star



### **Thompson Bore (100%) Au**

No drilling was conducted during the quarter at Thompson Bore. However, within the previous quarter the following significant intersection was received (see ASX Announcement 19 December 2017);

- **17m @ 1.4g/t Au including 8m @ 2.8g/t Au**

Mineralisation is hosted within a north west trending folded sequence of strongly sheared and silicified mafic rocks, felsic to intermediate intrusive rocks and sedimentary rocks. Mineralisation is associated with sulphide replacement of magnetite and associated quartz veining within a banded iron formation (see Figure 3 and 4).

Drilling was designed to test beneath a number of previously drilled RC holes (DKM) and aircore holes (pre-DKM) based on a re-interpretation of the area. These holes include **47m @ 1.3g/t Au** including **3m @ 2.6g/t Au**, **8m @ 4.6g/t Au** and **3m @ 3.0g/t Au** (DKRC0088), **3m @ 2.8g/t Au** (DKMRC003), **4m @ 8.6g/t Au** (DKMRC010) and **11m @ 1.0g/t Au** (DKMRC004) (see ASX announcements 15 September 2014 and 6 September 2017).

Thompson Bore is located approximately 10km south west of the operating Gloster Gold Mine owned by Regis Resources (ASX: RRL) (see Figure 1).



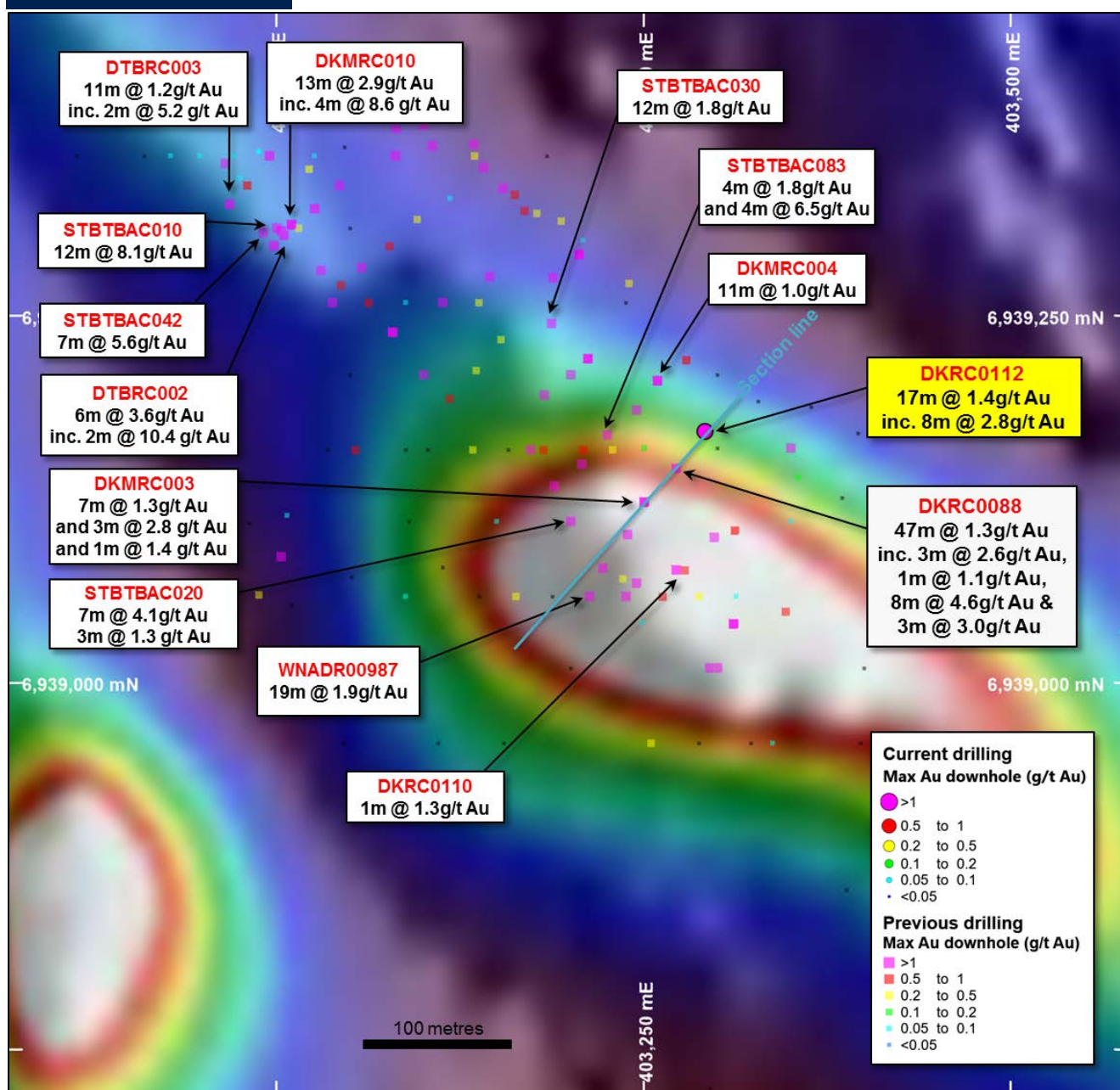


Figure 3: Plan View of Thompson Bore

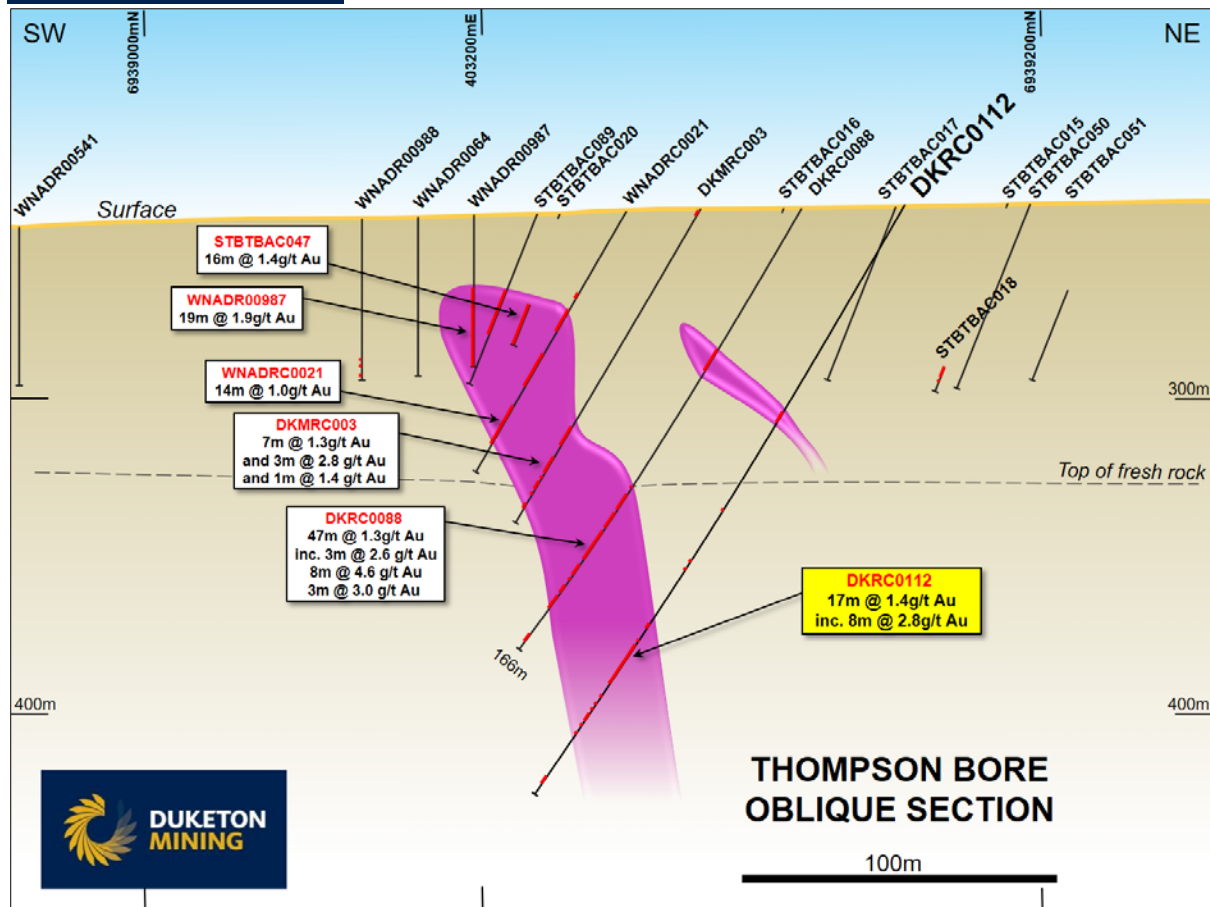


Figure 4: Oblique cross-section, Thompson Bore

### Lancefield North 100% (Au)

A maiden JORC 2012 Mineral Resource has been completed for the Lancefield North Deposit.

This Inferred Mineral Resource has been estimated at 1,918,295 tonnes at 1.55 g/t Au for a contained 95,679 ounces of gold. The resource estimate is reported at a 0.5 g/t Au cut-off (see ASX Announcement 14 March 2018)

Table 1. Lancefield North Deposit resources cut-off of 0.5 g/t Au (all inferred)

VOLUME	TONNES	DENSITY	Au g/t	Ounces
673,086	1,918,295	2.86	1.55	95,679





The Mineral Resource is based on drilling from 2016-2017. Mineralisation remains open along strike and down plunge. Duketon have completed several drill campaigns between late 2016 and late 2017.

The Lancefield North Prospect is located approximately 5km north of the historical Lancefield mine (circa. +1Moz) and approximately 12km north of Laverton (see Figure 1).

Gold mineralisation is associated with a series of stacked shears within a package of meta-basalts with minor sediment layers. Quartz-carbonate-sulphide veining and intense alteration is associated with these shear zones.

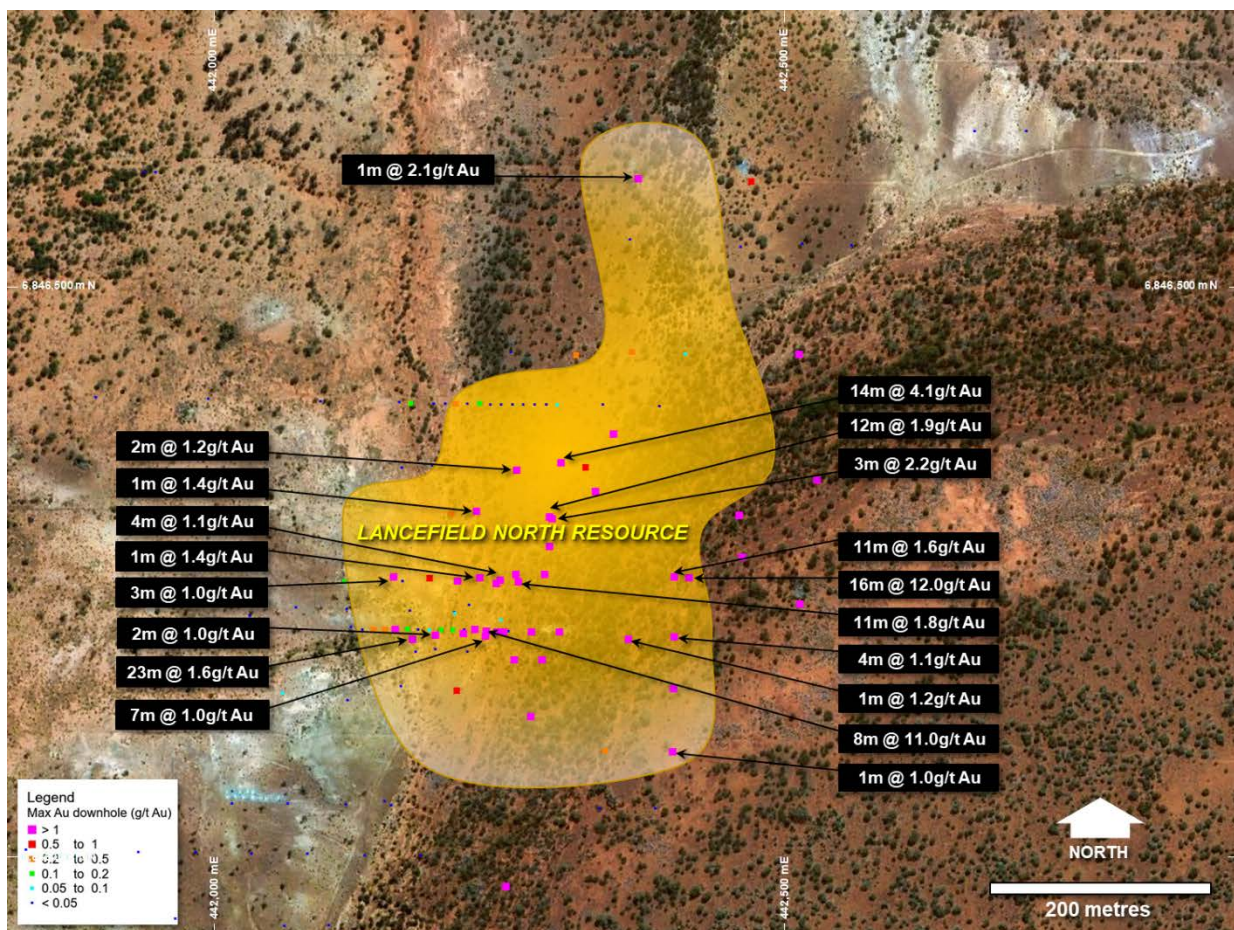


Figure 5: Plan view of Lancefield North with gold mineralisation projected to surface



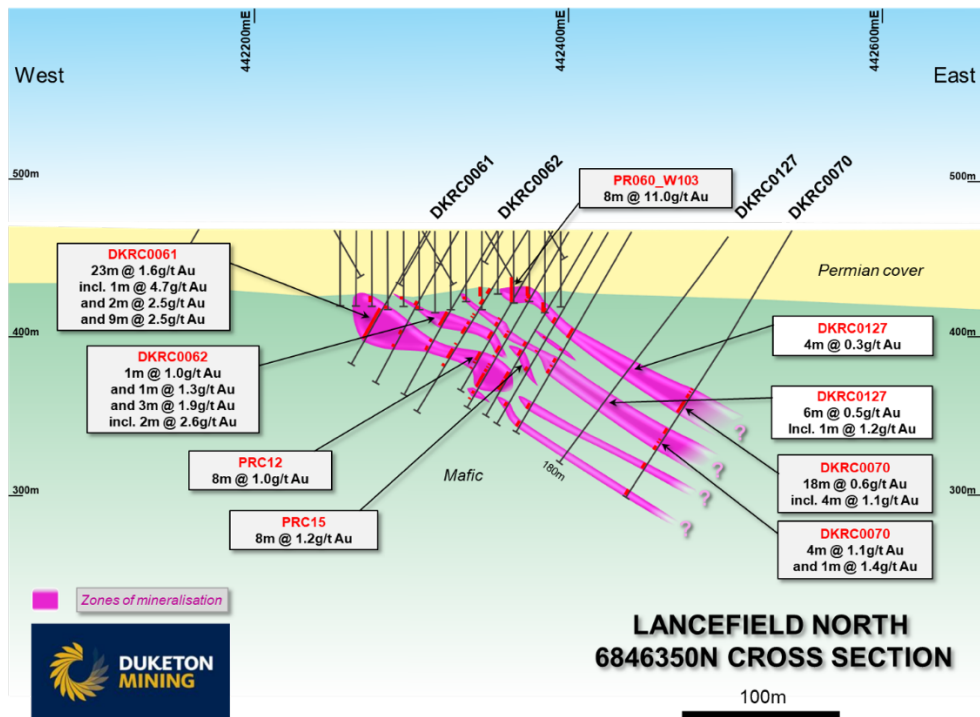


Figure 6: Cross section 6846350N, Lancefield North

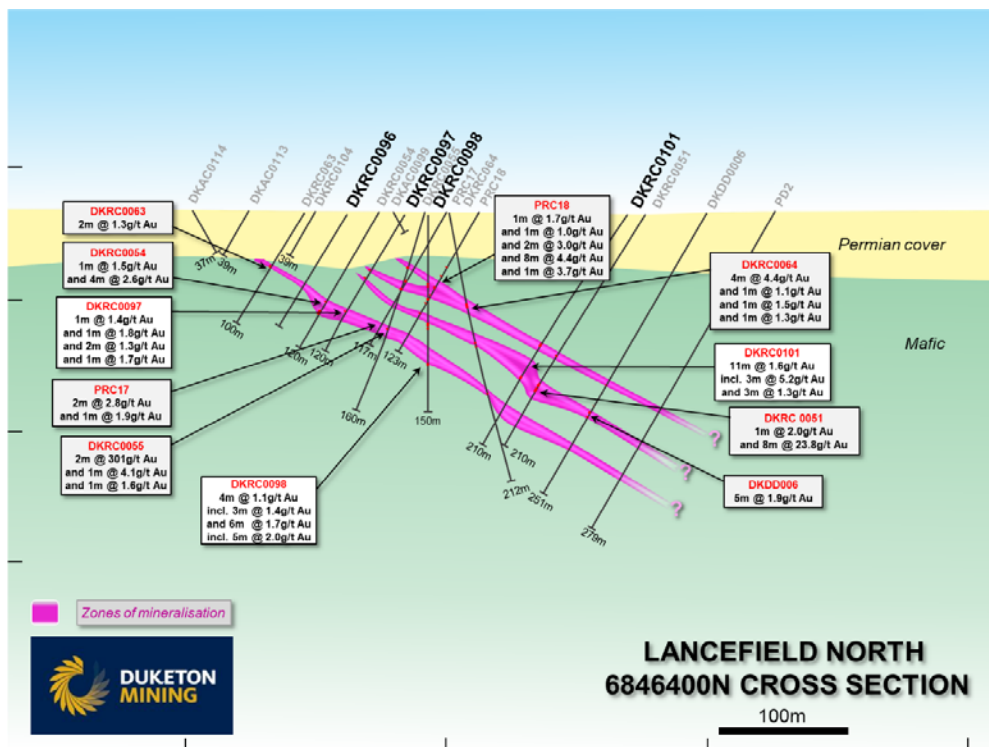


Figure 7: Cross section 6846400N, Lancefield North

## Nariz Nickel Discovery 100% (Nickel).

During the March 2018 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).

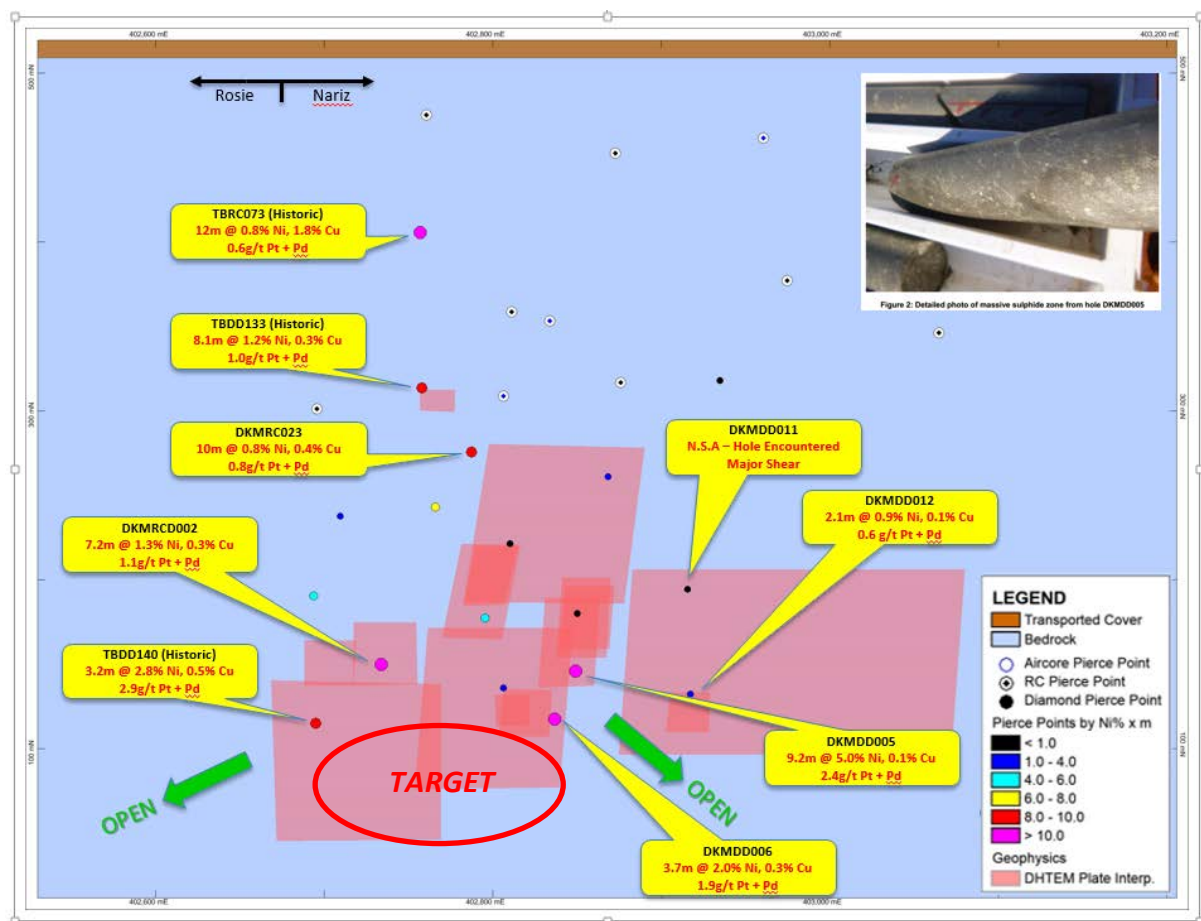


Figure 8: Long Section of Nariz looking north. Relevant DHEM plates are in pink.

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 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 JORC compliant mineral resource for the Duketon Project is **71,000 tonnes of Nickel metal and associated Copper, Platinum and Palladium** (see ASX Announcement 29 January 2015). The Company's view is that there is significant scope to grow nickel, copper, platinum and palladium resources at C2, Rosie, Nariz and new exploration targets.

C2 Nickel Resource >0.5%Ni				
Classification	Oxidation	Tonnes	Ni (%)	Ni (t)
Inferred	Fresh	5,100,000	0.7	34,200
	Transitional	600,000	0.6	3,800
Total		5,700,000	0.7	38,000

**Table 2: C2 Nickel Resource > 0.5% Ni**

C2 Nickel Resource >0.5%Ni							
Classification	Oxidation	Tonnes	Ni (%)	Cu (%)	Pt (ppb)	Pd (ppb)	S (%)
Inferred	Fresh	5,100,000	0.7	0.04	60	79	3.3
	Transitional	600,000	0.6	0.04	72	105	0.9
Total		5,700,000	0.7	0.04	61	82	3.1

**Table 3: C2 Resource > 0.5% Ni with Auxiliary Attributes**



Rosie Nickel Resource >1.0%Ni				
Classification	Oxidation	Tonnes	Ni (%)	Ni (t)
Inferred	Fresh	1,380,000	1.7	23,700
	Transitional	30,000	1.2	400
	<b>Sub-Total</b>	<b>1,410,000</b>	<b>1.7</b>	<b>24,100</b>
Indicated	Fresh	520,000	1.6	8,400
	Transitional	10,000	1.3	200
	<b>Sub-Total</b>	<b>530,000</b>	<b>1.6</b>	<b>8,600</b>
<b>Total</b>		<b>1,940,000</b>	<b>1.7</b>	<b>32,700</b>

**Table 4: Rosie Nickel Resource > 1.0% Ni**

Rosie Nickel Resource >1.0%Ni								
Classification	Oxidation	Tonnes	Ni%	Ni tonnes	Cu%	Pt (g/t)	Pd (g/t)	Pt+Pd (g/t)
Indicated	Fresh	1,380,000	1.7	23,700	0.4	0.8	1.0	1.8
	Transitional	30,000	1.2	400	0.4	0.7	0.9	1.6
	<b>Sub-Total</b>	<b>1,410,000</b>	<b>1.7</b>	<b>24,100</b>	<b>0.4</b>	<b>0.8</b>	<b>1.0</b>	<b>1.8</b>
Inferred	Fresh	520,00	1.6	8,400	0.4	0.9	1.3	2.2
	Transitional	10,000	1.3	200	0.4	0.7	1.1	1.8
	<b>Sub-Total</b>	<b>530,000</b>	<b>1.6</b>	<b>8,600</b>	<b>0.4</b>	<b>0.9</b>	<b>1.3</b>	<b>2.2</b>
<b>Total</b>		<b>1,940,000</b>	<b>1.7</b>	<b>32,700</b>	<b>0.4</b>	<b>0.8</b>	<b>1.1</b>	<b>1.9</b>

**Table 5: Rosie Nickel Resource > 1.0% Ni with Auxiliary Attributes**

## 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 some of our tenements for gold only.
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 areas on 100% owned DKM tenure,





## CORPORATE

At 31 March 2018 Duketon had approximately **A\$3.7M** available from cash reserves of **A\$2.0M** and a liquids position of circa **A\$1.7M**.

On 4 April 2018, St Barbara Limited (ASX:SBM) subscribed for approximately 14.5 million ordinary shares of Duketon Mining Ltd through a share placement at a price of 27.5 cents per share. The \$4.0 million investment by St Barbara was completed at a 10% premium to the 30-day VWAP and represents a shareholding of 12.3% in DKM.

This increases the cash and liquids for Duketon to **\$7.6M** at the time of the placement.

For further enquiries, please contact:

**Investors:**

Stuart Fogarty

Duketon Mining - Managing Director

+61 8 6315 1490

*The information in the announcement that relates to Mineral Resources for Rosie is extracted from the report entitled "Duketon Mining Prospectus" dated 19 June 2014 and is available to view on the Company's website ([www.duketonmining.com.au](http://www.duketonmining.com.au)). The information in the announcement that relates to Mineral Resources for C2 is extracted from ASX announcement 29 January 2015. The information that relates to Lancefield North is extracted from ASX announcement 14 March 2018. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

*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 2018 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	E38/2805	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	Granted	100%
Duketon	E38/3177	Granted	100%
Duketon	E38/3178	Granted	100%
Duketon	E38/3200	Granted	100%

Project Name	Tenement Number	Status	Interest at end of quarter
Duketon	L38/174	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	Granted	100%
Duketon	E38/3288	Acquired	100%
Duketon	P38/4438	Acquired	100%
Duketon	P38/4439	Acquired	100%
Duketon	E38/3245	Disposed	0%
Duketon	E38/2738	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 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(484)	(2,140)
(b) development	-	-
(c) production	-	-
(d) staff costs	(12)	(128)
(e) administration and corporate costs	(71)	(206)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	65
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(548)</b>	<b>(2,409)</b>

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



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	223
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>223</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
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	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,607	4,245
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(548)	(2,409)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	223
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,059</b>	<b>2,059</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	279	170
5.2 Call deposits	1,780	2,437
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,059*</b>	<b>2,607</b>

\* Excludes 31 March 2018 market value of listed equity investments of \$1,689,451.

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	87
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.	

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	

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

8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
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.	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	500
9.2	Development	-
9.3	Production	-
9.4	Staff costs	55
9.5	Administration and corporate costs	55
9.6	Other (provide details if material)	-
9.7	<b>Total estimated cash outflows</b>	<b>610</b>

10.	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E38/2738 E38/3245	Registered Holder Registered Applicant	100% 100%	Nil Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

### **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: 30 April 2018

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.