



ASX ANNOUNCEMENT

26 August 2019

Sale of Gold Tenement Package to Regis for A\$25M

HIGHLIGHTS

- Tenement Sale Agreement executed with Regis Resources Limited to sell Duketon's package of gold tenements in the North Eastern Goldfields of Western Australia for **\$25 million in cash**.
- Duketon **retains nickel rights over E38/2866, E38/2805, E38/2916, E38/2834 and E38/2666** tenements and will remain with **100% ownership of mining licence M38/1252 (which contains 71,000 tonnes of nickel in resources)**. Duketon has granted Regis the gold rights over tenement M38/1252.
- The retained nickel rights area represents over 30% of the previous granted tenure held by Duketon and is the most prospective exploration ground for nickel.
- Purchase price of \$20 million in cash at completion with:
 - Additional \$2.5m in cash contingent on announcement of 250k oz of gold in mineral resources (inferred, indicated or measured); and
 - Additional \$2.5m in cash contingent on first gold production from the sale tenements (excluding first 5,000oz from extensions of the Petra deposit).

Duketon Mining Limited ("**Duketon**" or the "**Company**") (ASX: DKM) is pleased to announce that it has entered into and completed on a binding Sale Agreement with Regis Resources Limited ("**Regis**") to sell a package of tenements from the Duketon Project for a total cash consideration of \$25 million ("**Transaction**"). The sale tenements ("**Sale Tenements**") are set out in the schedule to this announcement.

Duketon retains 100% ownership of mining licence M38/1252, which contains 71,000 tonnes of nickel metal in JORC compliant resources, and the rights to nickel (and other metals occurring where nickel is the dominant metal by value) over five of the Sale Tenements (being E38/2866, E38/2805, E38/2916, E38/2834 and E38/2666) pursuant to a Nickel Rights Deed entered into between Duketon and Regis.

In the Company's view, the nickel rights area retained is the most prospective tenure for the discovery of nickel sulphides and is underpinned by the existing 71,000t of nickel metal already delineated in the two resources at Rosie and C2 on M38/1252 (see ASX announcements 19 June 2014 and 29 January 2015). Duketon has granted Regis the gold rights over M38/1252 tenement under a Gold Rights Deed.

The purchase price consists of:

1. Closing consideration – \$20 million in cash paid today.

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2. Mineral resource contingent payment – \$2.5m in cash payable on the first occasion that Regis announces to the ASX mineral resources totalling more than 250,000 ounces of gold (Measured, Indicated or Inferred) on one or more of the Sale Tenements.
3. Gold production contingent payment – \$2.5m in cash payable on the first to occur of the following:
 - a. first commercial gold production within the Sale Tenements (and not being an extension into the Tenements of Regis' existing mining operation at Petra); or
 - b. in the case of an extension into the Sale Tenements of Regis' existing mining operation at Petra, the mining of greater than 5,000 ounces of gold from the Sale Tenements.

Duketon Managing Director, Stuart Fogarty, commented: "This is a great deal for Duketon shareholders and allows the company to once again focus its efforts on maximising the value of the known nickel resources and continue to explore its highly prospective nickel tenure. Realising the nickel potential of the region was the primary objective of the company at the IPO and has always remained a significant value driver for shareholders.

This deal significantly reduces our ongoing tenement holding costs. Outside of M38/1252 in the areas of nickel rights, we have zero holding cost but retain 100% access to explore for nickel and in the event of a discovery establish mining operations. This allows us to be in a unique position of being able to execute our exploration programs without being driven by the underlying tenement expenditure conditions.

Over the past months Duketon has been working methodically through its extensive in-house database to re-evaluate the nickel prospectivity of the belt. This deal will allow the Company to focus on a work program of detailed geochemistry, airborne and ground based geophysics and drilling to identify and test prioritised nickel targets."

For further enquiries, please contact:

Investors:

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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). The information in the announcement that relates to Mineral Resources for C2 is extracted from ASX announcement 29 January 2015. 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.

Schedule 1 – Sale Tenements

Prospect Name	Holder	Tenement
Bandya	DUK	E38/1537
Bandya	DUK	E38/1800
Mason Hill	DUK	E38/2231
Hake Bore	DUK	E38/2666
Claypan Well	DUK	E38/2699
Mt Waite	DUK	E38/2714
Bandya Hill	DUK	E38/2717
Acacia Bore	DUK	E38/2737
Swincers	DUK	E38/2805
Erlistoun	DUK	E38/2819
Mulga Queen	DUK	E38/2834
Swincers	DUK	E38/2866
Duketon	DUK	E38/2898
Granite Peak Bore	DUK	E38/2916
Erlistoun	DUK	E38/2976
Camel Hump	DUK	E38/2983
Lancefield North	DUK	E38/3002
Stella Well	DUK	E38/3022
Duketon	DUK	E38/3061
Erlistoun	DUK	E38/3083
Erlistoun	DUK	E38/3090
Golden Star	DUK	E38/3098
Duketon North	DUK	E38/3159
Duketon North	DUK	E38/3160
Mason Hill	DUK	E38/3176
Mason Hill	DUK	E38/3177
Duketon	DUK	E38/3178
Duketon	DUK	E38/3200
Duketon	DUK	E38/3355
Camel Hump	DUK	E38/3365
Christmas Well	DUK	E38/3397
Claypan Well	DUK	E38/3405
Banjawarn	DUK	L38/174
Lancefield North	DUK	P38/4251
Lancefield North	DUK	P38/4393

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