DUKE EXPLORATION

ABN 28 119 421 868

Financial Report

For the year ended
30 June 2020

CONTENTS

CORPORATE DIRECTORY

DIRECTORS
Toko Kapea (Non-executive Chairman)
Eugene Iliescu (Managing Director)
Greg Partington (Operations Manager)
Paul Frederiks (CFO & Company Secretary)
Ian McAleese (Non-executive Director)

COMPANY SECRETARY
Paul Frederiks FCPA FGIA FAICD

PRINCIPAL OFFICE
23 Musgrave Street
FIG TREE POCKET QLD 4069
Telephone: (07) 3333 2722

REGISTERED OFFICE
Level 2
400 Queen Street
BRISBANE QLD 4000

CORPORATE POSTAL ADDRESS
GPO BOX 765
KENMORE QLD 4069

AUDITOR
BDO Audit Pty Ltd
Level 10, 12 Creek Street
BRISBANE QLD 4000

INTERNET
www.duke-exploration.com.au
info@duke-exploration.com.au

DIRECTORS' REPORT

Your Directors present their report together with the financial report of Duke Exploration Limited ("Duke Exploration" or the "Company") for the year ended 30 June 2020 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

1. DIRECTORS

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Toko Kapea, Independent Non-Executive Chairman
Age: 53
Appointed: 11 July 2017
Qualifications: BA, LLB

Mr Toko Kapea is a Wellington (New Zealand) based director, commercial lawyer and consultant. Toko is a director of Tuia Group Limited and a partner in Tuia Legal. He is chairman of Bathurst Resources Ltd (NZ's largest coal mining company and also ASX listed) and is a director of Television New Zealand (the state-owned broadcaster). He has held legal roles in-house at Meridian Energy, Bank of New Zealand, St. George Bank NZ and ANZ. Mr Kapea was also an independent committee member of the Banjima Direct Benefits Trust in Perth, Western Australia.

Eugene Iliescu, Managing Director
Age: 66
Appointed: 11 July 2017
Qualifications: Grad Dip.Soc Sci. Eng Surveying Cer, MACID

Eugene is an Engineer Surveyor holding a Graduate Diploma in Social Science with over 35 years' experience in the resources sector. He has extensive experience across a broad industry spectrum including exploration, mine development and operations in Australia, USA, the Middle East, North Africa, Eastern Europe and the Pacific Region, including Wirralie, Yandan and Mt Coolon gold mines in North Queensland. He was Country Manager for the feasibility and development of Ross Mining NL, the million-ounce Gold Ridge gold mine development. He was Managing Director for Gentor Resources in Oman, for Auzex Resources in Australia, and Ronphos (Nauru Government), as well as a number of non-executive directorships.

Paul Frederiks, CFO and Company Secretary
Age: 59
Appointed: 11 July 2017
Qualifications: B.Bus. (Acc), FCPA, FGIA, FAICD

Paul Frederiks has extensive experience in public company financial and secretarial management with more than 30 years experience in the Australian resources sector. He held the position of Company Secretary and Chief Financial Officer of Ross Mining NL for over eight years until 2000 and Company Secretary and Chief Financial officer of Geodynamics Limited for 10 years until 2012 and Company Secretary and CFO of Explaurum Limited from 2015 until 2019. He also has expertise in ASX listed public company reporting, financial modelling and forecasting, treasury management and hedging, project financing and corporate governance.

Paul established his own consultancy in 2000 providing company financial and secretarial services to both listed and unlisted public companies. He was formerly Company Secretary of Billabong International Limited from 2000 to 2004, CFO and Company Secretary of Geodynamics Limited from 2002 to 2012 and CFO and Company Secretary of Discovery Metals Limited from October 2012 to August 2014.

DIRECTORS' REPORT (Continued)

Dr Greg Partington, Operations Manager
Age: 62
Appointed: 26 April 2006
Qualifications: Ph.D, MAusIMM

Dr Gregor Partington is the Managing Director of his own company, Kenex Knowledge Systems Ltd, based in New Zealand and Western Australia, focusing on creating business opportunities in the spatial world. Greg has 40 years experience in the exploration industry in Australia, Pacific Islands and Melanesia where he worked as the exploration manager for Northern Gold and General Manager, exploration for Ross Mining NL. He also has eleven years experience in developing earth science GIS databases for use in exploration targeting and resource development.

Greg has expertise in mineral exploration, structural geology, database development and management, spatial analysis of data using Geographic Information Systems (**GIS**), and business management. He has focussed on gold exploration, but has experience in tin-tantalum deposits and platinum exploration

Ian McAleese, Non-Executive Director
Age: 67
Appointed: 22 June 2020
Qualifications:

Mr Ian McAleese is an Investor Relations specialist with a geological background and professional investment experience. He has a broad range of experience in the mining industry having recently worked for Whitehaven Coal as GM Investor Relations for over six years. Previously he worked for Queensland Investment Corporation as a Portfolio Manager responsible for the mining section of the portfolio.

3. CORPORATE STRUCTURE

Duke Exploration Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is Level 2, 400 Queens Street, Brisbane QLD 4000. It was incorporated on 26 April 2006.

4. PRINCIPAL ACTIVITIES

Duke Exploration Limited is an active mineral exploration company with land holdings in Qld and New South Wales. The Company currently holds three exploration tenements for copper, gold and silver in these two states and also has a 10% free carried interest (to bankable feasibility study) in four New South Wales Cu-Au porphyry tenements currently operated by Lachlan Resources Limited.

5. OPERATING RESULTS

The loss of the Company for the financial year, after providing for income tax amounted to $430,524 (2019: $388,958).

6. EARNINGS PER SHARE

Basic loss per share for the year was 1.19 cents (30 June 2019: 1.77 cents).

7. REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

During the year, the Company was engaged in mineral exploration for metals in Australia. A review of the Company's operations, including information on exploration activity and results thereof, financial position, strategies and projects of the Company during the year ended 30 June 2020 is provided in this Financial Report. The Company's financial position, financial performance and use of funds information for the financial year is provided in the financial statements that follow this Directors' Report.

As an exploration entity, the Company has no operating revenue or earnings and consequently the Company's performance cannot be gauged by reference to those measures. Instead, the Directors' consider the Company's performance based on the success of exploration activity, acquisition of additional prospective mineral interests and, in general, the value added to the Company's mineral portfolio during the course of the financial year.

DIRECTORS' REPORT (Continued)

Whilst performance can be gauged by reference to market capitalisation, that measure is also subject to numerous external factors. These external factors can be specific to the Company, generic to the mining industry and generic to the stock market as a whole and the Board and management would only be able to control a small number of these factors.

The Company's business strategy for the financial year ahead and, in the foreseeable future, is to continue exploration, evaluation and development activity on the Company's existing Bundarra Project, identify and assess new mineral project opportunities and review development strategies where individual projects have reached a stage that allows for such an assessment. Due to the inherently risky nature of the Company's activities, the Directors are unable to comment on the likely results or success of these strategies. The Company's activities are also subject to numerous risks, mostly outside the Board's and management's control. These risks can be specific to the Company, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Company and its future performance include but are not limited to:

- Geological and technical risk posed to exploration and commercial exploitation success;
- Sovereign risk, change in government policy, change in mining and fiscal legislation;
- prevention of access by reason of inability to obtain regulatory or landowner consents or approvals, or native title issues;
- retention of key staff;
- change in metal market conditions;
- mineral title tenure and renewal risks; and
- capital requirement and lack of future funding.

This is not an exhaustive list of risks faced by the Company or an investment in it. There are other risks generic to the stock market and the world economy as a whole and other risks generic to the mining industry, all of which can impact on the Company.

In the 12 months to June 2020, Duke Exploration Limited has made considerable progress. The key achievements and progress made during the period were as follows:

<u>Corporate</u>

- A placement was successfully completed in February 2020 to a number of domestic and international investors raising $2.05 million through the issue of 10.27 million shares at an issue price of $0.20 per share.
- The Annual General Meeting was held on 29 November 2019 with all resolutions passed.

<u>Exploration and Development</u>

- A drilling program was completed at the Mt Flora prospect in late 2019, confirming historic drilling data and providing new data suggesting electrical geophysical techniques may be effective.
- A 3D IP (Induced Polorisation) geophysical survey was successfully undertaken at Mt Flora in early 2020 to map known sulphide mineralisation and potential extensions to the north.
- A Fixed Loop Electro Magnectic (FLEM) survey followed the 3DIP survey at Mt Flora to better map high conductivity areas particularly to the north.
- The geology and mineralisation at Mt Flora has now been successfully mapped in 3D over a 1.4 km strike and to a depth of 400m.
- Plans to commence resource drilling at Mt Flora once the IPO closes are underway.
- Drill targeting is in progress at the Prairie Creek tenement EPM 26852 and Red Hill tenement EL 8568.

DIRECTORS' REPORT (Continued)

8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year were as follows:

- Shareholders' contributed equity increased from $1,465,439 to $3,565,039, an increase of $2,099,600. The movement was as a result of capital raised from a share placement of $2,054,000 a; and
- Deferred Exploration and evaluation costs increased from $393,413 to $1,301,154 as a result of the capitalisation of expenses incurred on the Company's Bundarra, Prairie Creek and Red Hill projects.

9. SUBSEQUENT EVENTS

There were no other matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

10. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The activities of the Company will be focussed on progressing the Bundarra Project in Central Queensland during the 2021 financial year. Significant exploration effort will continue to be directed towards establishing the scale and scope of the project which is currently open in all directions.

The Directors are unable to comment on the likely results from the Company's planned activities on Bundarra due to the speculative nature of such activities.

11. ENVIRONMENTAL ISSUES

Duke Exploration Limited is committed to the effective environmental management of all its exploration and development activities. The Company recognises that its field exploration is a temporary land use, and is associated with a range of potential environmental impacts. Prior to commencement of operations, site planning must recognise these potential impacts and lead to the development of effective strategies for their control. During operations, the successful implementation of these strategies is a principal objective of site management. Following decommissioning, the site must be left in a safe and stable state, with all disturbed land successfully rehabilitated to an agreed standard.

The Company has an Environmental Policy in place that explains the site requirements to achieve these objectives including operating in accordance with a site environmental management plan and identification and management of environmental risk and liability. The Company's activities are subject to compliance with various laws including State and Commonwealth laws relating to the protection of the environment and aboriginal culture and heritage, native title and exploration for minerals. At the time of writing, the Company was not in breach of any environmental regulations regarding any field work undertaken on its exploration tenements.

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

12. DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' REPORT (Continued)

15. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company's Constitution requires it to indemnify Directors and officers of any entity within the Company against liabilities incurred with third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. Directors and officers of the Company have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to $11,915 (including GST) relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

16. OPTIONS

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

There were nil (2019 - nil) options issued during the year ended 30 June 2020. There were no options issued after 30 June 2020 and up to the date of this report. During or since the end of the financial year, the Company issued nil (2019 - nil) ordinary shares as a result of the exercise of options.

17. PERFORMANCE RIGHTS

As at the date of this report, there were no Performance Rights on issue.

There were nil (2019 - nil) Performance Rights issued during the year ended 30 June 2020. There were no Performance Rights issued after 30 June 2020 and up to the date of this report. During or since the end of the financial year, the Company has not issued any ordinary shares as a result of vested Performance Rights.

19. AUDITOR'S INDEPENDENCE DECLARATION

The auditor, BDO Audit Pty Ltd, has provided the Board of Directors with an Independence Declaration in accordance with section 307C of the Corporations Act 2001. The Independence Declaration is located on page 8 and forms part of this Directors' Report for the year ended 30 June 2020.

20. NON - AUDIT SERVICES

The board of directors are satisfied that no non-audit services were performed during the year by the Company's auditors.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors.

Toko Kapea
Chairman
26 August 2020

Auditors' Independence Declaration

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF DUKE EXPLORATION LIMITED

As lead auditor of Duke Exploration Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 26 August 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2020

	NOTE	30 June 2020 $	30 June 2019 $
REVENUES			
Interest income		967	1,850
Total revenue		967	1,850
EXPENSES			
Other corporate overheads		(160,474)	(344,384)
Employee benefits expense		(55,207)	-
Share based payment expense		(177,725)	(20,250)
Foreign exchange gain / (loss)		(45)	(64)
Exploration written off		(38,040)	(26,110)
Loss before income tax		**(430,524)**	**(388,958)**
Income tax benefit / (expense)	2	-	-
Net loss for the year		**(430,524)**	**(388,958)**
Other Comprehensive income/(loss)			
Other Comprehensive income/ (loss) for the year, net of tax		**-**	**-**
Total Comprehensive Loss for the year		**(430,524)**	**(388,958)**
Loss attributable to:			
Owners of the Entity		**(430,524)**	**(388,958)**
		(430,524)	**(388,958)**
Total comprehensive gain / (loss) attributable to:			
Owners of the Entity		**(430,524)**	**(388,958)**
		(430,524)	**(388,958)**
Basic and Diluted loss per share (cents per share)	14	**(1.19)**	**(1.77)**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	NOTE	30 June 2020 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents	4	1,644,389	702,204
Trade and other receivables	5	64,944	20,914
TOTAL CURRENT ASSETS		**1,709,333**	**723,118**
NON CURRENT ASSETS			
Other assets	6	20,500	21,000
Deferred exploration & evaluation costs	7	1,301,154	393,413
TOTAL NON CURRENT ASSETS		**1,321,654**	**414,413**
TOTAL ASSETS		**3,030,987**	**1,137,531**
CURRENT LIABILITIES			
Trade and other payables	8	339,688	126,515
Provision for employee benefits	9	11,207	-
TOTAL CURRENT LIABILITIES		**350,895**	**126,515**
TOTAL LIABILITIES		**350,895**	**126,515**
NET ASSETS		**2,680,092**	**1,011,016**
EQUITY			
Issued capital	10	3,565,039	1,465,439
Accumulated losses	11	(884,947)	(454,423)
TOTAL EQUITY		**2,680,092**	**1,011,016**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	NOTE	30 June 2020 $	30 June 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(261,215)	(196,264)
GST Received		93,914	35,724
Interest received		967	1,850
Net cash flows used in operating activities	12	**(166,334)**	**(158,690)**
Cash flows from investing activities			
Payments for exploration expenditure		(945,781)	(248,984)
Net cash flows used in investing activities		**(945,781)**	**(248,984)**
Cash flows from financing activities			
Proceeds from issue of shares		2,054,000	620,000
Issue costs - shares		-	-
Net cash flows from financing activities		**2,054,000**	**620,000**
Net increase / (decrease) in cash and cash equivalents		**942,185**	**212,326**
Cash and cash equivalents at beginning of year		702,204	489,878
Effects of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at end of year	4	**1,644,389**	**702,204**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

	Issued Capital	Accumulated Losses	Share based payment Reserve	Total
	$	$	$	$
Balance as at 1 July 2019	**1,465,439**	**(454,423)**	**-**	**1,011,016**
Loss for the year	-	(430,524)	-	(430,524)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the year	-	(430,524)	-	(430,524)
Shares issued during the year (net)	2,099,600	-	-	2,099,600
Balance at 30 June 2020	**3,565,039**	**(884,947)**	**-**	**2,680,092**

	Issued Capital	Accumulated Losses	Share based payment Reserve	Total
	$	$	$	$
Balance as at 1 July 2018	**732,894**	**(65,465)**		**667,429**
Loss for the year	-	(388,958)		(388,958)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the year	-	(388,958)	-	(388,958)
Shares issued during the year (net)	732,545	-	-	732,545
Balance at 30 June 2019	**1,465,439**	**(454,423)**	**-**	**1,011,016**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Company consisting of Duke Exploration Limited.

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and available for-sale financial assets that have been measured at fair value. Historical cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

The Company is an un-listed public company, incorporated in Australia and operated in Australia during the year ended 30 June 2020. The entity's principal activity is mineral exploration. The Company is a for-profit entity.

Going concern

The 30 June 2020 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and discharge of its liabilities as and when they fall due, in the ordinary course of business.

The Company incurred an operating loss after income tax of $430,524 for the year ended 30 June 2020, whilst cash balances as at 30 June 2020 were $1,644,389. In addition, the net cash outflows from operating and investing activities was $1,112,115 while net cash inflows from financing activities was $2,054,000.

The ability of the company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise capital as and when necessary; and / or
- the successful exploration and subsequent exploitation of the company's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the company's ability to continue as a going concern.

The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- The Directors believe there is sufficient cash available for the company to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Should the company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the company be unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Adoption of new and revised standards

Certain Australian Accounting Standards and interpretations became effective during the period. These has an immaterial effect on the Company for the annual reporting period ended 30 June 2020. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2020 reporting period.

The following accounting standards and interpretations will apply to future periods. Due to the operations of the Company it is not expected these standards will have a material impact on the Company however management make the following observations:

AASB 16 Leases became effective for the current reporting period however there were no retrospective adjustments or current period adjustments resulting from adopting the standard as there are no material leases in place.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the company. The Company has assessed that none of the new accounting standards and interpretations are likely to have a material impact on the Company.

(c) Statement of compliance

The financial report was authorised for issue in accordance with a resolution of the directors on 26 August 2020.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(d) Income Tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity, not in the statement of comprehensive income.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure in relation to each separate area of interest is recognised as an exploration and evaluation asset in the year in which it is incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

  (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

  (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Management have performed an assessment for triggers of impairment and have not identified any significant indicators of impairment of exploration and evaluation assets. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Trade and other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(j) Employee Benefits

Provision is made for the Company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of assets

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Earnings per share

Basic earnings per share is calculated as net profit / loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company’s assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(o) Foreign Currency Translation

Both the functional and presentation currency of Duke Exploration Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Plant and equipment – 3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(q) Issued Capital

Ordinary shares and options are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Duke Exploration Limited.

(s) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(u) Share-based payment transactions

Equity settled transactions

The Company can provide benefits to employees and consultants of the Company in the form of share-based payments, whereby the recipients render services in exchange for shares or rights over shares (equity-settled transactions).

There is a formal Employee Option Plan in place at present and options are issued when necessary in order to provide these benefits to employees.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Duke Exploration Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings / loss per share.

(v) Critical accounting estimates and judgement

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure is set out in Note 1 (e). The application of this policy necessarily requires the Board to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the expenditures are unlikely to be recoverable by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

(w) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is offset against the underlying asset being constructed.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

2. INCOME TAX

		30 June 2020 $	30 June 2019 $
(a)	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
		-	-
(b)	The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Accounting loss before tax	**430,524**	**388,958**
	Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2019: 27.5%)	118,394	106,963
	Less tax effect of:		
	- Other non-allowable items	(6,959)	(1,100)
	Less tax effect of:		
	- Other deferred tax balances	(111,435)	(105,863)
	Income tax benefit	-	-
(c)	Deferred tax assets at 27.5% (2019 – 27.5%):		
	- Carry forward revenue losses[1]	518,181	147,515
	- Carry forward capital losses	-	-
	- Offset deferred tax liabilities	(379,406)	-
	Deferred tax assets not recognised	**138,775**	

The tax benefits of the above deferred tax assets will only be obtained if:

- the company and its subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company and its subsidiaries continues to comply with the conditions for deductibility imposed by law: and
- no changes in income tax legislation adversely affect the company and its subsidiaries in utilising benefits.

(d) Deferred tax liabilities:

	30 June 2020 $	30 June 2019 $
Deferred exploration and evaluation expenditure and other assets	**379,406**	**108,188**

1 Deferred tax assets arising from tax losses and temporary differences are only brought to account to the extent that it offsets the Company's deferred tax liabilities arising from temporary differences. As the Company does not have a history of taxable profits and is not revenue generating, the deferred tax assets associated with tax losses and temporary differences, in excess of the Company's deferred tax liabilities arising from temporary differences, is not yet regarded as probable of recovery at 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

3. DIRECTORS AND EXECUTIVES DISCLOSURE

(a) Details of Key Management Personnel in office at any time during the financial year are:

Directors

Toko Kapea	Non-Executive Chairman
Eugene Iliescu	Managing Director
Paul Frederiks	CFO & Company Secretary
Greg Partington	Operations Manager
Ian McAleese	Non-Executive Director

Executives

Thomas Dwight	Exploration Manager

(b) Remuneration Practices

Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the executive team. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. The aggregate remuneration of Specified Directors and Executives is set out below.

(c) Key Management Personnel Compensation

	30 June 2020 $	30 June 2019 $
Short-term employee benefits	191,336	3,000
Equity Compensation value of performance rights	-	-
Post-employment benefits	8,097	-
	199,433	**3,000**

4. CASH AND CASH EQUIVALENTS

Deposits at call	-	-
Cash at bank and on hand	1,644,389	702,204
	1,644,389	**702,204**

Cash at bank earns interest at floating rates based on a daily bank deposit rates. Bank deposit rates are currently 0.05%.

Deposits at call are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective deposits at call rates.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

5. TRADE AND OTHER RECEIVABLES

	30 June 2020 $	30 June 2019 $
CURRENT		
GST receivable	26,150	20,914
Term Deposits (secured)	10,000	-
Prepayments	28,782	-
Other Receivables	12	-
	64,944	**20,914**

No expected credit loss was noted on trade and other receivables at 30 June 2020 or 30 June 2019.

6. OTHER ASSETS

Security deposits on tenements	20,500	21,000
	20,500	**21,000**

7. DEFERRED EXPLORATION EXPENDITURE

	30 June 2020 $	30 June 2019 $
NON –CURRENT		
Exploration and evaluation costs carried forward in respect of exploration areas of interest		
Exploration and evaluation phases	**1,301,154**	**393,413**
Movement in carrying amounts		
Opening balance	393,413	170,539
Expenditure incurred	945,781	248,984
Expenditure written off	(38,040)	(26,110)
Closing balance	**1,301,154**	**393,413**

At 30 June 2020, the balance of deferred exploration expenditure is in respect of the Company's Bundarra and Prairie Creek projects in Qld and and the Red Hill Project in NSW. The recoupment of costs carried forward in relation to this area of interest is dependent on the successful development and commercial exploitation or sale of the area.

8. TRADE AND OTHER PAYABLES

Trade creditors and accruals	339,688	126,515
	339,688	**126,515**

Terms and conditions relating to the above financial instruments

Trade payables are non-interest bearing and are normally settled on 30 day terms.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

9. PROVISION FOR EMPLOYEE BENEFITS

At 1 July 2019	-	-
Arising during the year	11,207	-
Utilised during the year	-	-
At 30 June 2020	**11,207**	**-**

All provision for employee benefits relates to the provision for annual leave.

10. ISSUED CAPITAL

	As at 30 June 2020 $	As at 30 June 2019 $
42,854,861 (30 June 2019 – 28,594,861) fully paid ordinary shares	**3,565,039**	**1,465,439**

Movement in ordinary share capital:

		Number of Shares	$
30/06/18	**Balance end of period**	**18,939,000**	**732,894**
	Share Placement – Equity issued for Services	3,455,861	112,545
	Share Placement	6,200,000	620,000
30/06/19	**Balance end of period**	**28,594,861**	**1,465,439**
	Share Placement – Equity issued for Services	3,960,000	39,600
	Share Placement	10,270,000	2,054,000
	Shares to be issued – Equity for Services	30,000	6,000
30/06/20	**Balance end of period**	**42,854,861**	**3,565,039**

In March 2020 the Company issued 10,270,000 shares at $0.20 per share raising $2,054,000 – there were no share capital raising costs associated with this placement.

Terms and conditions of issued capital
Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

11. ACCUMULATED LOSSES

	30 June 2020	30 June 2019
	$	$
Balance at the beginning of the year	(454,423)	(65,465)
Net loss attributable to members of Duke Exploration Limited	(430,524)	(388,958)
Balance at the end of the year	**(884,947)**	**(454,423)**

12. STATEMENT OF CASH FLOWS

(a) Reconciliation of the operating loss after tax to the net cash flows from operations:		
Net loss	(430,524)	(388,958)
Non-cash flows in operating loss		
Exploration written off	38,040	26,110
Increase in provision for employee benefits	11,207	-
Share based payment expense	177,725	112,545
Changes in operating assets and liabilities		
(Increase)/decrease in receivables	(43,531)	(10,075)
Increase/(decrease) in payables	80,749	101,688
Net cash flows (used in) operating activities	**(166,334)**	**(158,690)**

(b) Non cash financing activities

During the year ended 30 June 2020, there were services provided by directors or their related parties totalling $45,600 that were settled via the issue of shares in the Company.

(c) Non cash investing activities

During the year ended 30 June 2020, there were no non-cash financing activities

13. SEGMENT INFORMATION

The operating segments are identified by management based on the nature of activity undertaken by the Company. The Company operates in one operating business segment being the activity of multi metal exploration and development. Discreet financial information about the operating business is reported to the executive management team on a monthly basis.

14. LOSS PER SHARE

	30 June 2020	30 June 2019
	$	$
The following reflects the income and share data used in the calculation of basic and diluted loss per share:		
Loss used in calculation of diluted earnings per share	(430,524)	(388,958)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	34,306,286	22,034,733

Effect of Dilutive Securities
Share Options
The Company has no share options on issue at 30 June 2020. Options are considered to be potential ordinary shares. However, in periods of a net loss, share options are anti-dilutive, as their exercise will not result in lower earnings per share.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

15. RELATED PARTY DISCLOSURES

During the year, services were provided by Kenex Limited (Kenex) which provides technical assistance to the Company to carry out its work program. Dr Greg Partington, who is the General Manager Operations of Duke Exploration, controls Kenex. The Board considers that the Kenex agreement is a commercial arrangement entered into on favourable terms to Duke Exploration. There is no obligation for the Company to acquire services exclusively from Kenex or for Kenex to exclusively provide services to the Company. However, Kenex has agreed to give priority to the Company over Kenex's other clients in the provision of services and all services provided under the agreement are for the exclusive benefit and advantage of Duke Exploration. As the Company is not required to acquire any minimum amount of services from Kenex, there is no minimum payment required under the agreement.

Total amounts paid to Kenex during the year including the provision of services provided by Dr Partington were $319,912 (excluding GST) (2019 $141,860). The balance outstanding at 30 June 2020 was $5,104.

During the year, accounting and certain corporate advisory services were provided by Blanckensee Consulting Pty Ltd (BLC). Mr Paul Frederiks, who is the Company Secretary, controls BLC. The Board considers that the BLC agreement is a commercial arrangement entered into on reasonable arm's length terms. There is no obligation for the Company to acquire services exclusively from BLC or for BLC to exclusively provide services to the Company. Directors note that P. Frederiks provides these services due to his extensive expertise in secretarial and financial administration. Directors believe this arrangement enhances the corporate governance of the Company.

Total amounts paid to BLC during the year including the provision of services and expenses provided by Mr Paul Frederiks was $25,641 (excluding GST) (2019 - nil). The balance outstanding at 30 June 2020 was $4,583.

16. AUDITORS' REMUNERATION

	30 June 2020 $	30 June 2019 $
Amounts received or due and receivable by BDO Audit Pty Ltd for:		
- Audit and review of the financial report of the Company	10,000	-
- Other assurance services	-	9,750
	10,000	**9,750**
Amounts received or due and receivable by Advance Accountants RTM Pty Ltd for:		
- Audit and review of the financial report of the Company	-	7,000
- Other assurance services	-	-
	-	**7,000**

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk. Risk management is carried out by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis as appropriate. The Australian dollar is the reporting currency for the Company and the functional currency for the parent company. At 30 June 2020, the Company did not have any exposure to foreign exchange risk.

(ii) Interest rate risk

The Company is exposed to movements in market interest rates on short term deposits.

The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

2020		**Fixed interest maturing in**				
	Floating interest rate $	**1 year or less $**	**over 1 year less than 5 $**	**more than 5 years $**	**Non-Interest bearing $**	**Total $**
Financial Assets						
Cash at bank	1,644,887		-	-	-	1,644,887
Term Deposit (Secured)	-	10,000	-	-	-	10,000
Security deposits	-	-	-	-	20,500	20,500
Trade & other receivables	-	-	-	-	54,944	54,944
	1,644,887	10,000	-	-	75,444	1,730,331
Weighted Average Interest Rate	0.2%	-	-	-	-	
Financial Liabilities						
Trade & other creditors	-	-	-	-	(201,563)	(201,563)
	-	-	-	-	(201,563)	(201,563)
Weighted Average Interest Rate	-	-	-	-	-	
Net financial assets (liabilities)	1,644,887	10,000	-	-	(126,119)	1,528,768

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

2019	Floating interest rate $	Fixed interest maturing in: 1 year or less $	over 1 year less than 5 $	more than 5 years $	Non-Interest bearing $	Total $
Financial Assets						
Cash at bank	702,204	-	-	-	-	702,204
Security deposits	-	-	-	-	21,000	21,000
Trade & other receivables	-	-	-	-	20,914	20,914
	702,204	-	-	-	41,914	744,118
Weighted Average Interest Rate	0.2%	-	-	-	-	
Financial Liabilities						
Trade & other creditors	-	-	-	-	(126,515)	(126,515)
	-	-	-	-	(126,515)	(126,515)
Weighted Average Interest Rate	-	-	-	-	-	
Net financial assets (liabilities)	702,204	-	-	-	(84,601)	617,603

Financial assets and Liabilities
Financial assets and liabilities carried at amortised cost are measured by taking into account any discount or premium on acquisition, and fees or costs associated with the asset or liability. Due to the short-term nature of these assets and liabilities, their carrying value is assumed to approximate their fair value.

Trade receivables from other entities are carried at nominal amounts less any allowance for doubtful debts. Other receivables are carried at nominal amounts due. Interest is recorded as income on an accruals basis. Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.The carrying amounts of these assets and liabilities approximate their fair value.

Net fair value of financial assets and liabilities
The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company’s maximum exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity and capital risk

The Company's total capital is defined as the shareholders' net equity plus any net debt. The objectives when managing the Company's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Company does not have a target debt /equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Company anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Company will raise future capital will depend on market conditions existing at that time.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

18. EVENTS AFTER REPORTING DATE

There were no other matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

19. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2020.

20. COMMITMENTS

The Company is required to fund exploration expenditures in order to maintain current rights of tenure. These commitments are minimum expenditure requirements, determined by the relevant Government body on an individual tenement basis for each year of tenure from the date of grant, to maintain the tenements in good standing. The commitment remains only for as long as the tenement is held, and may be subject to negotiation or renegotiation before the end of the annual period based on merit. The expenditure commitments listed below and which are not provided for in the financial report represent an estimate of the sum of all Qld and NSW annual expenditure requirements of tenements. At 30 June 2020 the Company had the following commitments with respect to the licences:

Project	Tenement Reference	Commitment $	Comment
Bundarra Project	EPM 26499 and EPM 27474	321,200	Annual commitment
Prairie Creek	EPM 26852	420,700	Annual commitment
Red Hill	EI 8568	250,000	Annual commitment

21. COVID-19 IMPACTS

COVID has impacted the Company to the extent that the Company's Operations Manager and Exploration Manager are based in WA which has made travel to our Bundarra project site in Queensland extremely difficult. Project supervision has therefore had to be done remotely. Our exploration manager will be relocating to Queensland as soon as practical.

Directors' Declaration

In the opinion of the Directors:

(a) The accompanying financial statements and the notes and the additional disclosures included in the Directors' Report designated as audited, of the Company are in accordance with the Corporations Act 2001, including:

 (i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended that date; and

 (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

(e) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Toko Kapea
Chairman
26 August 2020

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Duke Exploration Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Duke Exploration Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Duke Exploration Limited, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

R M Swaby

Director

Brisbane, 26 August 2020