DUKETON MINING LIMITED

ANNUAL REPORT

2020

Corporate Information

DUKETON MINING LIMITED
ABN 76 159 084 107

Directors
Seamus Cornelius (Non-Executive Chairman)
Stuart Fogarty (Managing Director)
Heath Hellewell (Non-Executive Director)

Company Secretary
Dennis Wilkins

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WEST PERTH WA 6005

Principal Place of Business
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Solicitors
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86 First Avenue
MT LAWLEY WA 6050

Share Registry
Automic Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 664
Web: www.automicgroup.com.au

Auditors
Rothsay Auditing
Level 1, Lincoln House
4 Ventnor Avenue
WEST PERTH WA 6005

Internet Address
www.duketonmining.com.au

Stock Exchange Listing
Duketon Mining Limited shares are listed on the Australian Securities Exchange (ASX code: DKM)

Review of Operations

1. Review of Operations

1.1 Strategy and Objectives

The Company is in a strong position to build shareholder value from aggressive exploration and acquisition. Shareholders should be encouraged as the Company is de-risked technically and has the appropriate personnel to take full advantage of new opportunities as they are presented.

During the year ended 30 June 2020 the Company has worked actively to multiple internal and external opportunities. The Company remains focused on the generation of numerous new targets with the view to creating a significant and robust pipeline of organic opportunities including the following:

- Expanding known nickel deposits through targeted extensions to Rosie, C2 and Nariz on 100% owned Duketon tenure; and
- Discovering new nickel deposits through regional work in the Bulge area and other new areas.

During August 2019 the Company executed a Tenement Sale Agreement with Regis Resources Limited (ASX: RRL) to sell Duketon's package of gold tenements for $25 million in cash. The consideration consisted of $20 million cash paid on completion with $2.5 million in cash contingent on announcement of 250,000 ounces of gold in mineral resources and a further $2.5 million in cash contingent on first gold production from the sale tenements. The Company has retained the nickel rights over various tenements (E38/2866, E38/2805, E38/2916, E38/2834 and E38/2666) via a Nickel Rights Deed and retains 100% ownership of mining licence M38/1252 (with Regis acquiring the gold rights on this licence via a Gold Rights Deed). The Company's primary objective continues to be achieving returns for shareholders through focused proactive exploration and mining evaluations in the Duketon Belt whilst maintaining a watch over potential acquisitions outside of this area.

We have 3 main pillars of growth within our strategy:

1. Expanding and assessing our known nickel deposits and targeting extensions to Rosie, C2 and Nariz;
2. Acquiring advanced gold or nickel projects; and
3. Acquiring new tenure via opportunistic applications or simple low cost means.

We are uniquely de-risked technically with respect to both gold and nickel.

The Company's tenement and nickel rights are within the Duketon Greenstone Belt in an area immediately north of the town of Laverton. The Company believes that there is considerable upside in the areas covered by these and continues to review the tenements to further understand the geological potential and mineralising controls with the intention of unlocking additional value from within the Company's current asset base.

Economic nickel sulphides have already been found within the Duketon tenements at Rosie, C2, and the Nariz prospect. These discoveries show the further upside potential of the tenement package that Duketon controls. During August 2020 the Rosie Mineral Resource was reviewed and recalculated. The total Mineral Resource that Duketon has at the C2 and Rosie deposits (see below), is now **87,100t of nickel, 12,900t of copper and 205,000oz of PGEs** (see ASX announcement 3 August 2020)**.**

Review of Operations (Cont'd)

Figure 1: Location of the Duketon Project

Review of Operations (Cont'd)

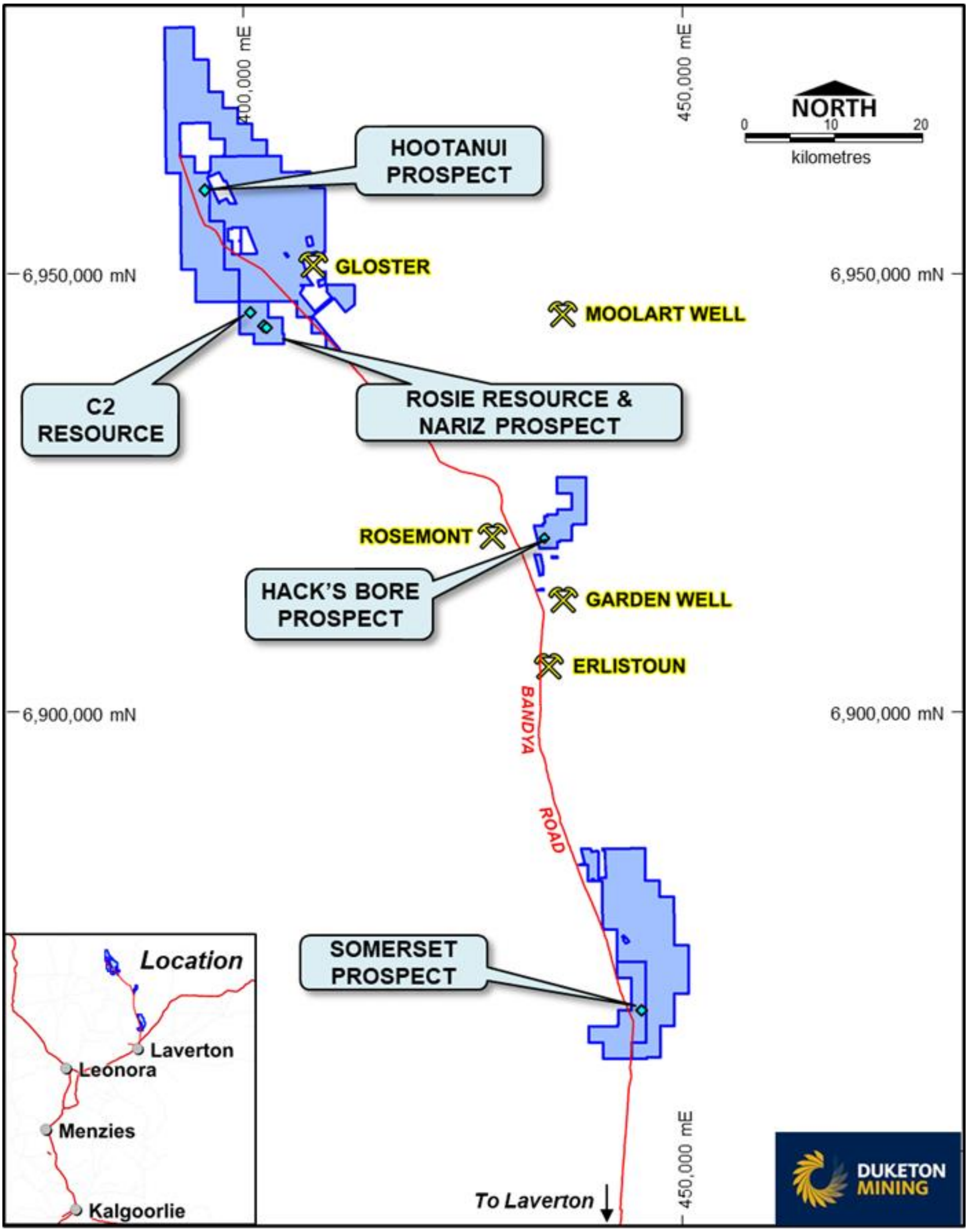

Figure 2: Duketon Project showing DKM tenements and location of Gold and Nickel Prospects

Review of Operations (Cont'd)

1.2 Exploration

1.2.1 Rosie

The Rosie deposit is situated approximately 110km north of Laverton, Western Australia. The project can be accessed via sealed and formed gravel roads from either Leonora or Laverton.

Mineralisation at Rosie consists of disseminated, matrix, stringer and brecciated massive Ni-Cu-PGE sulphides at, or adjacent to, the contact of the Bulge ultramafic complex, interpreted to be a classic komatiitic lava channel style nickel sulphide mineralisation.

The Nariz prospect is situated directly to the south east of Rosie and is now incorporated into the Rosie Mineral Resource. During August 2020, the Rosie Mineral Resource was reviewed and recalculated (see Tables 1 and 2).

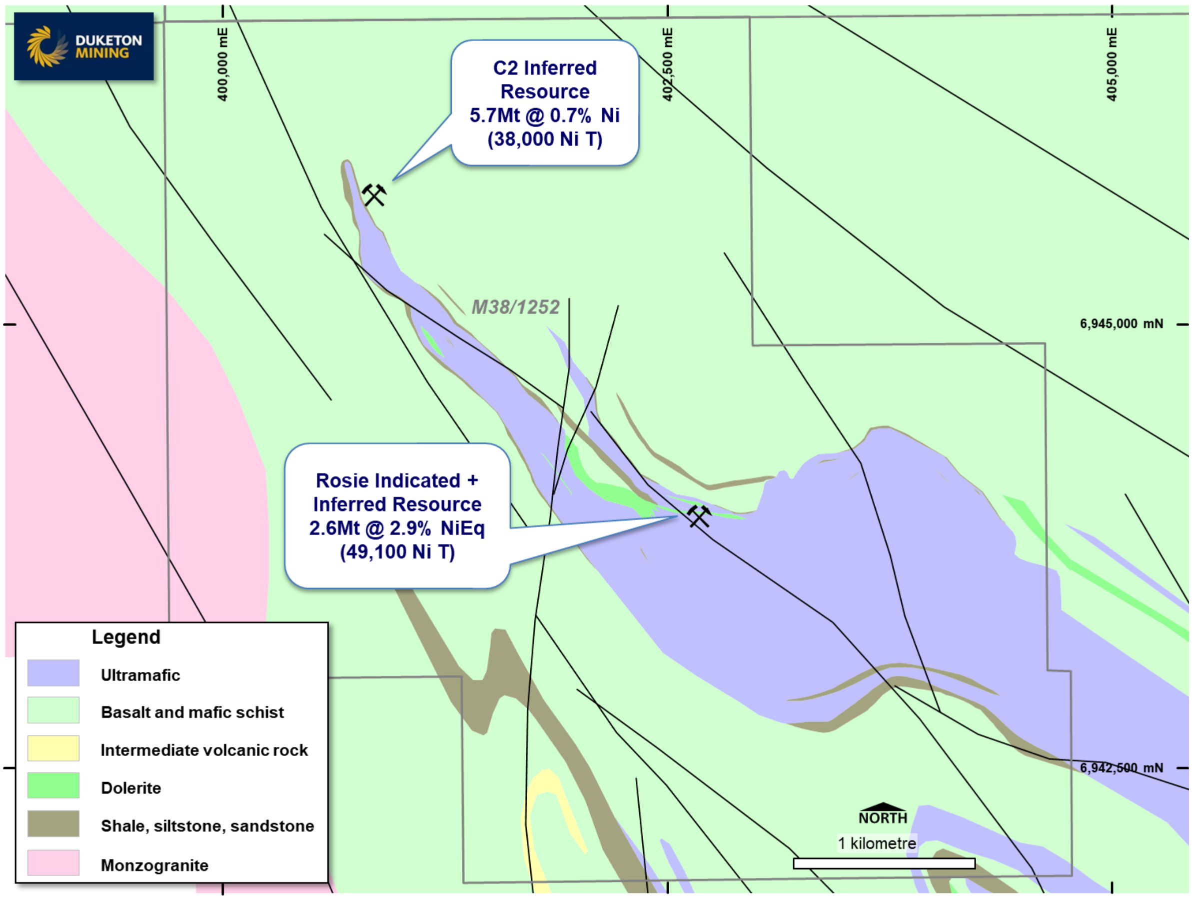

Figure 3: Location Plan of C2 and Rosie.

Review of Operations (Cont'd)

Rosie Nickel Resource >1% NiEq							
Classification	**Sulphide**	**Tonnes**	**Ni (%)**	**Cu (%)**	**Co (ppm)**	**Total PGEs (g/t)**	**NiEq (%)**
Indicated	**Pentlandite**	960,893	2.3	0.41	610	2.6	3.3
	Violarite	745,813	1.7	0.36	490	2.5	2.6
	Sub-Total	**1,706,706**	**2.0**	**0.39**	**560**	**2.5**	**3.0**
Inferred	**Pentlandite**	751,559	1.8	0.47	570	2.5	2.8
	Violarite	98,676	1.5	0.43	460	2.2	2.4
	Sub-Total	**850,234**	**1.7**	**0.47**	**560**	**2.5**	**2.8**
Total	**All**	**2,556,940**	**1.9**	**0.42**	**560**	**2.5**	**2.9**

Table 1: Rosie Nickel Resource > 1.0% Ni as at August 2020

		Contained Metal			
Classification	**Ore Type**	**Ni (t)**	**Cu (t)**	**Co (t)**	**Total PGEs (oz)**
Indicated	**Pentlandite**	21,973	3,987	588	79,041
	Violarite	12,336	2,679	363	59,014
	Sub-Total	**34,309**	**6,666**	**951**	**138,056**
Inferred	**Pentlandite**	13,354	3,537	428	60,331
	Violarite	1,452	421	45	6,937
	Sub-Total	**14,806**	**3,958**	**473**	**67,268**
	Total	**49,115**	**10,624**	**1,423**	**205,324**

Table 2: Rosie Nickel Resource > 1.0% Ni with Auxiliary Attributes as at August 2020

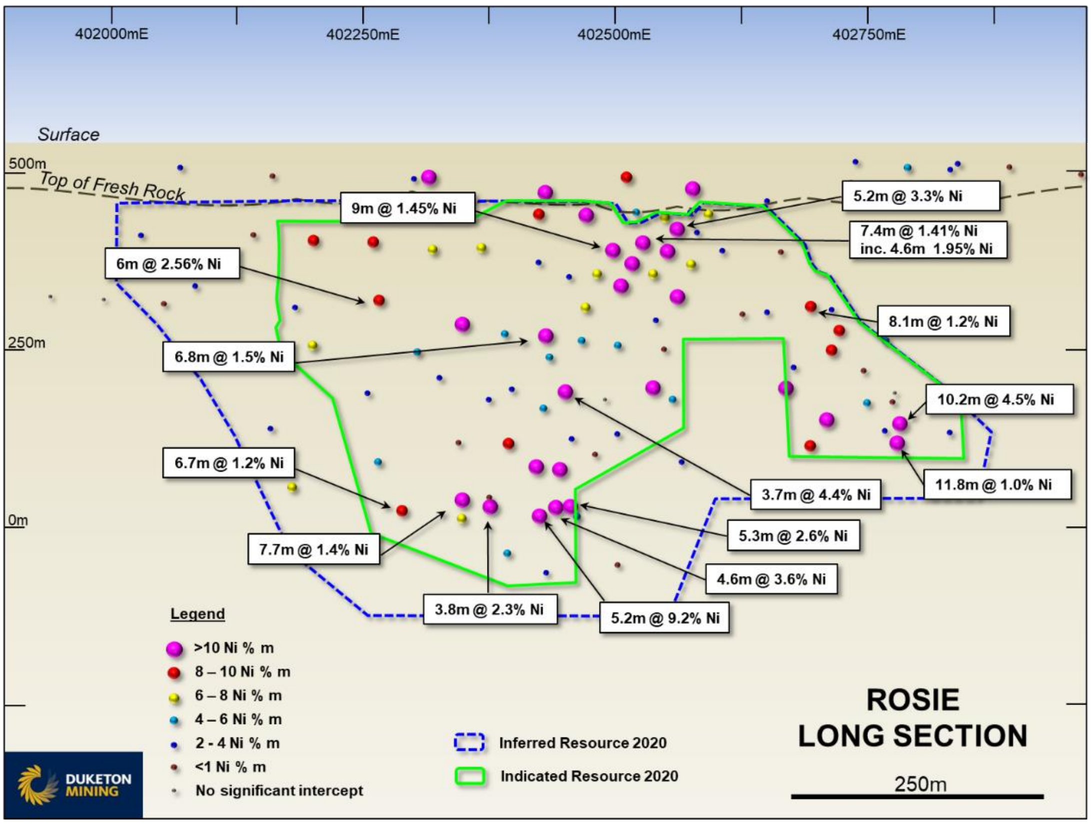

Figure 4: Long section of Rosie looking toward the east showing significant intercepts

Review of Operations (Cont'd)

1.2.2 C2

The C2 deposit is situated approximately 2km to the north of Rosie and is a komatiite-hosted nickel sulphide deposit. The mineralisation is characterised by accumulations of massive, matrix, breccia and disseminated nickel, copper magmatic sulphides and platinum group elements at the basal contact of a komatiite ultramafic rock, overlying a mafic pillow basalt footwall with some fine-grained siltstone sediments which may also contain sulphides.

During 2015 DKM published the initial mineral resource estimate for the C2 resource. This Inferred Mineral Resource estimate at C2 is 5.7 million tonnes averaging 0.7% nickel, 0.04% copper and 0.14g/t platinum and palladium for a contained **38,000 tonnes of nickel and associated copper, platinum and palladium** (see Tables 4 and 5). This represents the in-situ undiluted Mineral Resource at 0.5% nickel cut-off (see Tables 4 and 5). Nickel mineralisation is robust and continuous.

The total Mineral Resource for the Duketon project, comprising C2 and the Rosie deposit (see ASX Announcement 3 August 2020), is now **87,100t of nickel, 12,900t of copper and 205,000oz of PGEs.**

During the year seven RC drillholes for 1186 metres were drilled at C2.

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 (as at 30 June 2020)		**5,700,000**	**0.7**	**38,000**
Total (as at 30 June 2019)		**5,700,000**	**0.7**	**38,000**

Table 3: C2 Nickel Resource > 0.5% Ni

C2 Nickel Resource >0.5%Ni (as at 30 June 2015)							
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 (as at 30 June 2020)		**5,700,000**	**0.7**	**0.04**	**61**	**82**	**3.1**
Total (as at 30 June 2019)		**5,700,000**	**0.7**	**0.04**	**61**	**82**	**3.1**

Table 4: C2 Resource > 0.5% Ni with Auxiliary Attributes

Cut-Off (Ni %)	Tonnes	Grade (Ni %)	Ni (t)
0.3	18,775,665	0.5	88,902
0.4	10,776,805	0.6	60,356
0.5	5,721,787	0.7	37,967
0.6	3,008,201	0.8	23,249
0.7	2,019,653	0.8	16,940
0.8	1,018,985	0.9	9,503
0.9	641,066	1.0	6,265
1	148,053	1.1	1,577
1.1	62,461	1.1	694

Table 5: C2 Deposit Grade Tonnage Table for different Ni cut-offs

Review of Operations (Cont'd)

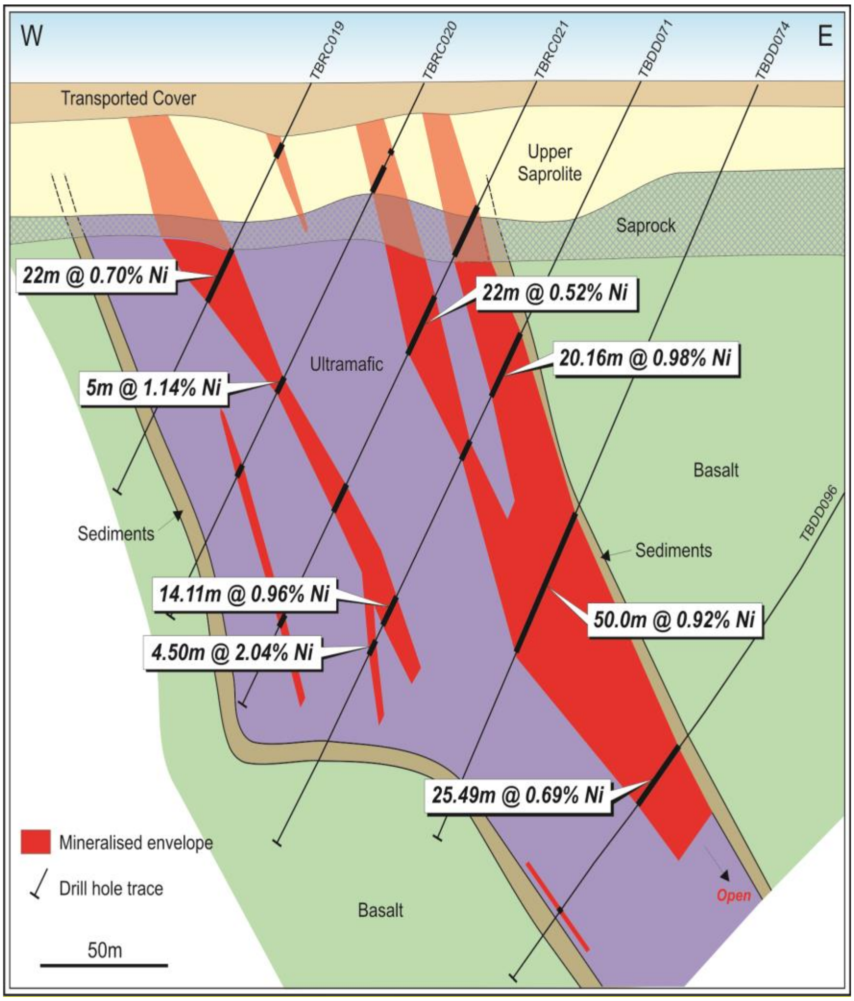

Figure 5: C2 Cross Section

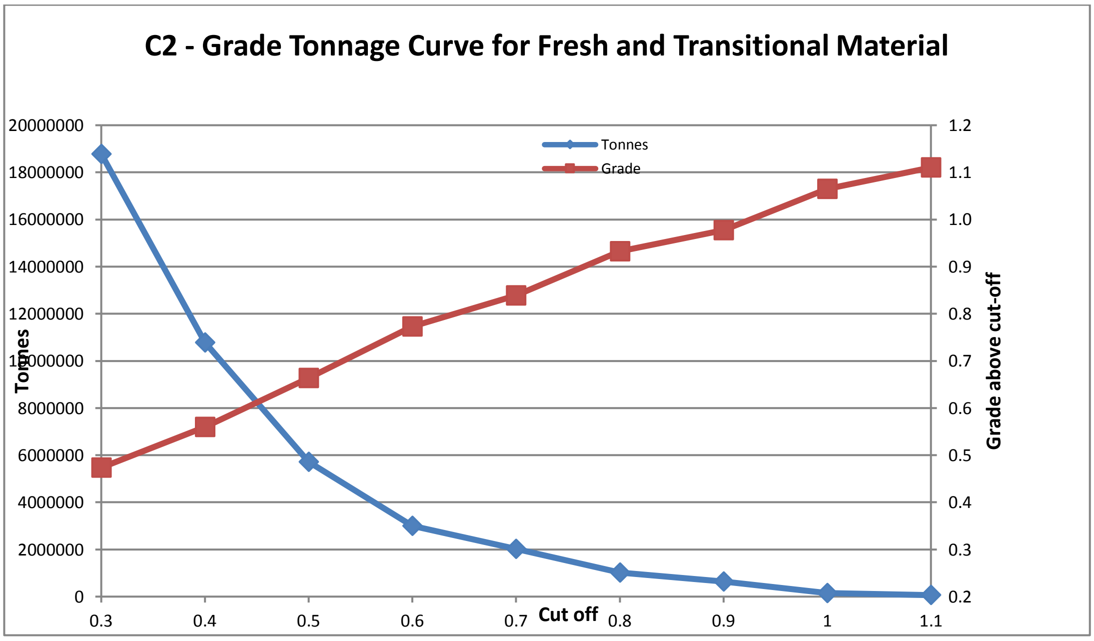

Figure 6: Grade Tonnage Curve at Ni cut-offs

Review of Operations (Cont'd)

1.2.3 Regional Exploration

Regional exploration has been ongoing throughout the year. Multiple new targets in both nickel and gold have been generated creating a significant and robust pipeline of organic opportunities.

2. Corporate

2.1 Element 25 Limited

The Company holds an equity position in Element 25 Limited.

For further details, please refer to the Element 25 Limited website at www.element25.com.au.

2.2 Buxton Resources Limited

The Company holds an equity position in Buxton Resources Limited.

For further details, please refer to the Buxton Resources Limited website at www.buxtonresources.com.au.

2.3 Other Equities

The Company continues to hold some minor equity positions in several other listed and unlisted companies.

For further details, please refer to the Company website.

Review of Operations (Cont'd)

Appendix 1 – Summary of JORC Resources

Table 1a: Total Nickel Mineral Resources as at 3 August 2020

Project	Measured			Indicated			Inferred			Total		
	Tonnes ('000)	Ni (%)	Ni Tonnes	Tonnes ('000)	Ni (%)	Ni Tonnes	Tonnes ('000)	Ni (%)	Ni Tonnes	Tonnes ('000)	Ni (%)	Ni Tonnes
Rosie				1,706	2.0	34,309	850	1.7	14,806	2,556	1.9	49,115
C2							5,700	0.7	38,000	5,700	0.7	38,000
TOTAL				1,706	2.0	34,309	6,550	1.3	52,806	8,256	1.06	87,115

Table 2a: Total Nickel Mineral Resources as at 30 June 2019

Project	Measured			Indicated			Inferred			Total		
	Tonnes ('000)	Ni (%)	Ni Tonnes	Tonnes ('000)	Ni (%)	Ni Tonnes	Tonnes ('000)	Ni (%)	Ni Tonnes	Tonnes ('000)	Ni (%)	Ni Tonnes
Rosie				1,410	1.7	24,100	530	1.6	8,600	1,940	1.7	32,700
C2							5,700	0.7	38,000	5,700	0.7	38,000
TOTAL				1,410	1.7	24,100	6,230	0.7	46,600	7,640	0.9	70,700

Table 2b: Total Gold Mineral Resources as at 30 June 2019

Project	Measured			Indicated			Inferred			Total		
	Tonnes ('000)	g/t Au	Ounces	Tonnes ('000)	g/t Au	Ounces	Tonnes ('000)	g/t Au	Ounces	Tonnes ('000)	g/t Au	Ounces
Lancefield Nth							1,920	1.6	8,600	1,920	1.6	96,000
TOTAL							1,920	1.6	8,600	1,920	1.6	96,000

Mineral Resources

Attached as Appendix 1 are three tables comparing the Company's Mineral Resources as at 3 August 2020 (Table 1a Appendix 1) against those at 30 June 2019 (Table 2a and 2b Appendix 1). No ore reserves have been estimated.

Review of material changes

The Gold Mineral Resources reported at 30 June 2019 (Table 2b Appendix 1) were sold during August 2019 as part of the Tenement Sale Agreement with Regis Resources Limited. The Company has no Gold Mineral Resources at 30 June 2020.

During August 2020 (refer ASX announcement 3 August 2020) the Company reported an increase to the Rosie Nickel Mineral Resources which is included in the Total Nickel Mineral Resources reported above (Table 1a Appendix 1). The Nickel Mineral Resource as at 30 June 2020 was unchanged from that reported at 30 June 2019 (Table 2a Appendix 1). The August 2020 announcement reported an increase of 50% contained nickel metal compared to the previous mineral resource estimate.

There have been no changes to the Company's Mineral Resources after 3 August 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Governance controls

All Mineral Resource estimates are prepared by qualified professionals following JORC Code compliant procedures and follow standard industry methodology for drilling, sampling, assaying, geological interpretation, 3-dimensional modelling and grade interpolation techniques.

The Mineral Resource estimates have been calculated by a suitably qualified consultant and overseen by suitably qualified Duketon Mining Limited employee and/or consultant.

Competent Persons Statements

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.

The information in the announcement that relates to Mineral Resources for Rosie is extracted from the ASX announcement titled "Increase to Rosie Nickel Resource" dated 3 August 2020 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 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.

Directors' Report

The directors present their report together with the financial report of Duketon Mining Limited ("Duketon" or "the Company") for the year ended 30 June 2020.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Seamus Cornelius
Non-Executive Chairman, LLB, LLM (Age 54)

Mr Cornelius is an experienced international corporate lawyer and company director. He was a partner with a major international law firm from 2000 to 2010 and resided in China from 1993 until 2017. In 2010, Mr Cornelius commenced his public company career as company director and is currently a director and non-executive chairman of Buxton Resources Ltd since 29 November 2010, Element 25 Ltd since 30 June 2011 and Danakali Ltd since 15 July 2014.

Stuart Fogarty
Managing Director B.Sc (Geology) (Hons) (Age 48)

Mr Fogarty has over 20 years of exploration experience with BHP Billiton and Western Mining Corporation, and prior to leaving he was BHP's Senior Exploration Manager for North and South America. Mr Fogarty has a very strong background in nickel and gold exploration, having commenced his career at Kambalda Nickel Operations in 1994. He has held senior roles with BHP including Senior Geoscientist for nickel exploration in the Leinster and Mt Keith region, Project Manager WA Nickel Brownfields and Regional Manager Australia – Asia where he was responsible for a $100 million per annum exploration budget.

Mr Fogarty is currently a non-executive director of ASX listed Buxton Resources Ltd since 15 March 2017, and of unlisted Wildcat Resources Ltd.

Heath Hellewell
B.Sc (Hons), MAIG (Age 50)

Mr Hellewell is an exploration geologist with over 20 years of experience in gold, base metals and diamond exploration predominantly in Australia and West Africa. Most recently, Mr Hellewell was the co-founding Executive Director of Doray Minerals Ltd (Doray), where he was responsible for the company's exploration and new business activities. Following the discovery of its Andy Well gold deposits in 2010, Doray was named "Gold Explorer of the Year" in 2011 by The Gold Mining Journal. In 2014 Mr Hellewell was the co-winner of the prestigious "Prospector of the Year" award, presented by the Association of Mining and Exploration Companies.

Mr Hellewell was also part of the Independence Group NL team that identified and acquired the Tropicana project area, eventually leading to the discovery of the Tropicana and Havana gold deposits.

Mr Hellewell is currently an independent Non-Executive Director of Core Lithium Ltd (formerly Core Exploration Ltd) since 15 September 2014. Within the last 3 years Mr Hellewell has been a former director of Capricorn Metals Ltd (resigned 8 November 2018).

COMPANY SECRETARY

Dennis Wilkins
B.Bus, MAICD, ACIS (Age 57)

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd a leading privately held corporate advisory firm servicing the natural resources industry. Since 1994 he has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Ltd at the time of Atlas' initial public offering in 2006.

Since July 2001 Mr Wilkins has been running DWCorporate Pty Ltd where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector. Mr Wilkins is currently a non-executive director of Key Petroleum Ltd since 5 July 2006, and an alternate director of Middle Island Resources Ltd since 1 May 2010.

Directors' Report (Cont'd)

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Duketon Mining Limited were:

	Ordinary Shares	Options over Ordinary Shares
Seamus Cornelius	7,149,723	1,750,000
Stuart Fogarty	550,000	5,000,000
Heath Hellewell	100,000	1,500,000

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year consisted of exploration and evaluation of mineral resources. There was no significant change in the nature of the Company's activities during the year.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

OPERATING REVIEW

During August 2019 the Company executed a Tenement Sale Agreement with Regis Resources Limited (ASX: RRL) to sell Duketon's package of gold tenements for $25 million in cash. The consideration consisted of $20 million cash paid on completion with $2.5 million in cash contingent on announcement of 250,000 ounces of gold in mineral resources and a further $2.5 million in cash contingent on first gold production from the sale tenements. The Company has retained the nickel rights over various tenements (E38/2866, E38/2805, E38/2916, E38/2834 and E38/2666) via a Nickel Rights Deed and retains 100% ownership of mining licence M38/1252 (with Regis acquiring the gold rights on this licence via a Gold Rights Deed).

During the year ended 30 June 2020 the Company actively identified opportunities and drilled exploration targets.

The Company remains focused on the generation of multiple new targets with the view to creating a significant and robust pipeline of organic opportunities including the following:

- Expanding known nickel deposits through targeted extensions to Rosie, C2 and Nariz on 100% owned Duketon tenure; and
- Discovering new nickel deposits through regional work in the Bulge area and other new areas.

The Company is in a strong position to build shareholder value from aggressive exploration. Shareholders should be encouraged as the Company is de-risked technically to take full advantage of new opportunities as they are presented.

Finance Review

The Company began the year with cash reserves of $2,085,199 and listed equity investments with a market value of $1,221,199. During the year the Company issued 93,023 ordinary shares, with a value of $19,535, as part of employee remuneration, and received $25,250 for the issue of 125,000 ordinary shares upon the exercise of unlisted options. Funds were used for exploration activities on the nickel targets within the Duketon Project and working capital purposes.

Following completion of the sale of the gold assets to Regis for recognised income of $20,000,000, the Company recorded a net profit after tax of $19,130,177 (2019: $2,890,296 loss) for the financial year ended 30 June 2020 and included in the result for the year was exploration expenditure of $1,316,818 (2019: $2,399,720). In line with the Company's accounting policies, all exploration expenditure is expensed as it is incurred. The Company had total cash on hand at the end of the year of $20,322,227, and listed equity investments with a market value of $2,280,615.

Operating Results for the Year

Summarised operating results are as follows:

	2020	
	Revenues $	Profit $
Revenues and profit from ordinary activities before income tax expense	**21,448,874**	**19,130,177**

Shareholder Returns

	2020	2019
Basic profit/(loss) per share (cents)	**16.2**	(2.5)

Directors' Report (Cont'd)

Risk Management

The board is responsible for ensuring that risks, and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has numerous mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Report, no significant changes in the state of affairs of the Company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No matters or circumstances, besides those disclosed at note 19, have arisen since the end of the 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 periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Details of important developments occurring in this financial year have been covered in the Review of Operations section of the Directors' Report. The Company will continue activities in the exploration, evaluation and development of the Duketon Project and mineral tenements with the objective of developing a significant mining operation and any significant information or data will be released to the market and the shareholders pursuant to the Continuous Disclosure rules as and when they come to hand.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is subject to significant environmental regulation in respect to its exploration activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of Duketon Mining Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board of Duketon Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company.

The board's policy for determining the nature and amount of remuneration for board members and senior executives (if any) of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors, was developed by the board. All executives receive a base salary (which is based on factors such as length of service, performance and experience) and superannuation. The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

The directors and executives (if any) receive a superannuation guarantee contribution required by the government, which was 9.5% for the 2020 financial year. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

Directors' Report (Cont'd)

All remuneration paid to key management personnel is valued at the cost to the company and expensed. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is (currently $300,000) and set in accordance with the constitution of the Company. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

The Company currently has no performance based remuneration component built into key management personnel remuneration packages.

Company performance, shareholder wealth and key management personnel remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and key management personnel performance. Currently, this is facilitated through the issue of options to the majority of key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced. For details of key management personnel interests in options at year end, refer to the 'Option holdings' section later in the Remuneration Report.

Use of remuneration consultants

The Company did not employ the services of any remuneration consultants during the financial year ended 30 June 2020.

Voting and comments made at the Company's 2019 Annual General Meeting

The Company received approximately 99.7% of "yes" votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

Details of remuneration

Details of the remuneration of the key management personnel of the Company are set out in the following table.

The key management personnel of the Company include the directors as per page 13 above.

Key management personnel of the Company

	Short-Term		**Post-Employment**	**Long-Term**	**Share-based Payments**	**Total**
	Salary & Fees	Non-Monetary	Super-annuation	Long Service Leave	Options	
	$	**$**	**$**	**$**	**$**	**$**
Directors						
Seamus Cornelius						
2020	**47,144**	**-**	**1,585**	**-**	**38,050**	**86,779**
2019	50,000	-	-	-	-	50,000
Stuart Fogarty						
2020	**245,247**	**-**	**23,299**	**4,764**	**76,100**	**349,410**
2019	245,247	-	23,299	8,398	112,400	389,344
Heath Hellewell						
2020	**33,400**	**-**	**-**	**-**	**38,050**	**71,450**
2019	30,000	-	-	-	-	30,000
Total key management personnel compensation						
2020	**325,791**	**-**	**24,884**	**4,764**	**152,200**	**507,639**
2019	325,247	-	23,299	8,398	112,400	469,344

Directors' Report (Cont'd)

Service agreements

Stuart Fogarty, Managing Director:

- Annual salary of $268,545 (including statutory superannuation).
- The Company or the Executive may terminate, without cause, the Executive's employment at any time by giving three calendar months' written notice.
- In the event the Managing Director is terminated as result of one of the following circumstances the Company will make a twelve calendar months Redundancy Payment to the Executive at the base salary:
  - the Executive's position is made redundant by the Board;
  - there is a material diminution in the responsibilities or powers assigned to the Executive by the Board; or
  - there is a material reduction in the remuneration payable to the Executive as determined by the Board.

Share-based compensation

Options are issued at no cost to key management personnel as part of their remuneration. The options are not issued based on performance criteria but are issued to the key management personnel of Duketon Mining Limited to increase goal congruence between key management personnel and shareholders. The following options over ordinary shares of the Company were granted to or vesting with key management personnel during the year:

	Grant Date	Granted Number	Vesting Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents) (1)	Exercised Number	% of Remuner-ation
Directors								
Seamus Cornelius	29/11/2019	500,000	29/11/2019	28/11/2024	21.4	7.6	Nil	43.8
Stuart Fogarty	29/11/2019	1,000,000	29/11/2019	28/11/2024	21.4	7.6	Nil	21.8
Heath Hellewell	29/11/2019	500,000	29/11/2019	28/11/2024	21.4	7.6	Nil	53.3

(1) The value at grant date in accordance with AASB 2: Share Based Payments of options granted during the year as part of remuneration. For options granted during the current year, the valuation inputs for the Black-Scholes option pricing model were as follows:

	Underlying Share Price (cents)	Exercise Price (cents)	Volatility	Risk Free Interest Rate	Valuation Date	Expiry Date
Directors	19.0	21.4	50.0%	0.7%	29/11/2019	28/11/2024

Details of ordinary shares in the Company provided as a result of the exercise of remuneration options to key management personnel of the Group are set out below:

	Number of ordinary shares issued on exercise of options during the year	Amount paid per ordinary share (cents)	Value exercised ($) (1)
Directors			
Seamus Cornelius	125,000	20.2	(4,000)

No amounts are unpaid on any shares issued on the exercise of options.

(1) The value at exercise date of the options that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the options at that date.

Directors' Report (Cont'd)

Equity instruments held by key management personnel

Share holdings

The numbers of shares in the Company held during the financial year by each director of Duketon Mining Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2020	Balance at start of the year	Acquired during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Duketon Mining Limited				
Ordinary shares				
Seamus Cornelius	**4,031,870**	**125,000**	**2,992,853**	**7,149,723**
Stuart Fogarty	**550,000**	**-**	**-**	**550,000**
Heath Hellewell	**100,000**	**-**	**-**	**100,000**

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Duketon Mining Limited and other key management personnel of the Company, including their personally related parties, are set out below:

2020	Balance at start of the year	Granted as compen-sation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Duketon Mining Limited							
Seamus Cornelius	**1,750,000**	**500,000**	**(125,000)**	**(375,000)**	**1,750,000**	**1,750,000**	**-**
Stuart Fogarty	**5,000,000**	**1,000,000**	**-**	**(1,000,000)**	**5,000,000**	**5,000,000**	**-**
Heath Hellewell	**1,500,000**	**500,000**	**-**	**(500,000)**	**1,500,000**	**1,500,000**	**-**

Loans to key management personnel

There were no loans to key management personnel during the year.

End of audited Remuneration Report

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2020 and the number of meetings attended by each Director were:

	Directors Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Total Available	Attended	Total Available	Attended	Total Available	Attended
Seamus Cornelius	5	5	1	1	-	-
Stuart Fogarty	5	5	1	1	-	-
Heath Hellewell	5	5	1	1	-	-

SHARES UNDER OPTION

Unissued ordinary shares of Duketon Mining Limited under option at the date of this report are as follows:

Date options issued	Expiry date	Exercise price (cents)	Number of options
15 December 2015	30 November 2020	20.0	2,800,000
1 December 2016	24 November 2021	30.0	2,500,000
31 January 2017	31 January 2022	25.0	250,000
28 November 2018	28 November 2023	20.0	2,000,000
29 November 2019	28 November 2024	21.4	2,250,000
Total number of options outstanding at the date of this report			**9,800,000**

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Directors' Report (Cont'd)

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

INSURANCE OF DIRECTORS AND OFFICERS

During the year, the Company has paid a premium in respect of Directors' and Executive Officers' insurance. The contract contains a prohibition on disclosure of the amount of the premium and the nature of the liabilities under the policy. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Rothsay Auditing or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Rothsay Auditing received or are due to receive the following amounts for the provision of non-audit services:

	2020 $	2019 $
Tax compliance services	**2,000**	900

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20.

Signed in accordance with a resolution of the directors.

Stuart Fogarty

Managing Director

Perth, 23 September 2020

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094   www.rothsayresources.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

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

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

Rothsay Auditing

Daniel Dalla
Partner
23 September 2020

Corporate Governance Statement

Duketon Mining Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Duketon Mining Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2020 Corporate Governance Statement was approved by the Board on 23 September 2020 and is current as at 23 September 2020. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.duketonmining.com.au.

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2020	Notes	Company	
		2020	2019
		$	$
REVENUE			
Interest	4	**189,288**	69,871
Profit on sale of tenements		**20,000,000**	-
Other income	4	**50,000**	26,586
Fair value gains on financial assets at fair value through the profit or loss		**1,209,586**	62,352
EXPENDITURE			
Administration expenses		**(359,785)**	(302,313)
Depreciation expense		**(30,527)**	(20,678)
Employee benefits expenses		**(420,807)**	(193,994)
Exploration expenditure		**(1,316,818)**	(2,399,720)
Share based payment expense	22	**(190,760)**	(132,400)
PROFIT/(LOSS) BEFORE INCOME TAX		**19,130,177**	(2,890,296)
INCOME TAX	6	**-**	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF DUKETON MINING LIMITED		**19,130,177**	(2,890,296)
Basic and diluted earnings/(loss) per share (cents per share)	21	**16.2**	(2.5)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

DUKETON MINING

Statement of Financial Position

AS AT 30 JUNE 2020

	Notes	Company 2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	7	**20,322,227**	2,085,199
Trade and other receivables	8	**114,486**	50,444
Financial assets at fair value through profit or loss	9	**2,280,615**	1,221,199
TOTAL CURRENT ASSETS		**22,717,328**	3,356,842
NON-CURRENT ASSETS			
Plant and equipment	10	**67,422**	46,786
TOTAL NON-CURRENT ASSETS		**67,422**	46,786
TOTAL ASSETS		**22,784,750**	3,403,628
CURRENT LIABILITIES			
Trade and other payables	11	**139,232**	121,635
Employee benefit obligations		**72,764**	62,045
TOTAL CURRENT LIABILITIES		**211,996**	183,680
NON-CURRENT LIABILITIES			
Employee benefit obligations		**16,676**	10,057
TOTAL NON-CURRENT LIABILITIES		**16,676**	10,057
TOTAL LIABILITIES		**228,672**	193,737
NET ASSETS		**22,556,078**	3,209,891
EQUITY			
Issued capital	12	**22,970,315**	22,920,030
Reserves	13(a)	**494,295**	908,070
Accumulated losses	13(b)	**(908,532)**	(20,618,209)
TOTAL EQUITY		**22,556,078**	3,209,891

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020	Notes	Contributed Equity $	Options Reserve $	Accumulated Losses $	Total $
BALANCE AT 1 JULY 2018		22,900,030	1,163,425	(18,095,668)	5,967,787
Loss for the year		-	-	(2,890,296)	(2,890,296)
TOTAL COMPREHENSIVE LOSS		-	-	(2,890,296)	(2,890,296)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year		20,000	-	-	20,000
Employee and consultant options	13(a)	-	(255,355)	367,755	112,400
BALANCE AT 30 JUNE 2019		22,920,030	908,070	(20,618,209)	3,209,891
Profit for the year		**-**	**-**	**19,130,177**	**19,130,177**
TOTAL COMPREHENSIVE INCOME		**-**	**-**	**19,130,177**	**19,130,177**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	12	**50,285**	**(5,500)**	**-**	**44,785**
Employee and consultant options	13(a)	**-**	**(408,275)**	**579,500**	**171,225**
BALANCE AT 30 JUNE 2020		**22,970,315**	**494,295**	**(908,532)**	**22,556,078**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020	Notes	Company	
		2020	2019
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		**155,674**	81,632
Payments to suppliers and employees		**(750,591)**	(533,095)
Expenditure on mining interests		**(1,310,409)**	(2,550,759)
Proceeds from government COVID-19 grant		**50,000**	-
Proceeds from sale of tenements		**20,000,000**	-
Proceeds from disposal of financial assets at fair value through profit or loss		**118,699**	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	20	**18,263,373**	(3,002,222)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of plant and equipment		**-**	26,586
Payments for plant and equipment		**(51,163)**	(22,864)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		**(51,163)**	3,722
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**25,250**	-
Payments for small parcel roundup		**(432)**	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		**24,818**	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**18,237,028**	(2,998,500)
Cash and cash equivalents at the beginning of the financial year		**2,085,199**	5,083,699
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	**20,322,227**	2,085,199

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Company consisting of Duketon Mining Limited. The financial statements are presented in the Australian currency. Duketon Mining Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 23 September 2020. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

(i) Compliance with IFRS

The financial statements of Duketon Mining Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Company

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- AASB 16 Leases; and
- Interpretation 23 Uncertainty Over Income Tax Treatments.

AASB 16 Leases

The Company has adopted AASB 16 Leases from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (lease payments) and removes the former distinction between 'operating' and 'finance' leases. The exceptions are short-term leases and leases of low value assets.

In applying AASB 16 for the first time, as permitted by the standard, the Company has elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered before the transition date the Company relied on its assessment made applying AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease.

There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

The Company is party to one lease agreement for the office premises for a fixed period of 12 months commencing 1 July 2019. Under AASB 16 this lease is classified as a short-term lease defined as a lease with a lease term of 12 months or less. Payments associated with this short-term lease are recognised on a straight-line basis as an expense in profit or loss.

(iii) New standards and interpretations not yet adopted

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's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value.

(b) 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 Managing Director.

(c) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

Notes to the Financial Statements (Cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

(e) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Leases

As explained in note 1(a)(ii) above, the Company has changed its accounting policy for leases where the Company is the lessee. The new policy and the impact of the change are described in note 1(a)(ii).

Until 30 June 2019, leases where a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(g) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

Notes to the Financial Statements (Cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1July 2019 the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

Notes to the Financial Statements (Cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Plant and equipment

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates used range from 10% to 33% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Company's policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(k) Exploration and evaluation costs

Exploration and evaluation costs are expensed as they are incurred.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(m) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

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 number of options that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. 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.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where 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.

Notes to the Financial Statements (Cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Issued capital

Ordinary shares 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(o) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(q) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation generally

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates consider both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the Australian Taxation Office.

Taxation uncertain tax position

The tax legislation concerning utilisation of carried forward tax losses is complex and highly subjective. The Company considers it probable that it will have access to all carried forward tax losses by satisfying either the Continuity of Ownership or Same Business tests but notes that access to losses from the 2013 financial year may be uncertain. The income tax return for the 2020 financial year will be prepared on this basis that all prior losses are available, together with documentation to support this position. If the ATO were to deem that the 2013 losses were not available this would reduce the Company's unrecognised carry forward tax losses to nil and create a current tax payable and current tax expense of $532,381 respectively.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

Notes to the Financial Statements (Cont'd)

2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. 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 Company.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all board members to be involved in this process. Senior management, as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk

As all operations are currently within Australia, the Company is not exposed to any material foreign exchange risk.

(ii) Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the statement of financial position at fair value through the profit and loss. The Company is not exposed to commodity price risk. At the reporting date, the Company has investments in ASX listed equity securities.

Sensitivity analysis

The Company's equity investments are listed on the Australian Stock Exchange (ASX) and are all classified at fair value through the profit or loss. At 30 June 2020, if the value of the equity investments held had increased/decreased by 15% with all other variables held constant, post tax loss for the Company would have been $342,092 lower/higher (2019: $183,180 lower/higher) as a result of gains/losses on the fair value of the financial assets.

(iii) Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company's policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Company of $20,322,227 (2019: $2,085,199) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Company was 1.0% (2019: 2.0%).

Sensitivity analysis

At 30 June 2020, if interest rates had changed by +/- 25 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been $46,566 lower/higher (2019: $34,579 lower/higher on a +/- 100 basis point change) as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Company has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained. All surplus cash holdings of the Company are currently invested with AA- rated financial institutions.

(c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the Statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

Notes to the Financial Statements (Cont'd)

2. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The equity investments held by the Company are classified at fair value through profit or loss. The market value of all equity investments represents the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as level 1 financial instruments.

The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

	Company	
	2020	**2019**
	$	**$**
Financial Assets		
Cash and cash equivalents	**20,322,227**	2,085,199
Trade and other receivables	**114,486**	50,444
Financial assets at fair value through profit or loss	**2,280,615**	1,221,199
Total Financial Assets	**22,717,328**	3,356,842
Financial Liabilities		
Trade and other payables	**139,232**	121,635
Total Financial Liabilities	**139,232**	121,635

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Receivables/Payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Fair value measurements of financial assets

The carrying values of financial assets and liabilities of the Company approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

Fair value hierarchy

The Company classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
30 June 2020				
Financial assets at fair value through profit or loss	**2,280,615**	-	-	**2,280,615**
Total as at 30 June 2020	**2,280,615**	-	-	**2,280,615**
30 June 2019				
Financial assets at fair value through profit or loss	1,221,199	-	-	1,221,199
Total as at 30 June 2019	1,221,199	-	-	1,221,199

Notes to the Financial Statements (Cont'd)

3. SEGMENT INFORMATION

Industry and geographical segment

The Company operates in one segment, being the mining exploration sector in Australia.

In determining operating segments, the Company has had regard to the information and reports the Managing Director uses to make strategic decisions regarding resources. The Managing Director is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the Company.

4. REVENUE AND OTHER INCOME

	Company 2020 $	Company 2019 $
Revenue		
Other revenue		
Interest from financial institutions	**189,288**	69,871
Other income		
Gain on disposal of plant and equipment	**-**	26,586
Government COVID-19 grant income	**50,000**	-
	50,000	26,586

5. EXPENSES

Profit or loss before income tax includes the following specific expenses:	Company 2020 $	Company 2019 $
Superannuation expense	**40,559**	38,474
Expenses relating to short-term leases	**43,943**	42,919

6. INCOME TAX

	Company 2020 $	Company 2019 $
(a) Income tax expense/(benefit)		
Current tax	**-**	-
Deferred tax	**-**	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) from continuing operations before income tax expense	**19,130,177**	(2,890,296)
Prima facie tax expense/(benefit) at the Australian tax rate of 27.5% (2019: 30%)	**5,260,799**	(867,089)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	**52,459**	39,720
Government COVID-19 grant income	**(13,750)**	-
	5,299,508	(827,369)
Movements in unrecognised temporary differences	**(310,999)**	(18,705)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**-**	846,074
Previously unrecognised tax losses now recouped to reduce current tax expense	**(4,988,509)**	-
Income tax expense/(benefit)	**-**	-

Notes to the Financial Statements (Cont'd)

	Company 2020 $	Company 2019 $
6. INCOME TAX (Cont'd)		
(c) Unrecognised temporary differences		
Deferred Tax Assets at 27.5% (2019: 30%)		
On Income Tax Account		
Financial assets at fair value through profit or loss	**-**	20,029
Carry forward tax losses	**549,004**	6,040,922
	549,004	6,060,951
Set-off of deferred tax liabilities:		
Financial assets at fair value through profit or loss	**(292,639)**	-
Net deferred tax assets	**256,365**	6,060,951
Less deferred tax assets not recognised	**(256,365)**	(6,060,951)
	-	-

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Company's ability to use losses in the future is subject to the Company satisfying the relevant tax authority's criteria for using these losses.

In April 2017, the Australian Government enacted legislation which reduces the corporate rate for small and medium business (base rate) entities from 30% to 25% over the next decade. For the 2017 financial year the corporate tax rate reduced to 27.5% for small business entities with turnover less than $10 million. This turnover threshold will progressively increase until it reaches $50 million in the 2020 financial year. For the 2021 financial year, the tax rate will decrease to 26% and then 25% for the 2022 and later financial years. Duketon Mining Limited satisfies the criteria to be a base rate entity for the 2020 financial year.

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	**292,227**	348,232
Short-term deposits	**20,030,000**	1,736,967
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**20,322,227**	2,085,199

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits 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 short-term deposit rates.

8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Trade and other receivables	**114,486**	50,444

9. CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 $	2019 $
Australian listed equity securities	**2,280,615**	1,221,199

Changes in fair values of financial assets at fair value through profit or loss are disclosed directly on the face of the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements (Cont'd)

	Company 2020 $	Company 2019 $
10. NON-CURRENT ASSETS - PLANT AND EQUIPMENT		
Plant and equipment		
Cost	**136,027**	84,864
Accumulated depreciation	**(68,605)**	(38,078)
Net book amount	**67,422**	46,786
Plant and equipment		
Opening net book amount	**46,786**	57,009
Additions	**51,163**	10,455
Depreciation charge	**(30,527)**	(20,678)
Closing net book amount	**67,422**	46,786
11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade payables	**35,925**	-
Other payables and accruals	**79,273**	97,169
Funds held on trust for unmarketable parcel roundup	**24,034**	24,466
	139,232	121,635

12. ISSUED CAPITAL

(a) Share capital

	Notes	2020 Number of shares	2020 $	2019 Number of shares	2019 $
Ordinary shares fully paid	12(b), 12(d)	**118,234,304**	**22,970,315**	118,016,281	22,920,030
Total issued capital		**118,234,304**	**22,970,315**	118,016,281	22,920,030

	2020 Number of shares	2020 $	2019 Number of shares	2019 $
(b) Movements in ordinary share capital				
Beginning of the financial year	**118,016,281**	**22,920,030**	117,849,615	22,900,030
Issued during the year:				
• Issued upon exercise of $0.202 options	**125,000**	**25,250**	-	-
• Transferred from share-based payments reserve upon exercise of options	**-**	**5,500**	-	-
• Issued as part of employee remuneration (1)	**93,023**	**19,535**	166,666	20,000
End of the financial year	**118,234,304**	**22,970,315**	118,016,281	22,920,030

(1) On 27 September 2019 the Company issued 93,023 ordinary shares (9 January 2019, 166,666 ordinary shares) to an employee as a reward and incentive. The closing price of $0.21 (2019: $0.12) on the date of issue was the grant date fair value of the shares issued.

Notes to the Financial Statements (Cont'd)

12. ISSUED CAPITAL (Cont'd)

(c) Movements in options on issue

	Number of options	
	2020	**2019**
Beginning of the financial year	**24,800,000**	38,100,000
Issued, exercisable at $0.214 on or before 28 November 2024	**2,250,000**	-
Issued, exercisable at $0.20 on or before 28 November 2023	**-**	2,000,000
Exercised at $0.202, expiring on 18 November 2019	**(125,000)**	-
Expired on 1 August 2019, exercisable at $0.20	**(15,000,000)**	-
Expired on 18 November 2019, exercisable at $0.202	**(2,125,000)**	-
Expired on 31 March 2019, exercisable at $0.20	**-**	(3,000,000)
Expired on 31 March 2019, exercisable at $0.25	**-**	(1,500,000)
Expired on 31 March 2019, exercisable at $0.30	**-**	(1,000,000)
Expired on 31 March 2019, exercisable at $0.35	**-**	(1,550,000)
Expired on 14 May 2019, exercisable at $0.35	**-**	(8,250,000)
End of the financial year	**9,800,000**	24,800,000

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(e) Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2020 and 30 June 2019 are as follows:

	Company	
	2020	**2019**
	$	**$**
Cash and cash equivalents	**20,322,227**	2,085,199
Trade and other receivables	**114,486**	50,444
Financial assets at fair value through profit or loss	**2,280,615**	1,221,199
Trade and other payables	**(139,232)**	(121,635)
Employee benefit obligations (current)	**(72,764)**	(62,045)
Working capital position	**22,505,332**	3,173,162

Notes to the Financial Statements (Cont'd)

	Company	
	2020	2019
	$	$
13. RESERVES AND ACCUMULATED LOSSES		
(a) Reserves		
Share-based payments reserve		
Balance at beginning of year	**908,070**	1,163,425
Employee and consultant options expense	**171,225**	112,400
Transferred to share capital upon exercise of options	**(5,500)**	-
Transferred to accumulated losses upon expiry of options	**(579,500)**	(367,755)
Balance at end of year	**494,295**	908,070
(b) Accumulated losses		
Balance at beginning of year	**(20,618,209)**	(18,095,668)
Transferred from share-based payments reserve upon expiry of options	**579,500**	367,755
Net profit/(loss) for the year	**19,130,177**	(2,890,296)
Balance at end of year	**(908,532)**	(20,618,209)

(c) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options granted and currently on issue.

14. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

15. RELATED PARTY TRANSACTIONS

	2020	2019
(a) Key management personnel compensation		
Short-term benefits	**325,791**	325,247
Post-employment benefits	**24,884**	23,299
Other long-term benefits	**4,764**	8,398
Termination benefits	**-**	-
Share-based payments	**152,200**	112,400
	507,639	469,344

Detailed remuneration disclosures are provided in the remuneration report on pages 15 to 18.

(b) Loans to related parties

There were no loans to related parties, including key management personnel, during the year.

16. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2020	2019
(a) Audit services		
Rothsay Auditing - audit and review of financial reports	**39,500**	37,500
(b) Non-audit services		
Rothsay Auditing – tax compliance services	**2,000**	900

Notes to the Financial Statements (Cont'd)

17. CONTINGENCIES

There are no material contingent liabilities of the Company at balance date. The Company has contingent assets at balance date resulting from the sale of gold tenements to Regis Resources Limited ("Regis").

Gold tenements sale to Regis

Under the terms of the sale agreement with Regis to sell a package of tenements from the Duketon Project the following contingent consideration is outstanding:

1) 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.
2) 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.

18. COMMITMENTS

	Company	
	2020	**2019**
	$	**$**
(a) Exploration commitments		
The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:		
within one year	**192,300**	1,692,380
later than one year but not later than five years	**769,200**	3,894,200
later than five years	**1,346,100**	1,538,400
	2,307,600	7,124,980
(b) Lease commitments: Company as lessee		
Operating leases (non-cancellable):		
Minimum lease payments		
within one year	**-**	57,600
Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities	**-**	57,600

The Company has a non-cancellable property lease with a one-year term, with rent payable monthly in advance. The lease includes standard conditions customary for commercial property leases.

From 1 July 2019, upon adoption AASB 16, the Company may recognise right-of-use assets for leases in the future, except for short-term and low-value leases, refer to note 1(a)(ii).

19. EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances 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 periods.

Notes to the Financial Statements (Cont'd)

	Company	
	2020	2019
	$	$
20. CASH FLOW INFORMATION		
(a) Reconciliation of net profit/(loss) after income tax to net cash outflow from operating activities		
Net profit/(loss) for the year	**19,130,177**	(2,890,296)
Non-Cash Items		
Share-based payment expense	**190,760**	132,400
Depreciation expense	**30,527**	20,678
Net gain on disposal of plant and equipment	**-**	(26,586)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**(64,042)**	46,304
(Increase) in financial assets at fair value through profit or loss	**(1,059,416)**	(62,352)
Increase/(decrease) in trade and other payables	**18,029**	(228,669)
Increase in employee benefit obligations	**17,338**	6,299
Net cash inflow/(outflow) from operating activities	**18,263,373**	(3,002,222)

(b) Non-cash investing and financing activities

On 27 September 2019 the Company issued 93,023 ordinary shares (9 January 2019, 166,666 ordinary shares) to an employee as a reward and incentive, for a value of $19,535 (2019: $20,000). This amount is included in 'share-based payments expense' on the statement of profit or loss and other comprehensive income of the Company.

21. PROFIT/(LOSS) PER SHARE

(a) Reconciliation of earnings used in calculating earnings per share		
Profit/(loss) attributable to the owners of the Company used in calculating basic and diluted earnings/(loss) per share	**19,130,177**	(2,890,296)

(b) Weighted average number of shares used as the denominator

	No. of Shares	No. of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings/(loss) per share	**118,163,528**	117,928,153

(c) Information on the classification of options

For the year ended 30 June 2020, all options on issue were anti-dilutive as the various exercise prices were all greater than the average market price of the Company's shares during the year. This has resulted in the diluted earnings per share being the same as the basic earnings per share. The options currently on issue could potentially dilute basic earnings per share in the future.

22. SHARE-BASED PAYMENTS

a) Employee and consultant options

The Company provides benefits to employees (including directors), contractors and consultants of the Company in the form of share-based payment transactions, whereby employees, contractors and consultants render services in exchange for options to acquire ordinary shares. The options on issue at 30 June 2020 have exercise prices ranging from $0.20 to $0.30 and expiry dates ranging from 30 November 2020 to 28 November 2024.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

Notes to the Financial Statements (Cont'd)

22. SHARE-BASED PAYMENTS (Cont'd)

The weighted average fair value of the options granted during the 2020 financial year was 5.6 cents (2019: 5.6 cents). The fair value was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2020	2019
Weighted average exercise price (cents)	**21.4**	20.0
Weighted average life of the option (years)	**5.0**	5.0
Weighted average underlying share price (cents)	**19.0**	15.0
Expected share price volatility	**50.0%**	50.0%
Risk free interest rate	**0.7%**	2.3%

b) Supplier options

Suppliers were granted options in accordance with the terms of the non-renounceable pro-rata rights issue prospectus issued in May 2013. The options had an exercise price of $0.20 and expired on 1 August 2019.

There were no supplier options granted during the 2020 or 2019 financial years.

c) Employee shares

On 27 September 2019 the Company issued 93,023 ordinary shares (9 January 2019, 166,666 ordinary shares) to an employee as a reward and incentive, for a value of $19,535 (2019: $20,000). The closing price of $0.21 (2019: $0.12) on the date of issue was the grant date fair value of the shares issued.

Set out below are summaries of the share-based payment options granted per (a) and (b):

	Company			
	2020		2019	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	**24,800,000**	**21.1**	38,100,000	25.0
Granted	**2,250,000**	**21.4**	2,000,000	20.0
Forfeited	**-**	**-**	-	-
Exercised	**(125,000)**	**20.2**	-	-
Expired	**(17,125,000)**	**20.0**	(15,300,000)	30.8
Outstanding at year-end	**9,800,000**	**23.0**	24,800,000	21.1
Exercisable at year-end	**9,800,000**	**23.0**	24,800,000	21.1

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 2.2 years (2019: 0.9 years), with exercise prices ranging from $0.20 to $0.30.

d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Company	
	2020	2019
	$	$
Options issued to employees shown as share-based payments	**171,225**	112,400
Shares issued to employees shown as share-based payments	**19,535**	20,000
	190,760	132,400

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 22 to 40 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

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

(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; and

(c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Stuart Fogarty

Managing Director

Perth, 23 September 2020

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

DUKETON MINING LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Duketon Mining 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 on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Company 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 these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Company in accordance with the auditor independence requirements of 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Financial Assets	*How our Audit Addressed the Key Audit Matter*
The Company's financial assets make up almost 100% of total assets by value and are considered to be the key driver of the Company's operations. We do not consider financial assets to be at a high risk of significant misstatement, however due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures over the existence of the Company's financial assets included but were not limited to: • Documenting and assessing the processes and controls in place to record cash transactions; • Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • Agreeing significant financial assets to independent third-party confirmations. We have also assessed the appropriateness of the disclosures included in the financial report.
Key Audit Matter – Exploration and evaluation expenditure	***How our Audit Addressed the Key Audit Matter***
The Company has incurred significant exploration and evaluation expenditure during the year. We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following: • We assessed exploration and evaluation expenditure with reference to AASB 6 Exploration for and Evaluation of Mineral Resources. • We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and • We documented and assessed the processes and controls in place to record exploration and evaluation transactions. We have also assessed the appropriateness of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, 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 we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility 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 the 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 ability of the Company 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 cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility 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 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 at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2020.

In our opinion the remuneration report of Duketon Mining Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay

Rothsay Auditing

Dated 23 September 2020

Daniel Dalla
Partner

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 15 September 2020.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary Shares	
			Number of holders	Number of shares
1	-	1,000	219	78,492
1,001	-	5,000	169	462,642
5,001	-	10,000	211	1,576,412
10,001	-	100,000	335	12,383,195
100,001		and over	113	103,733,563
			1,047	118,234,304
The number of equity security holders holding less than a marketable parcel of securities are:			284	178,874

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	ST BARBARA LIMITED	14,545,455	12.30%
2	HARMANIS HOLDINGS PTY LTD <HARMAN FAMILY A/C>	9,900,000	8.37%
3	CAIRNGLEN INVESTMENTS PTY LTD	5,097,066	4.31%
4	TWYNAM INVESTMENTS PTY LTD	4,815,628	4.07%
5	JETOSEA PTY LTD	4,565,634	3.86%
6	CITICORP NOMINEES PTY LIMITED	4,216,378	3.57%
7	SFN HOLDINGS PTY LTD	3,700,000	3.13%
8	MR LIAM RAYMOND CORNELIUS	2,963,930	2.51%
9	SINO WEST ASSETS LIMITED	2,892,853	2.45%
10	RANGUTA LIMITED	2,561,423	2.17%
11	GANDRIA CAPITAL PTY LTD <THE TEDBLAHNKI FAMILY A/C>	2,450,000	2.07%
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,358,878	2.00%
13	CHEUNG SHUN RESOURCES LTD	1,958,709	1.66%
14	ZERRIN INVESTMENTS PTY LTD	1,688,000	1.43%
15	HARMANIS HOLDINGS PTY LTD <HARMAN FAMILY A/C>	1,500,000	1.27%
16	MS QING MI	1,496,344	1.27%
17	ELEMENT 25 LIMITED	1,450,000	1.23%
18	ALPHA BOXER LIMITED	1,367,986	1.16%
19	MR SEAMUS CORNELIUS	1,310,912	1.11%
20	KHE SANH PTY LTD <TRADING NO 1 A/C>	1,200,000	1.01%
		72,039,196	60.93%

ASX Additional Information (Cont'd)

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares
St Barbara Limited	14,545,455
Harmanis Holdings Pty Ltd	7,572,816
Seamus Cornelius	7,149,723

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Unquoted securities

			Holders of 20% or more of the class	
Class	Number of Securities	Number of Holders	Holder Name	Number of Securities
20 cent Options, Expiry 30 November 2020	2,800,000	7	Pato Negro	1,000,000
20 cent Options, Expiry 28 November 2023	2,000,000	1	Pato Negro	2,000,000
21.4 cent Options, Expiry 28 November 2024	2,250,000	4	Pato Negro	1,000,000
			Seamus Cornelius	500,000
			Nedlands Nominees	500,000
25 cent Options, Expiry 31 January 2022	250,000	1	Kristy Culver	250,000
30 cent Options, Expiry 24 November 2021	2,500,000	4	Pato Negro	1,000,000
			Seamus Cornelius	750,000
			Nedlands Nominees	500,000

(f) Schedule of interests in mining tenements

Location	Tenement	Percentage held / earning
Duketon	E38/2666	100% Nickel rights only
Duketon	E38/2805	100% Nickel rights only
Duketon	E38/2834	100% Nickel rights only
Duketon	E38/2866	100% Nickel rights only
Duketon	E38/2916	100% Nickel rights only
Duketon	M38/1252	100% Nickel rights only
Duketon North	E38/3523 (A)	100%
Duketon North	E38/3524 (A)	100%
Mulga Tank North	E39/2173 (A)	100%
Doris	E52/3833 (A)	100%
Fisher South	E53/2143 (A)	100%
Stephens	E59/2414 (A)	100%
Cat Camp	E63/2050 (A)	100%
Cunyu	E69/3763 (A)	100%
Eastside	E77/2660 (A)	100%
Lost Bolt	E77/2667 (A)	100%
Diemals	E77/2670 (A)	100%
Halleys West	E77/2682 (A)	100%
Pelican	E80/5493 (A)	100%