DUKE EXPLORATION Limited

Review of Duke's Exploration Copper Gold Projects & Exploration by Other ASX Resource Companies In the Same Geological Terranes

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EXECUTIVE SUMMARY-

Duke Exploration Limited (Duke) is listing on the Official List of the Australian Stock Exchange (ASX) subsequent to an Initial Public Offering (IPO) raising of $8M. The funds will be used to undertake exploration, predominantly drilling, within Duke's portfolio of Exploration Projects.

Duke's Projects are associated with "Island Arc Style Geological Terranes" considered prospective for copper, gold, silver mineralisation. The Projects include the Bundarra Copper Silver Gold Porphyry Project west of Mackay Qld; the Prairie Creek Epithermal Gold Project near Biloela Qld and the Red Hill Gold Copper Project near Yass NSW.

The Bundarra Copper Silver Gold Project is considered to be a porphyry deposit, which are valued by Major Resource Companies as Projects where modern exploration programs, can target large tonnage open cut and underground Ore Reserves that can be mined by bulk mining techniques, that provide the levels of gold & copper production that may be commercially viable to the Major.

What is attractive with Bundarra as an exploration target is its close association with the Eastern edge of the Permian Bowen Basin. A number of intrusive related gold copper deposits occur along the Eastern Coastal Ranges of Queensland, east of the Bowen Basin, from which large quantities of gold and copper have been extracted. Mt Morgan, Kidston, Ravenswood Mt Leyshon had a total 35Moz Au gold endowment. There has been geological evidence that the eastern edge of the Bowen Basin is associated with deep crustal structures, that have elsewhere been associated with gold mineralization

Exploration results to date at Bundarra are encouraging, with drilling intersecting 7 mineralized veins below historic workings at Mt Flora to the north of the Bundarra Intrusion. .Intersections include 16.7m @ 1.15g/t Au 16.1g/t Ag and 0.03g/t Au from 126.6mdh. Duke is planning an extensive drilling program testing up to 1-2kms of strike, over a width of 120m and to depth of 300m at Mt Flora, in order to outline an Initial Resource Estimate. At least 3 other priority drill targets have been selected from past exploration at Bundarra, associated with Electromagnetic Geophysical Conductive Anomalies &/or past exploration results.

Duke's other Projects also have merit. The Prairie Creek Gold Epithermal Deposit is associated with an Island Arc Terrain where there has been limited but encouraging past drilling intersections, including 6m @ 6.5g/t Au. Follow up drilling is planned to determine the potential of the deposit, which is within carting distance of the Cracow Gold Mill, that may provide a future processing option. The Red Hill Gold Copper Project is in Central part of the prospective Lachlan Fold Belt NSW. Skarn, Epithermal and Volcanic Massive Sulphide mineralisation have been noted. The Project includes a regional aeromagnetic geophysical anomaly associated with Copper Lead Zinc mineralisation. The geological structure is complex. and the Project is certainly worthy of significant exploration and drill evaluation, given its location to the world class Cadia Gold Mine (ASX-NCM) and the recent discovery at Boda by ASX -ALK.

The Enterprise Value implied in the Prospectus for Duke Exploration PL is $10.7M. At this time Queensland early stage explorers have an average Enterprise value of $11M. Explorers that are more active, drilling and with some encouraging intersections have an average Enterprise Value of $24M. Committed explorers that have demonstrated the presence of a mineralized porphyries in Eastern Australia have an average Enterprise Value of $26M. AUSTEX is of the view that the Enterprise Value assigned to Duke Exploration in the Prospectus is "Fair and Reasonable" based on Enterprise value of its ASX listed peers.

INTRODUCTION

Duke is planning a listing on the Official List of the ASX, subsequent to an IPO raising $8M. The funds raised will be used for exploration at the Company's Mineral Projects that include the Bundarra Copper Silver Porphyry Project, located west of Mackay Qld, located close to a deep crustal structural that the separates the Permian Bowen Basin to the west and an Island Arc Geological Province to the East. Also, the Prairie Creek Epithermal Gold Project located within the Auburn Volcanics Arc, east of the Bowen Basin Qld, and within possible carting distance of the Cracow Gold Mill. The Company also holds the Red Hill Gold Copper Project located within the Central part of the highly prospective East Lachlan Fold Belt NSW, and minority interest in other tenure within the Lachlan Fold Belt managed by ASX-ERM (Emmerson Resources)

Full details of the Company's exploration assets and the geology of the Projects involved are set out in the Independent Geologist Report (IGR), included within the Duke Prospectus.

This report reviews the opportunities and challenges that may be involved in the exploration of the Company's Projects, and also to provides information on recent exploration by ASX Listed Explorers, within the Geological Terranes in which Duke is exploring.

PORPHYRY GEOLOGICAL TERRANES

Evaluation of both the potential and risks associated with exploration at the Bundarra Project needs a basic understanding of Porphyry Geological Environments, which have become important targets in modern mineral exploration for Copper, Gold, Silver deposits. The reason for the interest is that they have the potential to host mineral deposits with the size and scope needed to meet the demand for minerals by an ever increase and more affluent global population.

Porphyry deposits are typically larger than other geological types of copper, gold, silver deposits and hence provide the opportunity to establish initially Resource Estimates and later Ore Reserves, with large tonnages. The deposits are typically of a lower grade, but their size, geometry and shape often allow the use of modern lower cost open cut and underground bulk mining techniques such as Block and Sub Block Caving, which is attractive to major mining companies. as it provides large tonnages, at substantially reduce operating costs.

The Formation of Porphyry Deposits

Porphyries are typically formed in tectonic plate convergent zones where oceanic crust has been subducted beneath the continental or in some cases beneath oceanic crust. As the plates subducts the overlying upper mantle melts and the liquid magma rises to the surface. The original magma chambers generally cool first to become granitic intrusive rocks that are porphyritic in texture.

The Mineral Deposits associated with the porphyry, are typically formed by hydrothermal fluids that originate from the magma chamber. The hot fluids, containing various minerals in a molten state, such as copper, gold, silver typically migrate beyond the limits of the cooling magma, through faults fractures cracks and fissures, formed by the orogenic forces associated with the subduction of the oceanic crust and the emplacement of the magma chamber. The fluids typically rise upwards, some vertically, but some outward depending on the available paths of least resistance.

As the fluids move away from the heat source and cool, metals precipitate out of the solution. The most common porphyry minerals are Copper. Gold, Silver & Molybdenum.

The Complexity of Early Exploration for Porphyry Deposits

Porphyry Deposits occur in two main settings within Orogenic Belts, either in Island Arcs or at Continental Margins. Early stage geological mapping will look for signs of mineralisation, such as veins, stockworks and breccia, at the surface, within fractures and alteration zones.

Bundarra was formed in the Cretaceous as an uplifted igneous complex to the east of the Permian Bowen Basin. The boundary between the two geological units is a deep structural zone, which may have the pathway for the intrusions and hence porphyry geological environment that occurs. There are examples of other types of mineralisation in Eastern Queensland that are associated with intrusions suspected to have the Structural Zone on the Eastern side of the Bowen Basin as their source (e.g. ASX-EVN's Mt Carlton Gold Mining Operation & ASX-AIS Cracow Gold Mining Operation).

Developing an understanding of the structural geology and hence the plumbing system of any porphyry intrusion, including Bundarra, is important, as early as possible during the exploration program, as typically grades are best, and the deposits bigger, where the rocks are closely fractured and that is typically closer to the magma stock. In particular the best deposits occur where large amounts of hot water that carry small amount of metals pass through permeable rocks, within which they can deposit the metal.

BUNDARRA COPPER SILVER GOLD PROJECT

The Bundarra Project has attracted interest due to the copper/silver mineral occurrences that occur in a metamorphically altered zone of intruded country rock, immediately outside the perimeter of the circular Bundarra Igneous Complex. The Outcrop of the Igneous rock of the actual intrusion crops out poorly to form an area of low relief containing 30% porphyritic rocks. The igneous zone is surrounded by a ring of hills of contact metamorphosed hornfels sediments, that have been baked and hardened by the intrusion.

The mineralisation is hosted within the Lower Permian Back Creek Group carbonaceous shale, sandstone, and marl, which was intruded by the Igneous Complex in the Early Cretaceous. The late stage fluids associated with the intrusion would have introduced the mineralisation into the fracture zones in the country rock caused by the intrusion.

Duke has mapped 49 separate groups of old mine workings in the ring around the intrusion. The main workings outlined are at the Mt Flora Historic Underground Mine, within which massive chalcopyrite (Copper Sulphide mineralisation), is reported to be associated silver, within veins that pinch and swell & breccias in highly altered siltstone hornfels. The mine is reported to have produced 1,930 tonnes of ore produced 0.7kg gold 288kg silver and 319t Copper, between 1900-1918. (*Implied Grade 0.36g/t Au, 149g/t Ag and 16% Cu.).*

The mineralisation is predominantly hosted by primary sulphides (Chalcopyrite, pyrrhotite and pyrite) and secondary carbonates (malachite & azurite) in association with albitization, hematite quartz sericite and chlorite alteration. The work workings are situated within 2m to 6m wide fracture zones. Conventional Flotation tests on a 102kg sulphide copper sample suggest 89% to 91.5% Cu recovery.

Duke has used prospectivity analysis to select targets outside the intrusion, that are similar to Mt Flora. Several areas have been selected for further exploration. Priority targets are an area to the west of the intrusion, as well as a significant North - South lineation coincident with Mt Flora.

Alteration Zones associated with Porphyry Deposits

The type of alteration observed in the host rocks, that predate the intrusion and hence the introduction of the hot mineralisation fluids that altered the rock, is also important in guiding exploration towards potentially larger and higher-grade parts of a porphyry mineral deposits.

In the case of Bundarra the contact alteration is to hornfels level with the rocks where the surrounding country rock is baked by the intruding fluids close to the surface. Andalusite is retrogressive adjacent to the veins. The mineralisation appears late in the intrusive history of the Bundarra Pluton. Drilling is required to better understand how the chemical composition and presence of alteration minerals changes with depth. In a typical porphyry model, the mineralized fluids typically alter the host rock with zones of potassic alteration closer to the magma chamber, phyllitic alteration further out and then the more distal propylitic alteration zones

USE OF GEOPHYSICS TO GUIDE EXPLORATION OF PORPHYRIES

Geophysical Explorations Techniques can be a particularly useful, but not infallible, in helping to select optimum drill targets. Magnetics, Induced Polarization/Resistivity Electrical and Electromagnetic Surveys are the Geophysical Techniques most commonly used. The Gravity Method is used in the early stage to map the distribution of higher density and lower density rock types present regionally. This can help define deep seated intrusive bodies. The Magnetic Geophysical method can be useful in outline geological bodies with a differential iron content, including variations in alteration styles. Both Gravity and Magnetics can assist in their identification, with lineation's in the data important in outlining the major structural control.

On a Prospect Scale, high resolution data such as Magnetics, Induced Polarization (IP) & Electromagnetics (EM)can assist to help areas of higher or lower iron content; conductive & resistive rock types; altered or structurally deformed zones, graphitic or possibly sulphides (EM & IP)

The Use of Geophysics at Bundarra -

Electrical Conductivity was measured by a down hole probe in two of the three diamond holes drilled by Duke, which suggested that the mineralized zones were significantly more conductive that the surrounding country rock.

Regional Airborne Electromagnetic coverage of the Bundarra Pluton was reprocessed to filter out conductive coal measures of the Back Creek Formation. The survey outlined a ring of similar conductivity around the intrusion, with a lineation extending N associated with the Mt Flora workings and another extending SW away from the intrusion in a previously untested area which forms a Second Target for Drilling.

Duke has also undertaken an Induced Polarization Survey that has returned a strong conductive/chargeability anomaly coincides with the known mineralisation at Mt Flora. A second en-echelon anomaly has been interpreted to the NE of Mt Flora.

Duke subsequently has undertaken a High Powered Electromagnetic (HPEM) Geophysical Survey over the old workings at Bundarra. The survey mapped Mt Flora as a mid-range conductive anomaly. Three

separate en echelon anomalies were interpreted extending north from the intrusion. The first roughly coincident with the Mt Flora workings and has an interpreted length of 520m. The second HPEM anomaly is coincident the IP anomaly (Target Three). The HPEM data suggests the Third Target may comprise two bull eye anomalies within a combined strike of 460m. The bullseye's shape suggests that they may reflect vertical pipe like conductive bodies?

Duke is suggesting that there is an another en echelon EM anomaly further north and away from the intrusion, reflecting a Fourth Target. This anomaly is interpreted to have a length of 340m and an interpreted depth of about 300m. As a result, it is more obscure due to the body of higher conductive to its SE, but nevertheless is a worthy drill target.

Drilling below the Mt Flora workings (Target 1) to depths of 300m is initially recommended. Should that drilling be encouraging, then ultimately there may be a need to test the potential for deeper mineralisation. Also, the initial testing of Target 2 to the SW of the intrusion, Target 3 offset to the north of Mt Flora and also Target 4 are recommended as priority targets post the IPO. The geophysical targets are interpreted at depths of 50-200m.

DRILLING PORPHYRY DEPOSITS –

Virtually all cases of successful exploration of porphyry deposits has involved lots of persistence and lots of drilling. Often along the way the geological model of the porphyry changes several times. Porphyry exploration is similar to a jigsaw puzzle, every piece of exploration data gathered is a vital clue that ultimately solves the puzzle. As a result porphyry exploration take a long while and it cost a lot to pinpoint a potentially commercial porphyry deposit.

To illustrate this point, a good case history is the Tier 1 world class Cadia Copper Gold Porphyry Deposit located near Orange NSW within the Lachlan Fold Belt NSW. The Contained Ore Reserves at the-Cadia Gold Copper Mine is 22Moz Au and 4.3Mt Cu. In FY 20 Cadia produced 843.3Koz Au and 96Kt of Cu and is one of the World's largest gold mines.

But finding Cadia was not easy. It took lots of drilling and persistence, with much of the early drilling unsuccessful. Whilst geology and geophysics were useful, it was persistent drilling that ultimately made the breakthrough and achieved success.

The Cadia Deposit occurs at the southern end of the Molong Volcanic High within the Lachlan Fold Belt NSW. The Lachlan a Middle Paleozoic complex orogenic geological province, involving major subduction zones in the west part of the Province, and the formation of the Macquarie Arc (an Island Arc System) to the east. The mineralisation styles at Cadia include sheeted quartz vein, stockwork quartz vein and skarn all of which are related to a relatively small (3km x 1.5km in outcrop) composite intrusion of predominantly monzonite composition.

Initial drilling failed to explain the magnetic features present and 300-600m deep holes were drilled on 200m step outs. The discovery hole was drill late in this extensive program, after considerable failure & disappointment. The discovery hole intersecting 145m @ 4.3g/t Au 1.2% Cu from 598mdh and 84m @ 7.4g/t Au 1.27% Cu from 821mdh.

It was drilling was the main discovery technique at Cadia, with the discovery hole sighted using structural interpretation from earlier holes, supported by interpretation of the magnetic data. The associated IP anomaly had been drilled earlier and returned 8m @ 0.42g/t Au 0.53% Cu from 182mdh.

Drilling at Bundarra

Most of the drilling to date has also occurred at the Mt Flora Prospect, with historic drill intersections include 12m @ 1.3% Cu, 8.1g/t Ag ;2.6m @ 2.3% Cu 29.4g/t Ag.

Duke drilled 3 Diamond Holes (545m). DDH 1 drilled across the Green Veins at Mt Flora intersected 7 veins with the largest intersection being 16.7m @ 1.15% Cu 16.1g/t Ag 0.03g/t Au from 126.6mdh; The first vein encountered was 1.6m @ 3.2% Cu 69.4g/t Ag 0.42g/t Au from 12mdh. The deepest (number 7) returned 1.2m @ 1.96% Cu 49.6g/t Ag 0.03g/t Au. DDH 2 drilled to the west of DDH 1 intersected 9 veins near the Mt Flora Shaft including 4.5m @ 1.3% Cu 14.1g/t Ag from 96mdh. In this hole copper grade were slightly lower averaging 0.6% Cu, the silver & gold grades much the same. DDH 3 also drilled across the Green Veins intersected 4 veins including 8m @ 0.9% Cu 20.8g/t Ag 0.04g/t Au.

Duke have developed an Exploration Target at Bundarra to guide their exploration program, the details of which are set out in the Independent Geological Report.

The aim of the exploration drilling post IPO should be to drilling below the old workings at Mt Flora to determine the length, width & depth extent of the mineralisation in order to outline a Resource Estimate. Also, to undertake Step Out drilling to test Geophysical Targets 2, 3 and maybe 4. Plus other targets generated by target generating software. The more targets that can be tested initially, the quicker Duke will build up a more reliable geological model of the porphyry terrane.

FUNDING LARGE EXPLORATION CAMPAIGNS. – SUCH AS PORPHYRY EXPLORATION

Porphyry exploration targets are increasingly becoming the focus for the smaller exploration companies seeking to add significant value for shareholders. Successful drilling can see a major re-rating of the share price of the Company, which provides the Company's Management with two options. For example, the Enterprise Value of East Coast Exploration Company that have outline a porphyry is around $26M where as ASX-SVY who are well down the road to defining a commercial deposit has an Enterprise Vale around 5 times higher around $120M.

In AUSTEX Opinion the conceptual and early exploration work to date at Bundarra has delivered to shareholders a worthwhile exploration opportunity, within a geological terrane capable of attracting interest if and when drilling results can demonstrate to the Market that the Project has commercial potential for development.

The Alternatives Methods Currently used of funding exploration of porphyry copper gold silver Projects beyond the limits of the IPO Capital Raising, are as follows-

Option 1 – Higher Risk/ Higher Reward - Raise further Equity Funds by way of share Placements, Entitlement Issues or Share Purchase Plans. With porphyry exploration, this Option may require the Company, to raise considerable funds in multiple capital raisings over several years, to firstly discovery significant mineralization, then to drill it out to the stage that a JORC Compliant Resource can be estimated. Even then further funds are needed then for more drilling to define the Ore Reserves. Then to undertake the various metallurgical and feasibility and environmental and other studies, in order to be

able to receive the Mine Permitting and Project Funding needed for the Project to be ultimately "shovel ready" for development. Under this Option the Exploration Company has to dilute shareholders to raise the funds. Whilst this is hopefully progressive premium, but as porphyries are hard to define, often it will have to be at a discount. Throughout this process the Company's shareholders maintain 100% of the Project and if it is potentially commercial, they are likely to be rewarded on the Market. However, if after extensive exploration the Company is unable to outline a potentially commercial mineral deposit, then the shareholder's value may be greatly diminished and in the worse-case scenario may have no value.

Option 2 – Lower Risk/ Lower Reward. – Another Option in funding porphyry exploration is to Farm out the Project to Major Company with a strong balance sheet to fund the extensive exploration work needed to get the Project "shovel ready". This option may not be available to Duke until such time as the Company can undertake sufficient exploration to clearing demonstrate the appeal of the Project to a Major. However, if a Major ultimately agrees to a Joint Venture, the Exploration Company can typically end up with around 20% interest in the Project, at the Final Investment Decision (FID) to develop the Project as a Mining Operation. To make the FID, Majors require the Resources to be Tier 1, and if that occurs generally shareholders of the Exploration Company enjoy a considerable share price appreciation. The Major may even make a bid for 100% of the shares in the Exploration Company. Even if the Project does not stack up as Tier 1, often the Major will walk away handing the Project back to the Exploration Company, with lots of professional exploration data that may possibly be used to develop a smaller, but still viable mining operation. In this latter case the Exploration Company shareholders have not been diluted as much as they may be under Option 1,as that value exploration data has cost them nothing. From the data the Exploration Company may be able to generate scenarios for a smaller but still commercial mine.

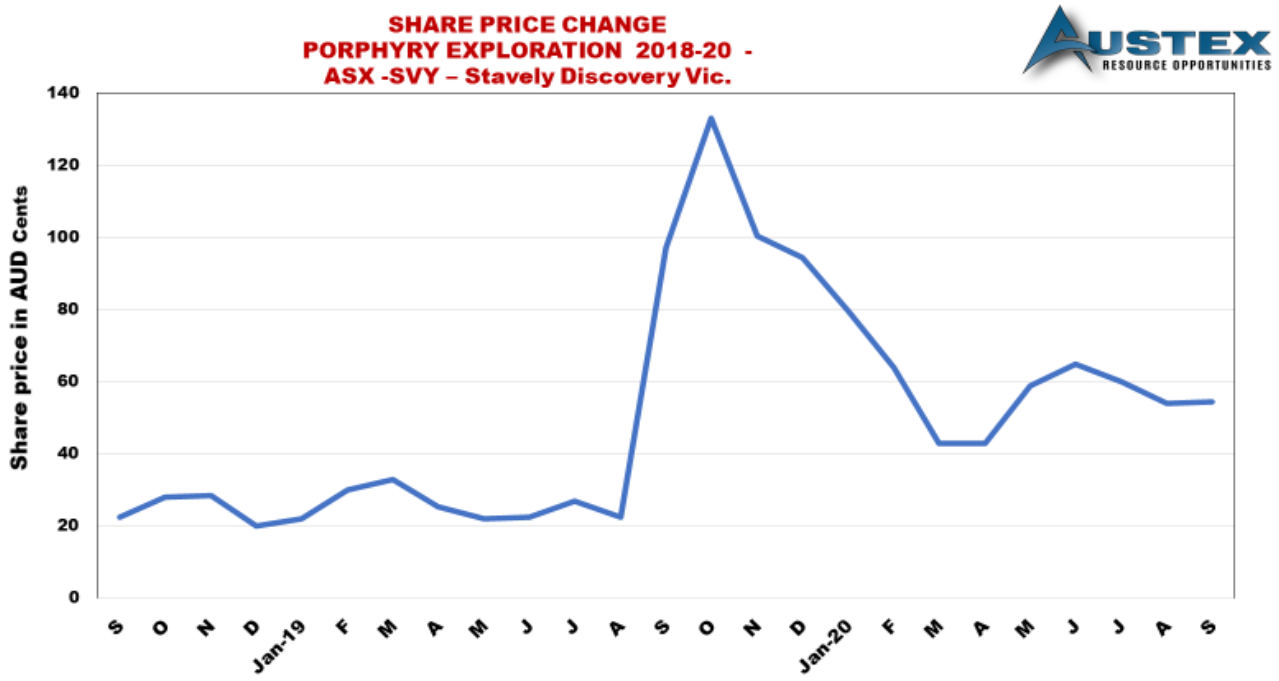
Two Examples Of Funding Porphyry Exploration

Two successful Companies that reflect the alternate funding models discussed above are ASX-SVY (Stavely Minerals) and ASX- AZY (Antipa Minerals).

Both Companies have Similar Market Caps of $136M SVY & $117M AZY and Enterprise Value of $126M and $110M, respectively. Their Cash positions are also similar, $9.4M and $7M, respectively. Over the past year the two companies have spent similar amounts (SVY spent $9.9M and AZY $7.4M). The difference is that SVY has followed Option (a) above and AZY Option (b). over the past 12 months SVY has raised $19.6M on the Market and AZY only $3.9M. Over the past 12 months SVY shareholders have been diluted 22% and AZY only 3.8%. ASX-SVY has had a 185% share price rise over the past year and ASX-AZY 132%. AZY has 3 separate Majors as JV partners, all active within its tenure, and if they are successful with their exploration then a significant takeover premium is possible.

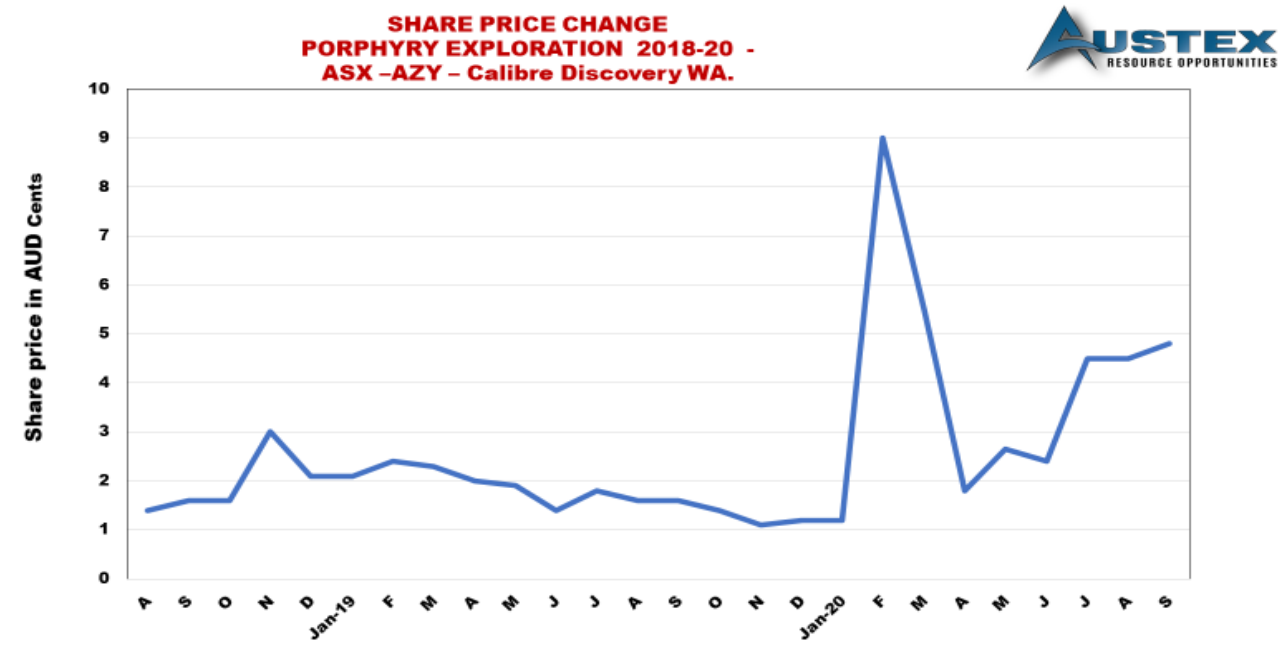
(a) ASX - SVY -STAVELY MINERALS

Option 1 has allowed ASX-SVY to use the strength of its Company's Management, which is high level clear conceptual geological thinking, which they have combined with strong perseverance and continued financial support of the Market, even though some tough periods, to successful achieve what now looks like a potentially commercial project. After several years of drilling, slowly but surely SVY is getting closer to defining a significant mineral deposit, the Cayley Lode at the Thursday Gossan Cu Au Porphyry, situated within the porphyry belt of Western Victoria.



(b) ASX- AZY ANTIPA MINERALS

Option 2 has allowed ASX-AZY to take advantage of the current strong exploration interest in the Paterson Province WA following recent discoveries of significant ore bodies. AZY hold 5200 sq km of Exploration Tenure in the under explored Paterson, where much of the prospective Protozoic geology occurs under a cover of more recent unconsolidated geology. After discovering the 1.3Moz Au, 70Kt Cu 730Koz Ag Calibre Gold Copper Silver Contained Resource under 80m of cover, AZY with consideration to amount of capital required to fully evaluate the whole 5200 sq km has entered into three Joint Ventures with Majors (ASX-RIO, ASX-NCM and ASX -IGO), all of which will the funding exploration. It any are successful ASX-AVY will end up with around 20% free carry. If the deposit found id not Tier 1 all three of the Majors are likely to hand the ground back to AZY will all the exploration data generated



DUKE'S EXPLORATION MODEL FOR BUNDARRA -

Duke is of the view that the recent discovery of the Cayley Lode at the Thursday Gossan, Stavely Copper Gold Project in Western Victoria is an example of successful exploration of a porphyry deposit that Duke can use as guidance at Bundarra. The Stavely mineralisation is hosted in Cambrian age fault bounded belts of submarine calc-alkaline volcanics (Mount Stavely Volcanics) structurally in contact with the older quartz rich turbidity sequence of the Glenthompson Sandstone and Williams Road Serpentinite formed in the Late Cambrian Delamerian Orogeny. The geological interpretation is of an Andean style convergent margin environment for the development of the buried Stavely Arc beneath the Stavely Volcanic Complex. The Inferred Resource is 28Mt @ 0.4% Cu for 110Kt Cu, contained within an extensive chalcocite enriched blanket 30-80m below surface. The initial interest was from surface expression of high-grade lode style copper veins, which is what is also what occurs at Mt Flora at the Bundarra Project.

49 DD holes have been completed at Stavely to depths of up to 1.8kms targeting the elusive core of the porphyry system. The significant breakthrough was in Sept 19 following a decision to target a shallow structurally controlled target along a steeply dipping ultramafic Contact Fault. The breakthrough hole was Hole 50 which intersected 32m @ 5.88% Cu 1g/t Au 58g/t Ag from 62mdh, within a large lower grade intersection of 952m @ 0.23% Cu & 392m @ 0.32% Cu. The Company returned a number of similar intersections, before, SVY started targeting late stage sulphide rich veins, and discovering the Cayley Lode which is structurally controlled, averages around 10-50m in thickness, and has been outlined over 1.5kms strike and to 200m depth. Four drill rigs are currently drilling out the near surface section of the Cayley Lode, which SVY consider to be a structural controlled lode. Intersections include 24m @ 4.19% Cu 1.27g/t Au 53g/t Ag from 163mdh.

SVY is of the view that the Cayley Lode is at the early discovery stage of a new copper province. Thursday Gossan is considered a Magma/Butte Copper Lode System which involves magmatic hydrothermal fluids introduced with injections of porphyritic dykes, fractured, and permeated from a Quartz Monzonite intrusion. The fluids formed a stockworks of quartz and quartz sulphide veinlets with a variety of styles of potassic and sericite alteration envelopes. The distribution of vein and alteration types and the distribution of fluid inclusions in these veins record the progressive pressure temperature and composition evolution of the hydrothermal fluids that formed this world class deposit

QUEENSLAND EAST COAST INTRUSION RELATED PORPYRY DEPOSITS

The Eastern Coastal Queensland Region has a history of discovering and mining Intrusion Related Gold Copper Mineralisation, which are typically associated with porphyry deposits. Whilst many have been depleted or are now at a mature stage, there is potential to discovery more deposits especially along Island Arcs near the Eastern edge of the Bowen Basin, where a deep crustal structure may have provided the pathway for deeper intrusions and hence mineralisation. Bundarra is in such a geological setting and hence whilst it is early days and there are risks and no guarantees, based on previous results, it is a reasonable target.

However, it has been awhile since there was a significant discovery in Eastern Queensland and hence the Market has focused elsewhere in geological terranes where there has been recent success. As a result current early stage ASX- Listed Explorers active along the East Coastal Ranges in Queensland have Enterprise Value of less than half that of similar companies active along the Molong Volcanic High in the

Lachlan Belt NSW where there has been a recent discovery of the Boda Deposit by ASX-ALK (Alkane Resources).

In the former case average Enterprise Values are around $7-8M and the later $18-46M depending on the ability of explorer to convince the Market as to the prospectivity of their Project.

intrusion Related Gold Systems are usually associated with porphyry systems. Known Tier 1 IRGS Deposits in NE Queensland have an endowment totaling around 34 Moz Au**.** They include Kidston (5Moz Au) Ravenswood/Mt Wright (5.8Moz Au). Mt Leyshon (3.5Moz Au) Red Dome/Mungana (3.2Mozs Au) and Mt Morgan (17Moz Au 239Kt Cu). The deposits occur in a wide range of geological settings including porphyries breccias skarns and veins.

For example, the massive Mt Morgan Deposit occurs in the Calliope Island Arc, which, similar to Bundarra, occurs East of the Bowen Basin crustal structure and like all the big Cu Au Ag Mines in Eastern Queensland is associated with intrusive activity. The mine exploited a main pipe of pyritic massive sulphides and adjacent siliceous stringers.

CURRENT GOLD COPPER MINING OPERATIONS EAST COAST RANGE QLD

Ravenswood – (50kms E of Charters Towers NQ) Currently owned by EMR Capital Group Ore Reserves are 2.7Moz Au. Resources Estimate is 5.9Moz. The main deposit Mt Wright is a breccia pipe /stockworks deposit, that is intrusion related and hosted within granites of the Ravenswood Batholith. The vertical breccia pipe, 200m 60m wide characterized by a sequence of structurally controlled hydrothermal breccias and rhyolite intrusions within an Ordovician Granite. The pipe is weakly mineralized near surface with grades increasing around 500-800m depth. Of recent time the focus of mining has shifted to nearby sulphide quartz shear lodes, narrow high-grade veins, and large quartz sulphide vein stockworks peripheral to the Mt Wright deposit. The ore is amenable to conventional leaching.

Mt Carlton – (150kms S of Townsville) Currently owned by ASX-EVN (Evolution Mining). Ore Reserves 625Koz Au and the Resource 871Koz Au. The original endowment was 1.6M oz Au. Mt Carlton is thought to be a high sulphidation epithermal deposit. Mineralisation is hydrothermal and thought to have been controlled by subvertical feeder structures. It is structurally controlled and is exclusively hosted in advanced argillitic altered rhyodacites. Discrete and discontinuous steeply dipping ENE trending breccia dominated quartz -sulphosalt infilled veins within which high grade bonanza lodes are located. Mining is from the V2 Deposit which is flat lying and situated 20m to 180m below surface and is 70m thick with 500m x 500m areal extent,). Mining is by conventional open pit. Flotation processing is used to produce a gold copper silver concentrate, as the ore is refractory to conventional leaching.

Pajingo (50kms S of Charters Towers**).** Currently owned by Minjar Gold Ltd. The Mine has produced over 2.7Moz Au since 1996. The most recent Reserve Estimate 107Koz Au Gold and Resource Estimate 560Koz Au. The Pajingo Deposit is a Devonian epithermal gold deposit hosted within a package of intermediate late Devonian to Carboniferous high level intrusives lavas and various volcaniclastic rocks, in the northern portion of the Drummond Basin. The mineralisation is structurally controlled epithermal veins within an andesite host rock. Mining is by underground methods with conventional leaching used to recover the mineralisation.

Cracow Gold Mine (Located 270kms West of Bundaberg) the Mine is now owned by ASX -AIS (Aeris Mining). The Original Endowment >2Moz Au. The recent Ore Reserves are 273Koz Au and the Resources 842Koz Au, Mining is by underground and the processing is conventional leach – The deposit is hosted by Permian Island Arc Andesites located on the eastern margin of the Bowen Basin. Gold mineralisation is Low sulphidation epithermal associated with quartz veining and zones of silicification, present as quartz lode, breccias the result of multi phased mineralisation that are structurally controlled. The host rocks are andesitic lavas, tuffs and coarse fragmentals. The Ore shoots are hosted within an E-W trending steeply S dipping zine 1000m x30m wide. Higher grade gold occurred within 5 deposits each occurring when the zone intersected cross cutting faults. Numerous regional smaller deposits occur.

Mt Rawdon – (Located 75kms W of Bundaberg) Owned by Evolution Mining is a massive Mid to Late Triassic IRGS deposit that is associated with fine disseminated pyrite and base metal sulphides as well as irregular discrete veinlets within the igneous host rocks. Reserves 1M oz Au Resource 1.3Moz Au. The gold mineralisation is associated with fine disseminated pyrite and base metal sulphides hosted by rhyolite intrusives breccias and related volcaniclastic pile. The deposit mined by Open Pit and the ore is processed by Conventional Leaching. Has produced 1.8Moz Au.

EAST COAST RANGE QLD GOLD COPPER EXPLORATION BY ASX LISTED COMPANIES

The ASX Listed explorers active in the East Coast Belt south of Charters Towers are discussed below

Canterbury -CBY holds the Briggs Cu Au Porphyry Project W of Gladstone Qld, where drilling to date has outlined copper mineralisation has been outlined over a strike length up to 600m, width up to 350m and depths up to 500m, within a broad Cu porphyry zone over a strike length of 2kms. Intersections include 370m @ 0.27% Cu, including a higher-grade interval of 28m @ 0.83% Cu. The Resource Estimate at a 0.1% Cu cut off is 205Mt @ 0.25% Cu.

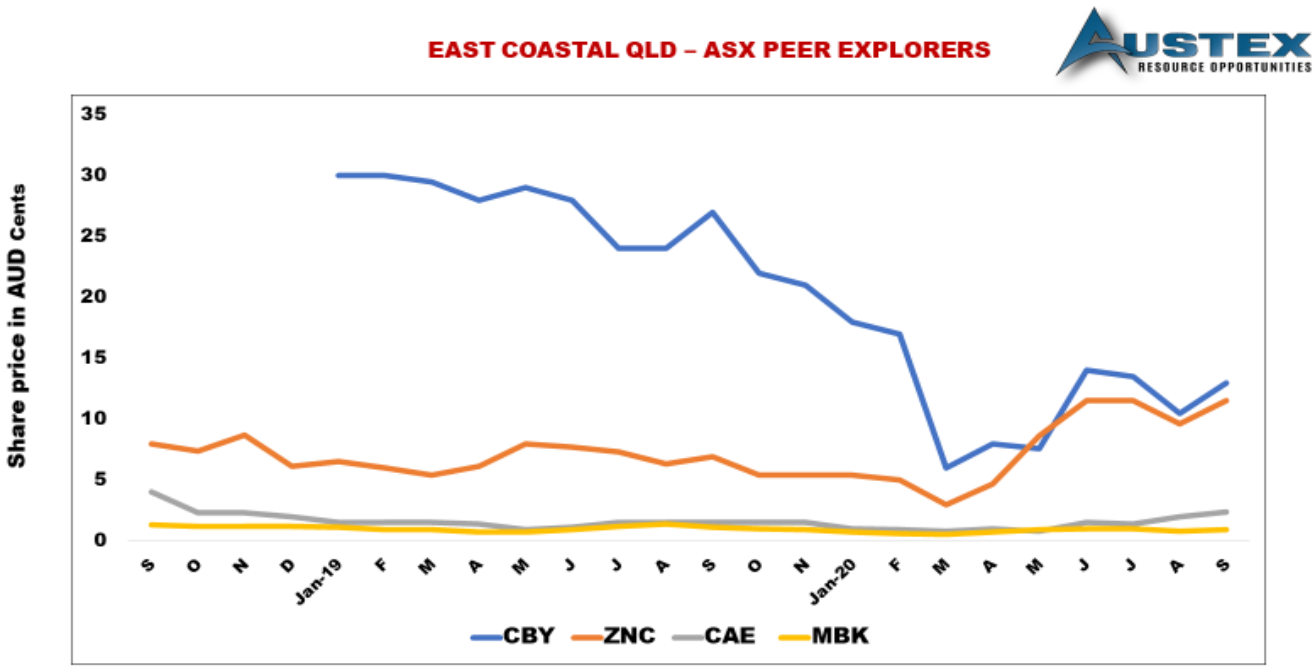
Metalbank - MBK hold the 8 Mile Project within the Perry Goldfield SE Qld, near the 2Moz Mt Rawdon Gold Mine, where a mineralized system has been outlined over +3.6kms. the Maiden Resource Estimate at the Flori Find Prospect is 195Kt @ 2.4g/t Au. Drill intersections include 22m @ 1.1g/t Au from 8mdh and 4m @ 5.5g/t Au from 76mdh.The mineralisation is open down dip and along strike. Drilling at the Perry Prospect returned 36m @ 1.2g/t Au from 36mdh. Further drilling is planned to fully test a geophysical magnetic low anomaly coincident with the mineralisation. MBK is of the view that the magnetic low may reflect hydrothermal alteration associated with IOCG mineralisation.

Zenith - ZNC holds the Red Mountain Gold Project in SE Qld where a 1200m long gold soils anomaly has been outlined, with an IP chargeability anomaly coinciding with a known volcanic breccia complex. Recent drilling includes 14m @ 5.5g/t Au from surface. ZNC also holds the Flanagans Gold Project also in SE Qld, where a 1.5kms long x 180m wide zone has been outlined with rock chip samples up to 20g/t Au.

Cannindah Resources – CAE holds the Mt Cannindah Gold Project 100kms S of Gladstone and is considered a porphyry style Cu Mo Au mineralizing system covering an area of greater than 9 sq km. Historic drilling has returned grades up to 10m @ 2.29g/t Au 12.6g/t Ag 0.33% Cu from 12mdh.

Table 1 – Comparing East Coast Queensland Explorers

CODE	COMPANY	MARKET CAP $M	CASH $M	ENTERPRISE VALUE $M	DEBT $M	12 MONTHS EXPLORATION SPEND $M	12 MONTHS CAPITAL RAISING $M
CBY	CANTEBURY RESOURCES	8.89	0.26	8.7	0.1	-4724	1183
ZNC	ZENITH MINERALS	33.85	1.29	32.6	0.0	-676	1663
CAE	CANNINDAH RESOURCES	2.90	0.02	7.7	4.8	-161	145
MBK	METAL BANK	8.83	0.82	8.0	0.0	-794	0



THE EAST LACHLAN FOLD BELT NSW -

The Lachlan Fold Belt (LFB) is a Middle Paleozoic complex orogenic geological province located principal in the Central West part of NSW but extending south into Western Victoria and Western Tasmania. To the north it has been overlain by the younger sediments of the Great Artesian Basin, in Queensland.

The original sediments were turbidites sourced from older Gondwana continental rocks, to the west, interbedded with andesites and basalts (volcanic rocks). During the subsequent Orogenic Period, major subduction zones formed in the west part of the Province, with island arc systems developed to the east.

The Macquarie Arc is one of the better-known island arc systems in the LFB and is a noted world-class porphyry copper-gold province. It can be divided into two major zones. The Western Junee Narromine Volcanic Belt, that hosts the Cowal, North Parkes and Tomingley Gold Mines, and the Eastern Molong - Kiandra Volcanic Belt, which hosts the Cadia Gold Copper Mine, the emergent McPhillamy Gold Mine and the recent Boda Discovery. The two zones are separated by a broad north south zone of less prospective quartz turbidites.

The Macquarie Arc is interpreted as a subduction complex that formed rapidly in the Late Ordovician, resulting in intrusions and associated mineralising episodes. A variety of gold deposit types occur, including shallow-level epithermal ("hot spring"), deeper hydrothermal (quartz ± carbonate veins), and porphyry (intrusion-related) deposits. Skarn mineralisation forms where magmatic-derived fluids react with carbonate host rocks. It is the potential for porphyry deposits that ranks the LFB as one of the highly prospective Precious & Base Metal Provinces in the globe. Porphyry deposits have the potential to provide

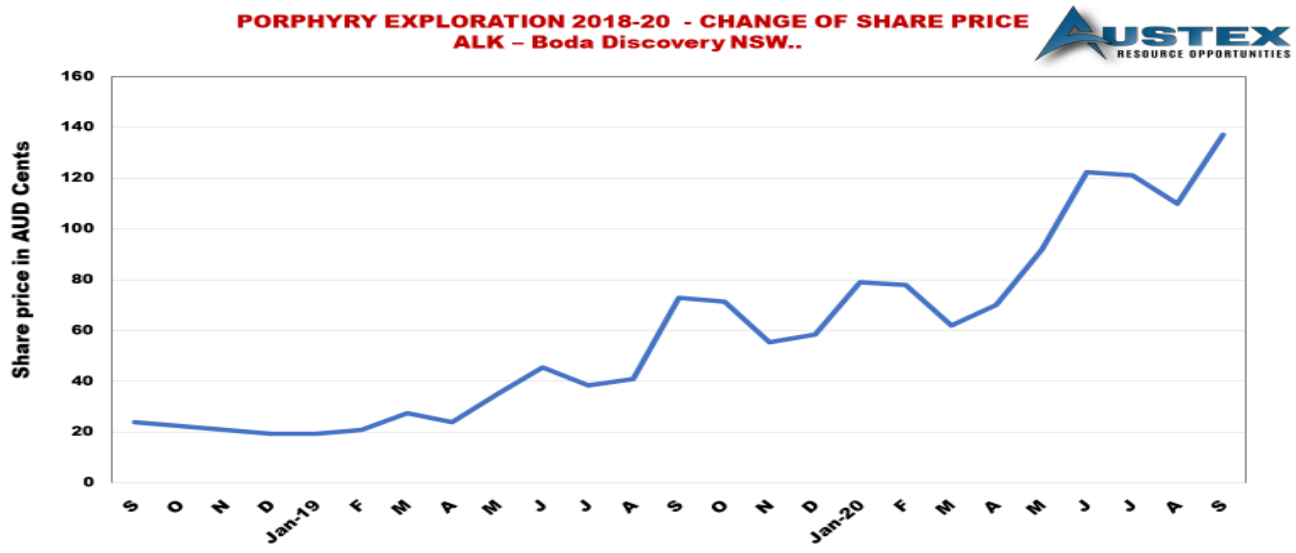
the size of deposit needed to allow bulk mining and other cost saving metals recovery techniques to be used, that attracts the major mining companies to the geological province. Whilst the cost of outlining a porphyry fully to an Ore Reserve is typically outside the scope of funding of an Exploration Company, they do attract Joint Venture funding from the Major Mining Companies, that will allow the Explorer to retain a minority interest in the Project without massive and ongoing shareholder dilution.

The Red Hill Project -

Red Hill is located 70 km NNW of Canberra and the Tenement covers 180 sq kms, which includes multiple mineralisation sites and prospects where skarn, epithermal and VMS mineralisation has been noted. The Project geology is Late Ordovician to Middle to Late Silurian, intruded by Early Devonian granites. The area covers an NNW trending belt, generally prominent on regional aeromagnetic as a chain of magnetic features. Cu Pb Zn mineralisation is associated with discrete veins hosted within sheared and or fractured Middle Silurian Volcanics. Gold & Silver mineralisation has also bene noted in the outcropping veins.
The geological structure at Red Hill is complex and the Project is worthy of an exploration program given other results within the East Lachlan Fold Belt, given recent discoveries such as the Boda Discovery made recently by ASX-ALK; which also with the Cadia Mine discussed above, demonstrates the potential of the area.

The Boda Porphyry Discovery

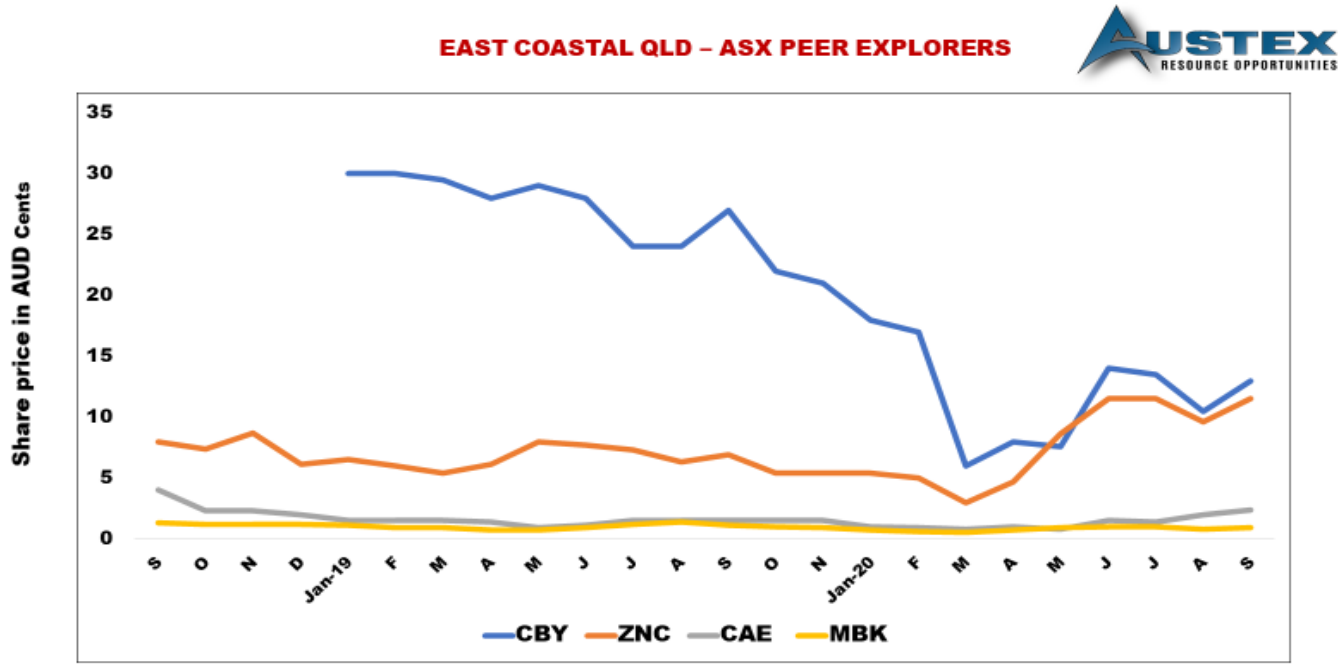
The Boda Discovery made 2019 has been a renewed interest at the northern end in the Molong Volcanic Belt by Exploration Companies, which is the result of ASX-ALK announced a significant new discovery at the Boda Prospect, within its Northern Molong Copper Gold Porphyry Project. The Project covers 110 sq kms of the Northern Molong Volcanic Belt. The Boda discovery drill hole intersected 502m @ 0.48g/t Au and 0.2% Cu, including 12m @ 3.28g/t Au 0.67% Cu from 419mdh. A further 5000m of step out drilling is scheduled to commence, to test the mineralisation both along strike and to depth. The Boda Prospect forms part of the Kaiser - Boda Intrusive complex which extends over a corridor 5kms of strike and 1km wide. The corridor geology is defined by monzonite intrusives, extensive alteration and widespread low-grade gold copper mineralization, within a host andesite-basalt volcanic and volcanoclastic sequences. Previous drilling at the Kaiser Prospect within 2kms of Boda has returned 111m @ 0.61g/t Au 0.08% Cu, 60m @ 0.81g/t Au 0.91% Cu., 40m @ 1.3g/t Au 0.22% Cu and 32m @ 0.53g/t Au 0.27% Cu.



LACHLAN FOLD BELT – ASX EXPLORATION COMPANY ACTIVITY

The discovery has also had impact on the surrounding projects along the Molong Volcanic High. Three exploration Company actively immediately adjacent to the Boda Discovery -

CODE	COMPANY	MARKET CAP $M	CASH $M	ENTERPRISE VALUE $M	DEBT $M	12 MONTHS EXPLORATION SPEND $M	12 MONTHS CAPITAL RAISING $M
IPT	IMPACT MINERALS	21.83	3.01	18.8	0.0	-1029	2101
MAG	MAGMATIC RESOURCES	51.95	4.85	47.5	0.4	-1381	7194
AQX	ALICE QUEEN	27.02	3.74	23.3	0.0	-1682	6947



Alice Queen AQX holds the Mendooran and Yarundury Cu Au Porphyry Projects situated within the Molong Volcanic Belt NSW, immediate north and along strike from of ASX-ALK's Boda-Kaiser Project. AQX advises that the Boda Discovery Hole is only 700m from the boundary of its tenements and based on magnetic data the same rock types extend onto its Yarundury Project.

Magmatic – MAG holds 1049 sq km, within the East Lachlan Belt NSW, including tenure along Molong Volcanic Belt, adjacent to a discovery by ASX-ALK. The projects include Wellington North Gold Project, located at the northern end of the Molong Belt, and surrounding a recent discovery by ASX-ALK at the Boda Au Cu Project. Two priority Au Cu porphyry targets have been identified, with drilling at Lady Ilse returning 78m @ 0.22 g/t Au from 27mdh and Rose Hill Prospect 71m @ 0.3g/t Au 0.43% Cu. Both Prospects are 6-8km from Boda. MAG is of the view that Lady Isle and Boda have similarities, with both having a wide zone of anomalous gold. MAG also points out that often the LFB porphyry deposits occur in clustered (Cadia up to 9 clusters and North Parkes 5). Elsewhere in the LFB, MAG holds the Myall Gold Project, where porphyry style Cu Au mineralization has been identified. Past drill intersections include 70m @ 0.54% Cu 0.15g/t Au from 141mdh at the Kingswood Prospect.

Impact–IPT holds the Commonwealth Cu Au Project situated on the Molong Volcanic Belt to the south of the Boda Discovery. Drilling in the Main Shaft Area has returned 8.1m @ 6g/t Au, 193g/t Ag, 5.9% Zn,

2.3%Pb and 0.16% Cu from 71mdh. Drilling at Commonwealth South returned 8m @ 5.1g/t Au 20 g/t Ag 1.33% Zn 0.5% Pb from 94mdh. Drilling at Silica Hill returned 48.6m @ 137g/t Ag 0.5g/t Au from 122mdh. Whilst the near surface mineralisation is epithermal at the Commonwealth Deposit and VMS at the nearby Silica Hill Deposit, IPT is of the view that a buried porphyry may occur at depth? The Company has reported near surface Inferred Resource Estimate of 88.8Koz Au, 3.3Moz Ag with significant Zn Pb Credits from the 3 areas. The Resource is open at depth and along trend. Whilst IPT's current focus is on the Blackridge Gold Project Clermont Qld, the Company is to undertake a review of the Commonwealth Project and hence it may recommence to focus there, for as to this time the IPT's shares have not enjoyed the upside of other Boda neighbors. Alternatively, the Project may be an Opportunity for others.

ENTERPRISE VALUATION – DUKE EXPLORATION LIMITED.

The Enterprise Value implied in the Prospectus for Duke Exploration PL is $10.7M. At this time Queensland early stage explorers have an average Enterprise value of $11M. Explorers that are more active, drilling and with some encouraging intersections have an average Enterprise Value of $24M. Committed explorers that have demonstrated the presence of a mineralized porphyries in Eastern Australia have an average Enterprise Value of $26M. AUSTEX is of the view that the Enterprise Value assigned to Duke Exploration in the Prospectus is "Fair and Reasonable" based on Enterprise value of its ASX listed peers

DISCLAIMER.

There is always a significant risk that despite the Geological Potential of the Company's Tenure that exploration drilling and subsequent evaluation fail to outline a commercial mining Project and that despite Managements best efforts the Company's share price will fall below that of the IPO**.**

For that reason Investors need to read the Risks section of the Prospectus carefully and talk to their Investment Advisor prior to investing in the Company.

AUSTEX is not a Financial nor Investment Advisor and hence cannot recommend investments in any Company including Duke Exploration Limited.

As a result, investors must seek the advice of their own Financial Advisor and also undertake their own detailed due diligence and reach their own decision as to whether an investment in Duke is right for them, and not rely in any way on the contents of this report alone.

AUSTEX does not accept any loss that any investor may occur by investing in Duke Exploration as a result of reading this report.

Yours Sincerely
AUSTEX RESOURCE OPPORTUNITIES PTY LTD.

Rob Murdoch FAusIMM CP (Geology & Management) FAIG
Principal Consultant