

# SHAREHOLDER UPDATE

JUNE 2019

April - June 2019

Dear Shareholder,

The Board met this month and the key highlights include:

- We have funds in the account. We are continuing to be prudent with our spend.
- No directors' fees are being paid to any director in cash except for a modest fee of \$36k pa for the Managing Director. It is intended that this will be reviewed at the end of September following the completion of the drilling program.
- Management believes the Bundarra tenement has the potential to be a significant copper producer with silver and gold credits. Our outlook for the immediate future is very exciting and positive. Please see below for more information.
- Our 10% free carry in Emmerson is also looking positive with recent results from drilling intersecting significant copper results.
- We believe staying private for now makes sense given market conditions and the geological results we are seeing. Duke's 10 cents fundraising is closed, and no more shares will be offered at 10 cents.

## EXPLORATION

### Bundarra

- Considerable work has been completed on EPM 26499 tenement - Bundarra Copper, Silver and Gold Project.
- There are 48 prospects within the Bundarra tenement. Current focus is on the Mt Flora prospect, which covers an area of 600x600m which is open in all directions.
- Mineralisation starts at surface as is evident from historic hand mining of high-grade veins in the 1870's which contain 12-20% copper and recorded grades reaching up to 30%. It is great to see mineralisation at the surface.
- Mt Flora has the potential for economic copper, silver, and gold resource definition, and is the most advanced in terms of work done (including mining and metallurgy studies in the 1970s) with pre JORC resources estimated for the Mt Flora mine area from underground mine development.
- 2D and 3D mapping and Block Modelling for Mt Flora has been undertaken using historical drilling and geological data prepared by other explorers.

- Duke has also undertaken Metallurgical test work on the Mt Flora and Quorn prospects which provides recovery data for Heap Leaching and Flotation Processing. These results confirm recoveries calculated in the 1970s. The metallurgical test work also confirms copper concentrate production to be 30% (well above industry norms of 20%). Recent exposed rock chip sample returned 12.5% Copper.
- A cut-off grade of 0.3% is being used to develop mining scenarios, including capex and operating costs that have been inputted into an economic model providing early indicative NPV and IRR data at Mt Flora.
- We will also finalise a digital terrain model enable finalisation of drill sites. This data will also assist us identify drilling coordinates.

### Next steps:

The Board have agreed to complete a drilling program in September 2019 and finalise a JORC Compliant Target statement

An interim economic model will then be finalised. The economic model will provide a indicative valuation of Mt Flora whereby capital raising will be supported by an estimated value of metal content.

- Initial results indicated are compelling.
- Results will be available after our initial drilling program, which is scheduled to be completed in September 2019.
- Duke's management believe by upgrading the value of the deposit, this will in turn upgrade the value of Duke's shares.



## PRAIRIE CREEK

Reminder – Duke owns 91% of this tenement.

- Native Title Agreement with the Wulli Wulli People has been agreed and signed by Duke and expected to be signed on the 6<sup>th</sup> July by the Native Title claimants.
- GNP (other Native Title claimants) are reviewing the agreement and Duke awaits their response.

## RED HILL

Fathom Geophysics have completed a magnetic inversion modelling of potential porphyry bodies the cover the Red Hill tenement. Preliminary results are very encouraging with 11 potential porphyry targets with near surface cupola shaped anomalies that extend from the surface at depth. Two of the targets are spatially related to known skarn copper and gold mineralisation from historic workings and drilling. These targets are similar to the one successfully drilled by Emmerson Resources (see below).

- A review of data over the Red Hill tenement, particularly the surface and drilling geochemistry data, for errors and potential omissions is in progress.
- The results of the magnetic inversions and the other updated data over the tenement will be used to create a detailed predictive model for porphyry Cu-Au mineralisation and to improve on the regional model that was completed in 2017. This will be used to prioritise targets and generate proposed exploration programmes for the highest ranked targets. This work will be partially completed during July/August.

## CLONCURRY

- Drill targets are finalised.

## DUKE'S INTEREST IN EMMERSON

- First pass drilling aimed at establishing the underlying geology and alteration have successfully intersected the outer zones of a porphyry copper system.
- Diamond drill hole WHDD002 intersected 8m at 0.4% copper from 194m including:
  - 1m at 1.4% copper
  - 1m at 0.9% copper
- Diamond drill hole WHDD001 intersected 17m at 0.4% zinc from 300m including:
  - 1m at 1.0% zinc
- Reverse Circulation drill hole WHRC004 intersected 3m at 0.4% copper from 91m and 3m at 0.22g/t gold from 231m.
- Mineralisation style is analogous to the Northparkes and Cadia-Ridgeway copper-gold deposits
- Program of additional geochemistry and geophysics currently in progress ahead of the next drill program which will target the higher-grade core of the Whatling Hill porphyry copper system.
- **Duke Exploration holds 10% free carried interest in Fifield.**
- <https://www.emmersonresources.com.au/>

Please contact us if you want to discuss more.



Toko Kapea  
Chairman  
[t.kapea@idexplore.com.au](mailto:t.kapea@idexplore.com.au)  
Ph+64 27 534 2886



Eugene Iliescu  
Managing Director  
[md@idexplore.com.au](mailto:md@idexplore.com.au)  
Ph +61 418 757 364