



Duke Exploration Limited  
ABN 28 119 421 868

## Half Year Report ended 31 December 2021

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**CORPORATE DIRECTORY****Directors**

**Toko Kapea**  
Non-Executive Chairman

**Philip Condon**  
Managing Director

**Paul Frederiks**  
Finance Director

**Ian McAleese**  
Non-Executive Director

**Company Secretary**

**Paul Frederiks**

**Registered office**

Level 27  
111 Eagle Street  
BRISBANE QLD 4000

**Corporate Postal Address**

PO Box 2057, ASCOT QLD 4007

**Internet**

[www.duke-exploration.com.au](http://www.duke-exploration.com.au)  
[info@duke-exploration.com.au](mailto:info@duke-exploration.com.au)

**Share registry**

Automic Limited  
Level 5, 126 Phillip Street  
SYDNEY NSW 2000  
Telephone: +1300 288 664  
International: +612 9698 5414

**Auditor**

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

**Solicitors**

GRT Lawyers  
Level 27  
111 Eagle Street  
BRISBANE QLD 4000

**Stock Exchange Listing**

Australian Securities Exchange  
Code: DEX

## DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### DIRECTORS

The names of the Directors of Duke Exploration Limited in office during or since the end of the half-year are:

Toko Kapea (Non-Executive Chairman)  
 Philip Condon (Managing Director)  
 Paul Frederiks (Finance Director)  
 Ian McAleese (Non-Executive Director)

### COMPANY SECRETARY

Paul Frederiks

### CORPORATE STRUCTURE

Duke Exploration Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is Level 27, 111 Eagle Street, Brisbane QLD 4000. It was incorporated on 26 April 2006.

### PRINCIPAL ACTIVITIES

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

### REVIEW AND RESULTS OF OPERATIONS

The Company realised an operating loss after tax for the financial period as listed below:

|  | 6 months ended 31<br>December 2021 | 6 months ended<br>31 December 2020 |
|--|------------------------------------|------------------------------------|
|  | \$                                 | \$                                 |
| Operating loss after income tax expense                      | (689,368)                          | (672,587)                          |
| Net loss attributable to members of Duke Exploration Limited | (689,368)                          | (672,587)                          |
| <b>Loss per Share (cents per share)</b>                      | <b>(0.66)</b>                      | <b>(1.28)</b>                      |
| Basic and diluted loss per share                             | (0.66)                             | (1.28)                             |

## DIRECTORS' REPORT (Continued)

### REVIEW AND RESULTS OF OPERATIONS (Continued)

In the 6 months to December 2021, Duke Exploration Limited has made considerable progress and undergone significant change. The key achievements and progress made during the period were as follows:

#### Corporate

- Successfully completed tranche 2 of the June 2021 share placement in July 2021 of which the total placement raised \$8,000,000,
- The annual general meeting was held virtually on 29 October 2021 with all resolutions passed on a poll,
- The Company recorded a loss for the half year of \$689,368 which was in line with budget. This included non cash expenditure comprised share based payment expense of \$151,314 and depreciation of \$26,840,
- The Company experienced net operating and investing cash outflows of \$3,702,557 of which \$3,416,311 related to exploration expenditure and \$2,364 was for the purchased of property, plant and equipment. As at 31 December 2021, the Company has net current assets of \$8,774,982 including cash and cash equivalents of \$9,026,841.

#### Exploration and Development

- 5 RC holes for a total of 1,111m were drilled at Mt Flora to finish the phase two resource drilling,
- 3 diamond holes were drilled for a total of 363.3m at Prairie Creek over the course of 30 days. The holes intersected gold and silver mineralisation, confirming historic results and added to the geological understanding of the prospect,
- 2 metallurgical diamond holes were completed at Mt Flora for a total of 246.7m. The core was logged on site at Bundarra and sent to Western Australia for processing,
- 2 diamond holes were drilled and one started at Bundarra for a total of 486m. The holes were planned to test the new exploration technique using electro geophysical surveys, soil sampling and mapping. All holes intersected visible copper mineralisation,
- A total of 16,287 soil samples were taken over the Bundarra Pluton, completing the aim of sampling the entire pluton. The soils programme mapped several known anomalies and highlighted four new discoveries,
- The 2011 historic airborne VTEM dataset was reprocessed by Technoimaging utilised their proprietary EMVision® software and GlassEarth® technology to produce a 3D model of conductivity and chargeability to a depth of 300m below surface covering most of the Bundarra project area,
- A three week mapping programme was undertaken across the Bundarra Pluton to review prospective areas in preparation for upcoming RC drill testing.

### SIGNIFICANT EVENTS AFTER REPORTING PERIOD

There were no matters or circumstances which have arisen since 31 December 2021, that would be likely to materially affect the operations of the Company, or its state of affairs, not otherwise disclosed in the Company's financial report.

### AUDITORS' INDEPENDENCE DECLARATION

The independence declaration of the Company's auditors is on page 13 of the half-year financial report and forms part of this report.

Signed in accordance with a resolution of the Directors.



**T. Kapea**  
**Non-Executive Chairman**  
**Brisbane, 25 February 2022**

# Duke Exploration Limited

ABN 28 119 421 868

## Half Year Financial Report ended 31 December 2021

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**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31  
DECEMBER 2021**

|   | 6 months<br>ended 31<br>December 2021<br>\$ | 6 months<br>ended 31<br>December 2020<br>\$ |
|---|---|---|
| <b>REVENUES</b>   |   |   |
| Interest income   | 8,203                                       | 2,707                                       |
|   | <b>8,203</b>                                | <b>2,707</b>                                |
| <b>EXPENSES</b>   |   |   |
| Other expenditure   | (114,621)                                   | (84,915)                                    |
| Accounting & Audit fees   | (95,005)                                    | (86,205)                                    |
| Consulting fees   | -   | (65,739)                                    |
| Legal fees  | (12,812)                                    | (119,265)                                   |
| Insurance   | (22,788)                                    | (20,518)                                    |
| Marketing expenditure   | (21,452)                                    | (44,588)                                    |
| Capital raising costs   | (20,932)                                    | (96,670)                                    |
| Employee benefits expense   | (231,807)                                   | (112,131)                                   |
| Share based payment expense   | (151,314)                                   | (36,245)                                    |
| Depreciation expense  | (26,840)                                    | (9,018)                                     |
| <b>Total expenses</b>   | <b>(697,571)</b>                            | <b>(675,294)</b>                            |
| <b>Loss before income tax expense</b>   | <b>(689,368)</b>                            | <b>(672,587)</b>                            |
| Income tax expense  | -   | -   |
| <b>Loss for the period</b>  | <b>(689,368)</b>                            | <b>(672,587)</b>                            |
| <b>Other Comprehensive Income</b>   | -   | -   |
| <b>Other Comprehensive Income for the period, net of tax</b>                            | -   | -   |
| <b>Total Comprehensive Loss for the period attributable to the owners of the parent</b> | <b>(689,368)</b>                            | <b>(672,587)</b>                            |
| Basic and Diluted loss per share (cents per share)                                      | <b>(0.66)</b>                               | <b>(1.28)</b>                               |

The above condensed statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

## CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

|   | Note | As at 31<br>December<br>2021<br>\$ | As at 30 June<br>2021<br>\$ |
|---|------|------------------------------------|-----------------------------|
| <b>ASSETS</b>                             |      |                                    |                             |
| <b>Current assets</b>                     |      |                                    |                             |
| Cash and cash equivalents                 |      | 9,026,841                          | 6,449,225                   |
| Trade and other receivables               | 4    | 140,523                            | 3,122,288                   |
| <b>TOTAL CURRENT ASSETS</b>               |      | <b>9,167,364</b>                   | <b>9,571,513</b>            |
| <b>Non-current assets</b>                 |      |                                    |                             |
| Other Assets – Tenement deposits          |      | 39,000                             | 39,000                      |
| Plant and equipment                       |      | 166,772                            | 193,248                     |
| Deferred exploration and evaluation costs | 3    | 9,798,440                          | 7,136,972                   |
| <b>TOTAL NON-CURRENT ASSETS</b>           |      | <b>10,004,212</b>                  | <b>7,369,220</b>            |
| <b>TOTAL ASSETS</b>                       |      | <b>19,171,576</b>                  | <b>16,940,733</b>           |
| <b>LIABILITIES</b>                        |      |                                    |                             |
| <b>Current liabilities</b>                |      |                                    |                             |
| Trade and other payables                  | 3    | 359,414                            | 1,114,256                   |
| Provision for employee benefits           |      | 32,968                             | 36,923                      |
| <b>Total current liabilities</b>          |      | <b>392,382</b>                     | <b>1,151,179</b>            |
| <b>TOTAL LIABILITIES</b>                  |      | <b>392,382</b>                     | <b>1,151,179</b>            |
| <b>NET ASSETS</b>                         |      | <b>18,779,194</b>                  | <b>15,789,554</b>           |
| <b>EQUITY</b>                             |      |                                    |                             |
| Issued capital                            | 4    | 21,270,032                         | 17,742,338                  |
| Reserves                                  | 5    | 456,858                            | 305,544                     |
| Accumulated losses                        |      | (2,947,696)                        | (2,258,328)                 |
| <b>TOTAL EQUITY</b>                       |      | <b>18,779,194</b>                  | <b>15,789,554</b>           |

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

## CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

|  |   | 31 December<br>2021 | 31 December<br>2020 |
|--|---|---------------------|---------------------|
|  |   | \$                  | \$                  |
| <b>Cash flows from operating activities</b>  |   |                     |                     |
| Payments to suppliers and employees  |   | (786,521)           | (626,305)           |
| GST received   |   | 508,968             | 85,018              |
| Interest received  |   | 8,204               | 2,709               |
| Net cash used in operating activities  |   | <b>(269,349)</b>    | <b>(327,232)</b>    |
| <b>Cash flows from investing activities</b>  |   |                     |                     |
| Payments for exploration and evaluation expenditure                                      |   | (3,430,844)         | (1,164,507)         |
| Payments for property, plant & equipment   |   | (2,364)             | (118,339)           |
| Net cash used in investing activities  |   | <b>(3,433,208)</b>  | <b>(1,494,192)</b>  |
| <b>Cash flows from financing activities</b>  |   |                     |                     |
| Proceeds from issue of shares and options  | 4 | 6,587,773           | 8,000,000           |
| Payments for share issue cost  | 5 | (307,600)           | (480,000)           |
| Net cash provided by financing activities  |   | <b>6,280,173</b>    | <b>7,520,000</b>    |
| Net increase/(decrease) in cash held   |   | <b>2,577,616</b>    | <b>5,698,576</b>    |
| Cash and cash equivalents at beginning of financial period                               |   | 6,449,225           | 1,644,389           |
| Effects of exchange rate fluctuations on the balances of cash held in foreign currencies |   | -                   | -                   |
| <b>Cash and cash equivalents at end of the period</b>                                    |   | <b>9,026,841</b>    | <b>7,342,965</b>    |

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.



## CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

|   | Issued<br>Capital<br>\$ | Accumulated<br>Losses<br>\$ | Reserves<br>\$ | Total Equity<br>\$ |
|---|-------------------------|-----------------------------|----------------|--------------------|
| <b>Balance at 1 July 2021</b>   | <b>17,742,338</b>       | <b>(2,258,328)</b>          | <b>305,544</b> | <b>15,789,554</b>  |
| Profit / (Loss) for the period  | -                       | (689,368)                   |                | (689,368)          |
| Other comprehensive income  | -                       | -                           | -              | -                  |
| Total comprehensive income for the period                               | -                       | (689,368)                   | -              | (689,368)          |
| <b>Transactions with owners in their capacity as owners</b>             | -                       | -                           | -              | -                  |
| Options issued during the period as approved by shareholders            | -                       | -                           | 151,314        | 151,314            |
| Shares issued during the period (net)                                   | 3,527,694               | -                           | -              | 3,527,694          |
| Total transactions with owners in their capacity as owners              | 3,527,694               | -                           | 151,314        | 3,679,008          |
| <b>Balance at 31 December 2021</b>                                      | <b>21,270,032</b>       | <b>(2,947,696)</b>          | <b>456,858</b> | <b>18,779,194</b>  |
|   | Issued<br>Capital<br>\$ | Accumulated<br>Losses<br>\$ | Reserves<br>\$ | Total Equity<br>\$ |
| <b>Balance at 1 July 2020</b>   | <b>3,565,039</b>        | <b>(884,947)</b>            | -              | <b>2,680,092</b>   |
| Profit / (Loss) for the period  | -                       | (672,587)                   |                | (672,587)          |
| Other comprehensive income  | -                       | -                           | -              | -                  |
| Total comprehensive income for the period                               | -                       | (672,587)                   | -              | (672,587)          |
| <b>Transactions with owners in their capacity as owners</b>             | -                       | -                           | -              | -                  |
| Performance Rights issued during the period as approved by shareholders | -                       | -                           | 138,125        | 138,125            |
| Options issued during the period as approved by shareholders            | -                       | -                           | 193,889        | 193,889            |
| Shares issued during the period (net)                                   | 7,362,356               | -                           | -              | 7,362,356          |
| Total transactions with owners in their capacity as owners              | 7,362,356               | -                           | 332,014        | 7,694,370          |
| <b>Balance at 31 December 2020</b>                                      | <b>10,927,395</b>       | <b>(1,557,534)</b>          | <b>332,104</b> | <b>9,701,875</b>   |

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 1 – CORPORATE INFORMATION

The general purpose interim financial report financial report of Duke Exploration Limited (the Company) for the half-year ended 31 December 2021 was authorised in accordance with a resolution of the Directors on 29 January 2022. Duke Exploration Limited is a Company limited by shares, incorporated and domiciled in Australia. It was incorporated on 26 April 2006.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (A) Statement of Compliance

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Duke Exploration Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### (B) Basis of Preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

##### a) Accounting Policies

The accounting policies and methods of computation applied by the Company in the interim financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2021 except for the adoption of new and amended standards as set out below.

##### b) New and Revised Accounting Standards

A number of new or amended standards became applicable for the current reporting period. The impact of the adoption of these standards did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

##### c) Fair Values

The fair values of Company's financial assets and financial liabilities approximate their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (C) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the commercial realisation of the Company's assets and the settlement of liabilities in the normal course of business.

The Company has incurred a loss for the period after tax of \$689,368 (2020: \$672,587) and experienced net operating and investing cash outflows of \$3,702,557 (2020: \$1,821,424). As at 31 December 2021, the Company has net current assets of \$8,774,982 (30 June 2021 net current assets of \$8,420,334) including cash and cash equivalents of \$9,026,841 (30 June 2021: \$6,449,225).

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

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

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

The Directors believe that the going concern basis of preparation is appropriate as they believe there is sufficient cash available for the Company to continue operating until it can raise sufficient further capital to fund its ongoing activities.

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

#### (D) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2021.

#### Key judgments – share based payment transactions

The Group 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 using the Hull-White and/or Monte Carlo models taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

|  | 31 December<br>2021<br>\$ | 30 June<br>2021<br>\$ |
|--|---------------------------|-----------------------|
| <b>NOTE 3 – DEFERRED EXPLORATION AND EVALUATION COSTS</b>                                  |                           |                       |
| Costs carried forward in respect of exploration areas of interest in the following phases: |                           |                       |
| Opening balance  | 7,136,972                 | 1,301,154             |
| Expenditure incurred   | 2,661,468                 | 6,047,164             |
| R&D Tax refund offset  | -                         | (211,346)             |
| <b>Total deferred exploration expenditure</b>  | <b>9,798,440</b>          | <b>7,136,972</b>      |

At 31 December 2021, the balance of deferred exploration and evaluation costs expenditure is in respect of the Company's Bundarra and Praire Creek projects in Qld and its Red Hill project in NSW. The recoupment of costs carried forward in relation to this area of interest is dependent on the successful development and commercial exploitation or sale of the area.

Trade payables were lower at 31 December 2021 compared to 30 June 2021 due to shutdown of drilling operations over the Christmas break which resulted in significant costs being paid by 31 December 2021.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

|   | 31 December<br>2021<br>\$ | 30 June 2021<br>\$ |
|---|---------------------------|--------------------|
| <b>NOTE 4 – CONTRIBUTED EQUITY</b>                                |                           |                    |
| Issued and Fully Paid Capital                                     |                           |                    |
| 105,419,627 (30 June 2021 –94,419,627 fully paid ordinary shares) | <b>21,270,032</b>         | <b>17,742,338</b>  |

As at 30 June 2021, the Company held funds of \$2,752,479 as a receivable relating to the Share Purchase Plan completed in late June 2021. These shares were allotted on 30 June 2021 and funds released to the Company on 1 July 2021.

|  |   | Number of<br>Shares |      | \$                |
|--|---|---------------------|------|-------------------|
| <b>Movement in ordinary share capital:</b> |   |                     |      |                   |
| <b>30 Jun 20</b>                           | <b>Balance end of financial year</b>              | <b>42,854,861</b>   |      | <b>3,565,039</b>  |
| 6/11/20                                    | Share Placement – IPO                             | 32,000,000          | 0.25 | 8,000,000         |
|  | Capital Raising expenses - IPO                    |                     |      | (480,000)         |
|  | Options Valuation for broker – IPO                |                     |      | (157,644)         |
| 17/6/21                                    | Share Placement                                   | 11,228,229          | 0.36 | 4,042,162         |
|  | Capital Raising expenses – share placement        |                     |      | (242,530)         |
| 29/6/21                                    | Share Purchase Plan                               | 7,645,912           | 0.36 | 2,752,479         |
| 30/6/21                                    | Shares issued on conversion of Performance Rights | 690,625             |      | 138,125           |
| 30/6/21                                    | Unissued Equity                                   |                     |      | 124,706           |
| <b>30 Jun 21</b>                           | <b>Balance end of financial year</b>              | <b>94,419,627</b>   |      | <b>17,742,338</b> |
| 21/7/21                                    | Reverse unissued equity                           |                     |      | (124,706)         |
| 21/7/21                                    | Share Placement                                   | 11,000,000          | 0.36 | 3,960,000         |
|  | Share capital raising expenses                    | -                   |      | (307,600)         |
| <b>31 Dec 21</b>                           | <b>Balance end of period</b>                      | <b>105,419,627</b>  |      | <b>21,270,032</b> |

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

|                              | 31 December<br>2021<br>\$ | 30 June 2021<br>\$ |
|------------------------------|---------------------------|--------------------|
| <b>NOTE 5 – RESERVES</b>     |                           |                    |
| Share-based Payments Reserve | 456,858                   | 305,544            |

### Nature and Purpose of Share-Based Payments Reserve

The share-based payments reserve is used to recognise the grant date fair value of options and performance rights issued to employees and other service providers.

| Movement in Reserves: |                                      | Number of<br>Options | \$             |
|-----------------------|--------------------------------------|----------------------|----------------|
| <b>30 Jun 21</b>      | <b>Balance end of financial year</b> | <b>7,053,043</b>     | <b>305,544</b> |
| 20 Jul 21             | Share Options <sup>1</sup>           | 1,250,000            | 151,314        |
| <b>31 Dec 21</b>      | <b>Balance end of period</b>         | <b>8,303,043</b>     | <b>456,858</b> |

| Options/Rights on Issue in Duke Exploration Limited | Number           | Exercise Price | Date Vested | Expiry Date |
|---|------------------|----------------|-------------|-------------|
| Lead Manager Options                                | 1,497,097        | \$0.50         | 10/11/2021  | 10/11/2022  |
| Share Options – Tranche 1                           | 1,851,646        | \$0.25         | 29/07/2021  | 10/11/2027  |
| Share Options – Tranche 2                           | 1,851,649        | \$0.25         | -           | 10/11/2027  |
| Share Options – Tranche 3                           | 1,851,651        | \$0.25         | -           | 10/11/2027  |
| Share Options – Tranche 1 <sup>1</sup>              | 416,666          | \$0.33         | -           | 20/07/2028  |
| Share Options – Tranche 2 <sup>1</sup>              | 416,667          | \$0.33         | -           | 20/07/2028  |
| Share Options – Tranche 3 <sup>1</sup>              | 416,667          | \$0.33         | -           | 20/07/2028  |
| Total Options/Rights on issue                       | <b>8,303,043</b> |                |             |             |

### <sup>1</sup>Share Options:

On 20 July 2021 the company issued 1,250,000 unlisted options to the Managing Director pursuant to the employee equity incentive plan and as approved at the Company's extraordinary general meeting on 20 July 2021. The options were granted for nil consideration. The options will vest in 3 tranches as outlined in the table below. The options are exercisable at 33 cents and expire on 20 July 2028.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 5 – RESERVES (Continued)

| Inputs into pricing model         | Share Options – Tranche 1  | Share Options – Tranche 2   | Share Options – Tranche 3   |
|-----------------------------------|--|---|---|
| Grant date                        | 20/07/2021   | 20/07/2021  | 20/07/2021  |
| Exercise price                    | \$0.33   | \$0.33  | \$0.33  |
| Vesting conditions                | <p>Milestone Target 1- The announcement of a completed Scoping Study for the Bundarra Project (which includes the Mt Flora prospect) demonstrating the economics of the project can justify proceeding toward a pre-feasibility study in accordance with listing rule requirements and the JORC Code.</p> <p>Milestone Target 2 - The announcement of an inferred resource at the Prairie Creek prospect as defined under JORC 2012 that is equal to or better than 4 million tonnes @1.5 g/t Au that equates to 200,000 oz of gold</p> <p>AND<br/>15% per annum compound share price increase from date of company listing or at least 33 cents whichever is higher (Share Price Hurdle).</p> | <p>Milestone Target 1 - The announcement of a completed Feasibility Study for the Bundarra Project demonstrating that developing an open pit mine is economically viable for the project in accordance with listing rule requirements and the JORC Code.</p> <p>Milestone Target 2 – The announcement of a completed Scoping Study for the Prairie Creek prospect demonstrating the economics of the prospect can justify proceeding toward a pre-feasibility study in accordance with listing rule requirements and the JORC Code.</p> <p>AND<br/>Share Price hurdle met</p> | <p>Milestone Target 1 – The announcement of all material consents and approvals to enable mine development to proceed at the Bundarra Project.</p> <p>Milestone Target 2 – The announcement of a completed Feasibility Study for the Prairie Creek prospect demonstrating the economics of the prospect can justify proceeding toward a pre-feasibility study in accordance with listing rule requirements and the JORC Code.</p> <p>AND<br/>Share Price hurdle met</p> |
| Share price at grant date         | \$0.33   | \$0.33  | \$0.33  |
| Expiry date                       | 20/07/2028   | 20/07/2028  | 20/07/2028  |
| Life of the instruments           | 7 years  | 7 years   | 7 years   |
| Underlying share price volatility | 100%   | 100%  | 50%   |
| Risk free interest rate           | 0.9%   | 0.9%  | 0.9%  |
| Price model                       | Hull-White   | Hull-White  | Hull-White  |
| Fair value at grant date          | \$0.20   | \$0.20  | \$0.22  |

### NOTE 6 - SEGMENT INFORMATION

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

### NOTE 7 - SUBSEQUENT EVENTS

There were no matters or circumstances which have arisen since 31 December 2021, that would be likely to materially affect the operations of the company, or its state of affairs, not otherwise disclosed in the company's financial report.

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Duke Exploration Limited, I state that

In the opinion of the Directors:

- (a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
  - (i) give a true and fair view of the company's financial position as at 31 December 2021 and the performance for the half-year ended on that date; and
  - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



**T. Kapea**  
**Non-Executive Chairman**  
**25 February 2022**



**AUDITORS' INDEPENDENCE DECLARATION**

Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
[www.bdo.com.au](http://www.bdo.com.au)

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

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

As lead auditor for the review of Duke Exploration Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'R M Swaby'.

**R M Swaby**  
Director

**BDO Audit Pty Ltd**

Brisbane, 25 February 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Duke Exploration Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Duke Exploration Limited (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the company's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

### **Responsibility of the directors for the financial report**

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

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**



**R M Swaby**  
Director

Brisbane, 25 February 2022