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ASX ANNOUNCEMENT

June 2014 Quarterly Activities Report

31 July 2014

ASX : DAU

CURRENT

ISSUED CAPITAL

Ordinary shares

66,685,050

Undiluted Market

Capitalisation

\$1.53M

DIRECTORS

Mr Malcolm Carson

Chairman

Mr Peter Evans

Non-Executive Director

Mr Peiji Zhang

Non-Executive Director

Ms Hui (Annie) Guo

Alternate Non-Executive
Director

CONTACT

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Summary

Wide ranging review of the Company undertaken and rationalisation measures implemented to significantly reduce corporate overhead and administration costs.

Successful defence of an opportunistic takeover of Dampier by Ord River Resources Limited ("Ord").

Commenced the review of several new investment opportunities, ranging from advanced exploration to near-production projects.

Obtained qualified interest from investors prepared to provide funding to Dampier for the acquisition and development of a near-to production project.

JORC gold resources at Plutonic Dome increased from 683,000 ounces to 778,000 ounces.

Positive feasibility study successfully completed by Ord on the K2 Deposit at the Plutonic Dome Project and approvals for dewatering of the open pit and the underground mine secured.

Ord commenced a definitive feasibility study ("DFS") for an underground mine on the Trident deposit at Plutonic Dome.

Malcolm Carson and Peter Evans appointed to the Board as non-executive directors. Mr Carson assumed the role of Chair.



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Corporate Overview

During the June quarter Dampier commenced a significant transformation. This included the appointment of two new Directors following receipt of shareholder's approval at a meeting on 8 May 2014 (Malcolm Carson and Peter Evans); together with a sharp reduction in administration overheads to a level more attuned to the prevailing market conditions and the nature of the Company's activities.

The new Board has been focussed on reducing costs, stabilising Dampier and repositioning the Company for future acquisitions and growth, all of which are now well underway.

During the period, Dampier successfully defended what was perceived in the market to be an undervalued and opportunistic take-over bid by Ord.

With respect to growth opportunities, the Board is pursuing a multi-pronged strategy comprising:

1. Identifying and reviewing, from a technical and commercial perspective, a number of gold and other commodity projects which range from well advanced exploration to near term development.
2. Advancing discussions with several investor groups, who have expressed an interest in supporting Dampier after the Company has identified new avenues for expansion and growth opportunities. These investor groups have also indicated a preparedness to assist with project financing after the Company has successfully secured a new project. Dampier has already commenced an active project review, with a focus within Australasia.

Operationally, during the quarter, Ord made strong progress with evaluation of the Dampier / Ord Plutonic Dome Gold Joint Venture and positioning the Project for future production with the completion of a feasibility study on the K2 deposit and the commencement of a Definitive Feasibility Study on the Trident deposit.

Pursuant to the Joint Venture, Ord can earn a total 75% equity interest in the Project as per the following farm-in terms.

Joint Venture Interest to be earned by Ord	Ord's expenditure commitment	Due date for completion of expenditure
30%	\$2,000,000	2 Oct 2014
Additional 15%	Additional \$1,000,000	2 Mar 2015
Additional 15%	Additional \$1,000,000	2 Aug 2015
Additional 15%	Additional \$2,000,000	2 Jan 2016



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Plutonic Dome Joint Venture

During the quarter, Ord initiated a fully underwritten \$3m capital raising and announced that it will commit a significant part of those new funds to the continued evaluation and development of the Plutonic Dome Gold Project. Dampier continues to work constructively with Ord as it implements its accelerated exploration and development programme.

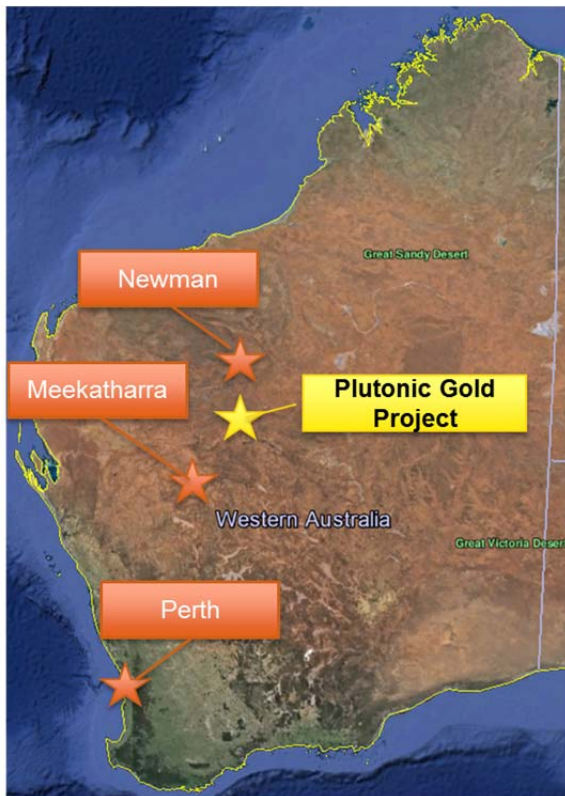
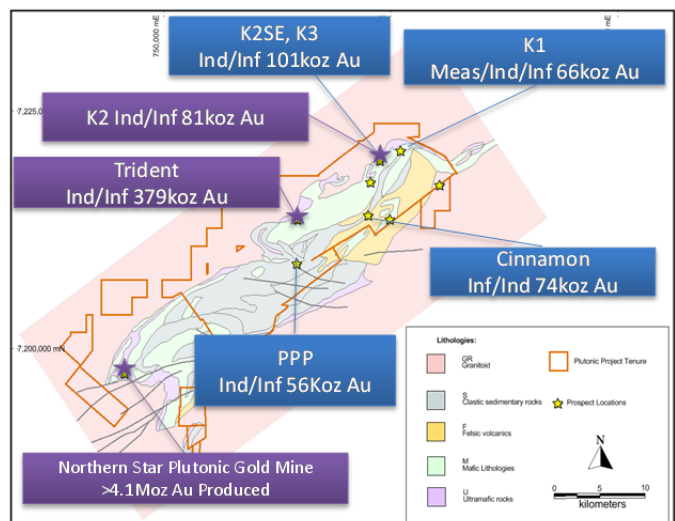
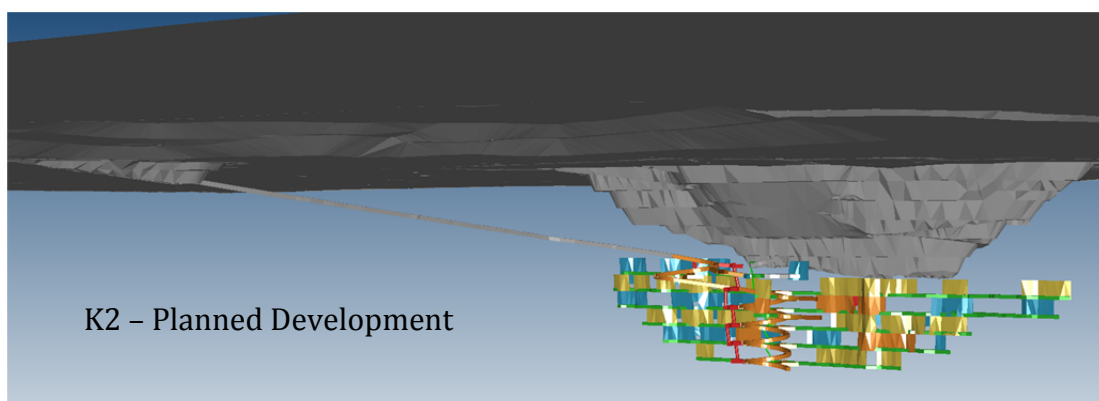


Figure: Location Plutonic Dome Gold Project and the deposits with JORC Compliant Resources of 7.7Mt @ 3.1g/t for 778,000 ounces gold.



During the quarter, Ord announced the following for the Plutonic Dome Gold Project:

1. Successful completion of a feasibility study on the 326,000t @ 7.7g/t (80,000 ounce) K2 deposit and the securing of statutory approvals for dewatering of the K2 open pit and the K2 underground mine to enable development and mining access to the underground deposit.

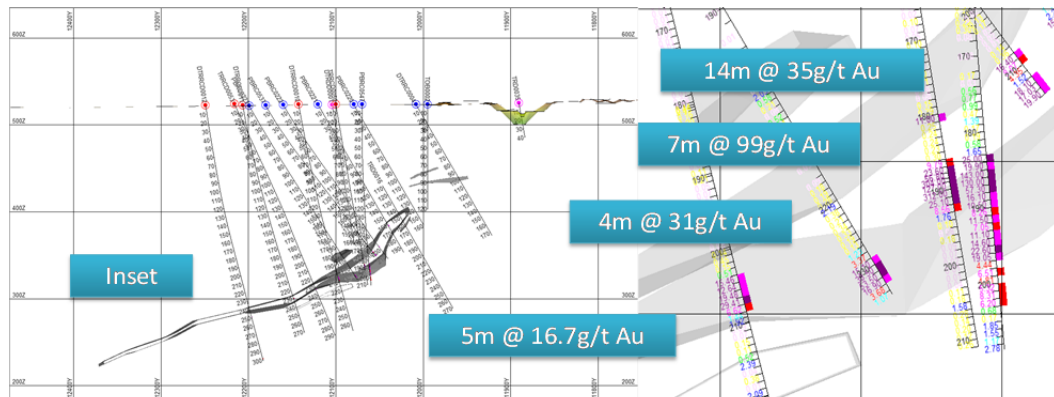




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2. A DFS commenced on the 2,210,000t @ 5.3g/t (380,000 ounce) Trident Deposit located 30km north of the Plutonic Gold Mine which is operated by Northern Star Limited (ASX:NST). The mining engineering firm Entech Pty Ltd has been appointed to manage this study. Entech is suitably credentialed, having completed the DFS for Sirius Resources' Nova Nickel Project, the underground study for Sandfire Resources DeGrussa Copper Project (20km south west of Plutonic Dome) and reserve estimations for Northern Star Resources' Paulson's Gold Mine.



High Grade Resource: 2,210,000t @ 5.3g/t Au for 379,000oz Au

Figure: Trident Resource Cross - Section

Mine evaluation drilling is scheduled to commence during the September quarter on the Trident deposit with program comprising 4,335m of reverse circulation (RC) drilling through the granite over thrust and 2,000m of diamond tails through the mineralised ultramafic. In addition to the analysis of the prospective intersections, the drill core is to be geotechnically logged and selected samples are to be sent for detailed metallurgical test work.

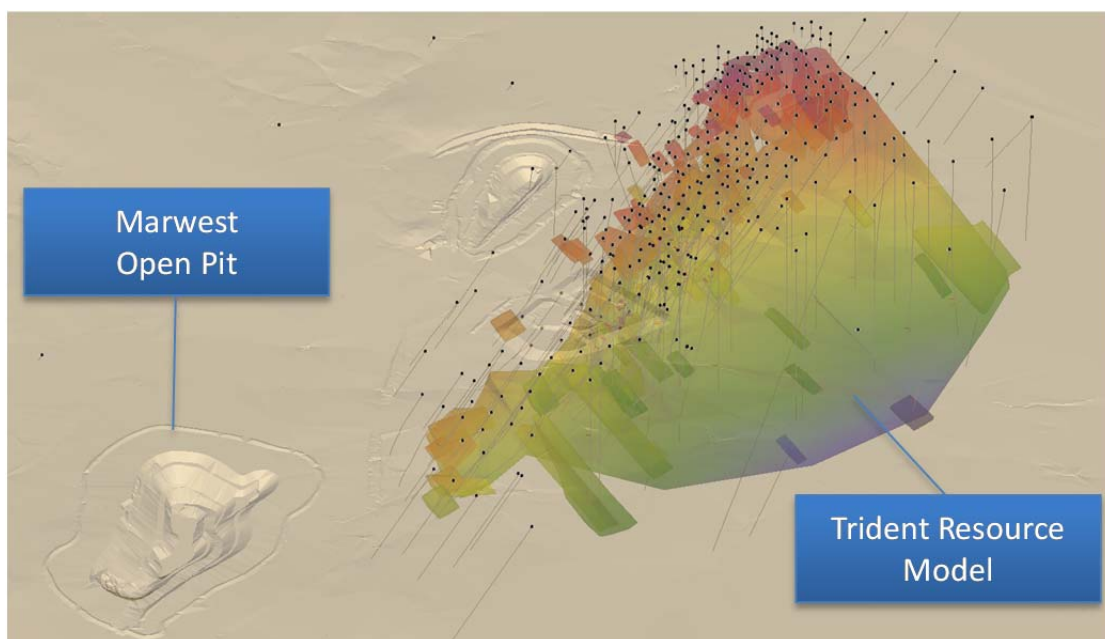


Figure: Trident 3D Model



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Plutonic Dome Gold Project, Mineral Resources as at 18th July 2014, as published by Ord on 23rd July 2014.

Deposit	OP/UG	Measured		Indicated		Inferred		Total		
		Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Ounces (000's)
*K2	UG	-	-	156	8.86	170	6.64	326	7.7	81
Sub-total		-	-	156	8.86	170	6.64	326	7.7	81
**K2SE	OP	-	-	866	1.11	782	1.08	1,648	1.1	58
Sub-total		-	-	866	1.11	782	1.08	1,648	1.1	58
**K3	OP	-	-	384	1.78	380	1.69	781	1.74	44
Sub-total		-	-	384	1.78	380	1.69	781	1.74	44
**Marwest	OP	-	-	-	-	267	2.5	268	2.5	21
Sub-total		-	-	-	-	267	2.5	268	2.5	21
***Trident	OP	-	-	-	-	-	-	-	-	-
	UG	-	-	854	6.2	1,356	4.8	2,210	5.3	379
Sub-total		-	-	854	6.2	1,356	4.8	2,210	5.3	379
***K1	OP	593	2.0	123	1.9	171	3.7	888	2.3	66
	UG	-	-	-	-	-	-	-	-	-
Sub-total		593	2.0	123	1.9	171	3.7	888	2.3	66
***ppp	OP	-	-	294	2.6	88	2.1	382	2.5	31
	UG	-	-	106	4	91	3.9	196	4	25
Sub-total		-	-	400	3	179	3	579	3	56
***Cinnamon	OP	-	-	961	2.3	54	2.3	1,015	2.3	74
	UG	-	-	-	-	-	-	-	-	-
Sub-total		-	-	961	2.3	54	2.3	1,015	2.3	74
Total		593	2.0	3,744	3.20	3,359	3.3	7,697	3.13	778

OP = open pit, UG = underground. Underground resources reported above a 3.0g/t Au cut-off.

* Resources reported in accordance with JORC 2012 Edition of Guidelines above a 3.0g/t Au cut-off grade.

** Resources reported in accordance with JORC 2012 Edition of Guidelines above a 0.5g/t Au cut-off grade.

*** Resources reported in accordance with JORC 2004 Guidelines. OP= open pit resources, reported within optimised conceptual pit shells at \$1,700/oz gold price above a 0.5g/t Au cut off. UG= underground resources, reported above a 3.0 g/t Au cut-off grade.

Due to rounding, tonnages and grades may not equate to exact contained ounces

Corporate

As a junior resources company, Dampier has to work through a historically difficult industry-wide slowdown, which has in particular adversely impacted the Australian gold exploration sector.

In downturns, shareholders expect that ongoing administration and operating costs will be rapidly addressed and appropriate action taken, whilst simultaneously working within difficult financial constraints, to grow the business in the best interests of shareholders. Achieving a balance in these competing activities, often requires difficult decisions to be made around all aspects of a company's business affairs.

Given the severity of this cyclical downturn, costs in Dampier have been carefully scrutinised and where possible materially reduced. Any embedded and legacy costs will continue to be assessed and recalibrated as the opportunity presents to more appropriately align these costs with current market conditions.



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Whilst addressing the down turn and committing meaningful resources to managing the Ord takeover bid, Dampier has now contracted to a size and with a cost base that is more attuned with the nature and level of its current activities. Notwithstanding this contraction, reducing expenses does come at a “cost” and can also take some time to work through the system, recognising that both contractual obligations and statutory requirements are still required to be met.

In the current environment, the imperatives of conserving cash and appropriately realigning costs remain a priority, whilst at the same time focussing on pursuing growth opportunities with the objective of restoring and rebuilding shareholder value.

Operationally, Dampier is committed to ensuring it remains a fully compliant ASX listed entity and the Board believes that the Company has significant leverage potential should market conditions improve, especially given its tight capital structure and its supportive shareholder and potential investor base.

As the Company’s primary asset, the Plutonic Dome Gold Project, has been joint ventured to Ord for up to the next 2 years, the Board is aggressively considering a range of value enhancing new projects.

The Company has undertaken significant work on identifying and reviewing a range of new, potentially value accretive opportunities. The Board has further established early stage dialogue with potential financial supporters who have indicated that, subject to Dampier being stable and well advanced on securing a near term producing asset, they have expressed interest in assisting with the Company’s future funding requirements.

The Board has been greatly encouraged by the shareholder support received to date, by the number of opportunities presented and by the potential support from substantive financiers in this difficult market.

Malcolm Carson
CHAIRMAN
DAMPIER GOLD LIMITED



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Competent Persons Statement:

Mr Malcolm Carson has compiled information in this report from exploration results released by Ord River Resources Limited. Malcolm Carson has sufficient experience that is relevant to the style of mineralisation, the types of deposits under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Mr Carson is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Geoscientists (AIG) and is a Director of Dampier Gold Limited. Mr Carson consents to the inclusion in the report the matters based on the information in which it appears.

Competent person's statement Plutonic Dome Gold Project:

The information in this announcement that relates to Mineral Resources for Marwest, K2, K2SE, K3 and Plutonic Dome Project Exploration Results is based on information compiled and fairly represented by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Geonomics Australia Pty Ltd. Mr King has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources for Trident, K1, PPP and Cinnamon is based on information compiled and reviewed by Mr Graham de la Mare who is a Member of the Australian Institute of Geoscientists and full-time employee of RungePincockMinarco Limited. Mr Graham de la Mare has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2004 JORC Code. Mr de la Mare consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.



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Mining Tenement Information – granted tenements:

Tenement	Status	Holders	Application	term
M52/367	Live	DAMPIER (PLUTONIC) PTY LTD	12-Mar-93	21 Years (Renewed)
M52/369	Live	DAMPIER (PLUTONIC) PTY LTD	12-Mar-93	21 Years (Renewed)
M52/370	Live	DAMPIER (PLUTONIC) PTY LTD	12-Mar-93	21 Years (Renewed)
M52/572	Live	DAMPIER (PLUTONIC) PTY LTD	31-Jul-95	21 Years
M52/396	Live	DAMPIER (PLUTONIC) PTY LTD	06-May-93	21 Years (Renewed)
E52/527	Live	DAMPIER (PLUTONIC) PTY LTD	28-Sep-90	5 Years (Extended)
M52/670	Live	DAMPIER (PLUTONIC) PTY LTD	18-Nov-97	21 Years
M52/671	Live	DAMPIER (PLUTONIC) PTY LTD	18-Nov-97	21 Years
M52/672	Live	DAMPIER (PLUTONIC) PTY LTD	18-Nov-97	21 Years
M52/246	Live	DAMPIER (PLUTONIC) PTY LTD	07-Feb-91	21 Years (Renewed)
M52/247	Live	DAMPIER (PLUTONIC) PTY LTD	07-Feb-91	21 Years (Renewed)
M52/395	Live	DAMPIER (PLUTONIC) PTY LTD	06-May-93	21 Years
M52/303	Live	DAMPIER (PLUTONIC) PTY LTD	27-Feb-92	21 Years (Renewed)
M52/304	Live	DAMPIER (PLUTONIC) PTY LTD	27-Feb-92	21 Years (Renewed)
M52/320	Live	DAMPIER (PLUTONIC) PTY LTD	25-May-92	21 Years (Renewed)
M52/321	Live	DAMPIER (PLUTONIC) PTY LTD	26-May-92	21 Years (Renewed)
M52/323	Live	DAMPIER (PLUTONIC) PTY LTD	26-May-92	21 Years (Renewed)
E52/2071	Live	DAMPIER (PLUTONIC) PTY LTD	09-Feb-07	5 Years (Extended)
E52/2072	Live	DAMPIER (PLUTONIC) PTY LTD	09-Feb-07	5 Years (Extended)
M52/253	Live	DAMPIER (PLUTONIC) PTY LTD	14-May-91	21 Years (Renewed)
M52/590	Live	DAMPIER (PLUTONIC) PTY LTD	01-Mar-96	21 Years
M52/593	Live	DAMPIER (PLUTONIC) PTY LTD	01-Mar-96	21 Years
M52/779	Live	DAMPIER (PLUTONIC) PTY LTD	02-Jul-01	21 Years
M52/780	Live	DAMPIER (PLUTONIC) PTY LTD	02-Jul-01	21 Years
M52/257	Live	DAMPIER (PLUTONIC) PTY LTD	15-May-91	21 Years (Renewed)
M52/258	Live	DAMPIER (PLUTONIC) PTY LTD	15-May-91	21 Years (Renewed)
M52/259	Live	DAMPIER (PLUTONIC) PTY LTD	15-May-91	21 Years (Renewed)
M52/269	Live	DAMPIER (PLUTONIC) PTY LTD	01-Jul-91	21 Years (Renewed)
M52/270	Live	DAMPIER (PLUTONIC) PTY LTD	01-Jul-91	21 Years (Renewed)
M52/183	Live	DAMPIER (PLUTONIC) PTY LTD	11-Sep-89	21 Years (Renewed)
P52/1393	Live	DAMPIER (PLUTONIC) PTY LTD	25-Jan-11	4 Years
M52/654	Live	DAMPIER (PLUTONIC) PTY LTD	30-May-97	21 Years
M52/278	Live	DAMPIER (PLUTONIC) PTY LTD	09-Aug-91	21 Years (Renewed)
M52/279	Live	DAMPIER (PLUTONIC) PTY LTD	09-Aug-91	21 Years (Renewed)
M52/233	Live	DAMPIER (PLUTONIC) PTY LTD	11-Jul-90	21 Years (Renewed)
M52/234	Live	DAMPIER (PLUTONIC) PTY LTD	11-Jul-90	21 Years (Renewed)
M52/235	Live	DAMPIER (PLUTONIC) PTY LTD	11-Jul-90	21 Years (Renewed)
M52/299	Live	DAMPIER (PLUTONIC) PTY LTD	19-Dec-91	21 Years (Renewed)
M52/217	Live	DAMPIER (PLUTONIC) PTY LTD	07-May-90	21 Years (Renewed)
M52/218	Live	DAMPIER (PLUTONIC) PTY LTD	07-May-90	21 Years (Renewed)
M52/219	Live	DAMPIER (PLUTONIC) PTY LTD	07-May-90	21 Years (Renewed)
M52/220	Live	DAMPIER (PLUTONIC) PTY LTD	07-May-90	21 Years (Renewed)
M52/226	Live	DAMPIER (PLUTONIC) PTY LTD	29-Jun-90	21 Years (Renewed)
M52/227	Live	DAMPIER (PLUTONIC) PTY LTD	29-Jun-90	21 Years (Renewed)
M52/228	Live	DAMPIER (PLUTONIC) PTY LTD	29-Jun-90	21 Years (Renewed)
M52/229	Live	DAMPIER (PLUTONIC) PTY LTD	29-Jun-90	21 Years (Renewed)
M52/230	Live	DAMPIER (PLUTONIC) PTY LTD	29-Jun-90	21 Years (Renewed)
M52/231	Live	DAMPIER (PLUTONIC) PTY LTD	29-Jun-90	21 Years (Renewed)
M52/232	Live	DAMPIER (PLUTONIC) PTY LTD	29-Jun-90	21 Years (Renewed)
M52/291	Live	DAMPIER (PLUTONIC) PTY LTD	03-Dec-91	21 Years (Renewed)
M52/292	Live	DAMPIER (PLUTONIC) PTY LTD	03-Dec-91	21 Years (Renewed)
M52/293	Live	DAMPIER (PLUTONIC) PTY LTD	03-Dec-91	21 Years (Renewed)
P52/1220	Live	DAMPIER (PLUTONIC) PTY LTD	09-Feb-07	4 Years
P52/1221	Live	DAMPIER (PLUTONIC) PTY LTD	09-Feb-07	4 Years
P52/1222	Live	DAMPIER (PLUTONIC) PTY LTD	09-Feb-07	4 Years
P52/1223	Live	DAMPIER (PLUTONIC) PTY LTD	09-Feb-07	4 Years
M52/366	Live	DAMPIER (PLUTONIC) PTY LTD	23-Feb-93	21 Years (Renewed)
M52/305	Live	DAMPIER (PLUTONIC) PTY LTD	09-Mar-92	21 Years (Renewed)
M52/306	Live	DAMPIER (PLUTONIC) PTY LTD	09-Mar-92	21 Years (Renewed)
M52/478	Live	DAMPIER (PLUTONIC) PTY LTD	18-Feb-94	21 Years



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Mining Tenement Information – applications pending:

Tenement	Status	Holders	Application	Area
L52/154	Pending	DAMPIER (PLUTONIC) PTY LTD	05-Mar-13	372.263 HA
M52/781	Pending	DAMPIER (PLUTONIC) PTY LTD	02-Jul-01	937 HA
M52/782	Pending	DAMPIER (PLUTONIC) PTY LTD	02-Jul-01	952 HA

No tenements were acquired or disposed of during the quarter.

There were no changes to beneficial interest in any mining tenements during the quarter due to Farm-in of Farm-out agreements.

No beneficial interests in Farm-in or Farm-out agreements were acquired or disposed during the quarter.