

ASX RELEASE

29 JANUARY 2021

**DECEMBER 2020
QUARTERLY ACTIVITIES REPORT**

Dampier Gold Limited (**Dampier, DAU or Company**) (ASX:DAU) is pleased to report on its extensive exploration activity for the 3 month period ended 31 December 2020. Compared to the September quarter, it was an even more productive and rewarding period, further advancing exploration on the Zuleika Shear Paradigm East Project (**Paradigm East**), the Browns Dam Project (**Browns Dam**), the Goongarrie Gold Project (**Goongarrie**), the Menzies Gold Project (**Menzies**), follow-up work on the Credo Well Gold Project (**Credo**) and the Company's litigation against Vango Mining Limited (**Vango**).

Furthermore, during the quarter the Company completed the planning for a Stage 1 30,000m exploration program which is scheduled to commence at the end of January 2021, (announced 17 December 2020).

ISSUED CAPITAL

Ordinary shares: 342,042,265
Market Capitalisation: ~\$17M
Cash: \$3.1M

DIRECTORS

Mr Malcolm Carson
Executive Chairman
Ms Annie Guo
Managing Director
Mr Peiqi Zhang
Non-Executive Director

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Highlights for the quarter were:

- Completed reverse circulation (RC) and aircore (AC) drilling on the Paradigm East Project with high grade gold results including 24m @ 6.39g/t Au, including 4m @ 34.74 g/t Au.
- Discovered a new gold zone at Browns Dam with over 2km strike with a peak result of 5m @ 3.1 g/t from 38m depth.
- Completed a comprehensive soil program on the Credo Gold Project confirming a broad zone of anomalous gold and arsenic defining a hydrothermal gold system with two kilometres of strike.
- Completed auger drilling on the Goongarrie Gold Project, confirming anomalous gold and nickel values.
- Completed an auger drilling program on the Menzies Gold Project, generating encouraging anomalous gold results.
- Attended court ordered mediation with Vango Mining Limited (ASX:VAN) regarding Dampier's claim for its beneficial interest in the K2 Gold Project which despite best endeavours by Dampier, was unsuccessful.
- Secured third party funding for the supreme court litigation against Vango Mining Limited.
- Secured a \$6,000,000 capital raising and planned an aggressive 2021 exploration program, 30,000m of RC and AC in Stage 1.

Location Dampier projects

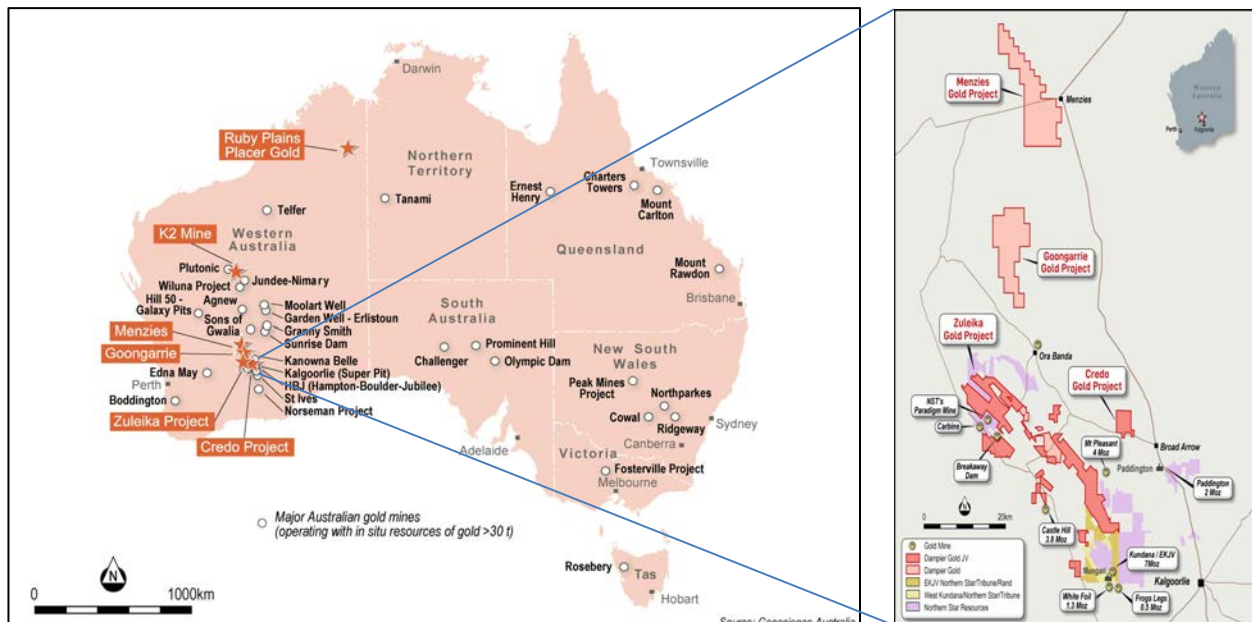


Figure 1 Kalgoorlie/Menzies Tenements

Completed RC and AC drilling at Paradigm East on the Zuleika Shear

On 28 October 2020, Dampier announced the spectacular results from its Phase 2 AC drilling at Paradigm East, which forms part of the Zuleika Gold Joint Venture with Torian Resources Limited (Zuleika Gold Project) building on the results of Phase 1 RC drilling program announced on 15 September 2020.

The Zuleika Gold Project sits within the gold rich Kundana/Ora Banda district of the Kalgoorlie Goldfield and consists of an extensive land holding (223sqkm, see Figure 1) along significant regional structures within highly prospective stratigraphy which has been the host to more than 20 million ounces of gold production over the last 30 years (still producing), with scope for more discoveries.

Exceptional intercepts within the composite sampling were (see Figure 2):

- 24m @ 6.4 g/t Au from 28m incl 4m @ 34.7 g/t Au from 32m in DPEAC0021
- 8m @ 2.2 g/t Au from 48m incl 4m @ 3.3 g/t Au from 48m in DPEAC0004

Other intercepts >100ppb Au (0.1ppm Au) were also returned from holes DPEAC0010 and 11, which confirm anomalous gold and suggests the presence of further mineralisation yet to be discovered.

The confirmation of the mineralised zone is considered to be indicative of a significant mineralised system producing high grade gold zones. Figure 2 shows the location of Dampier's RC and AC drill holes and outlines three interpreted mineralised zones along 700m of strike.

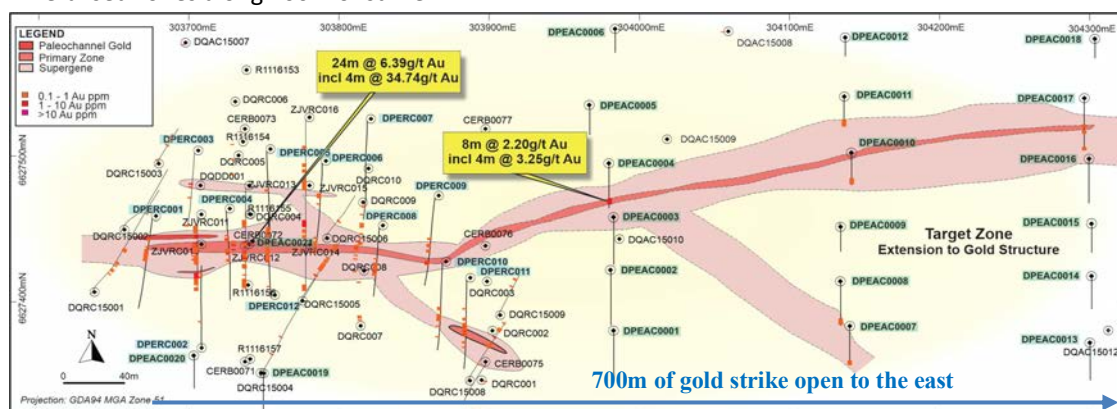


Figure 2 Paradigm East Phase 1 (RC) and Phase 2 (AC) drilling results showing mineralised zones

Discovery of new gold zone at Browns Dam on Zuleika Shear over 2km of strike

On 15 October 2020, Dampier announced the results from its Phase 1 aircore drilling on the Zuleika Shear, Browns Dam Gold Prospect. Best intercepts within the 4m composite sampling were **5m of 3.1 g/t Au** from 38m Including **1m @ 6.60 g/t Au, repeat 7.01 g/t Au** from 42m and **1m @ 5.23 g/t Au** from 39m in DBDAC0026 and **2m of 0.85 g/t Au** and **4m of 0.68 g/t Au** from 51m, including **17m of 0.33 g/t** from 40m in DBDAC0027.

Numerous high-level gold anomalies of greater than **50ppb Au** were intersected within a 120m wide anomalous zone and 6 holes intersected anomalous gold above **100ppb**, over a broader 300m wide anomalous zone (see Figure 3).

The AC drilling was designed to test a zone of interpreted ultramafics along the Zuleika Shear, a major regional gold host. Historically there was only minor drilling within the area. Dampier's interpretation of the geophysics identified several complex structural zones and potential flexures along the main Zuleika trend, which drilling was designed to test.

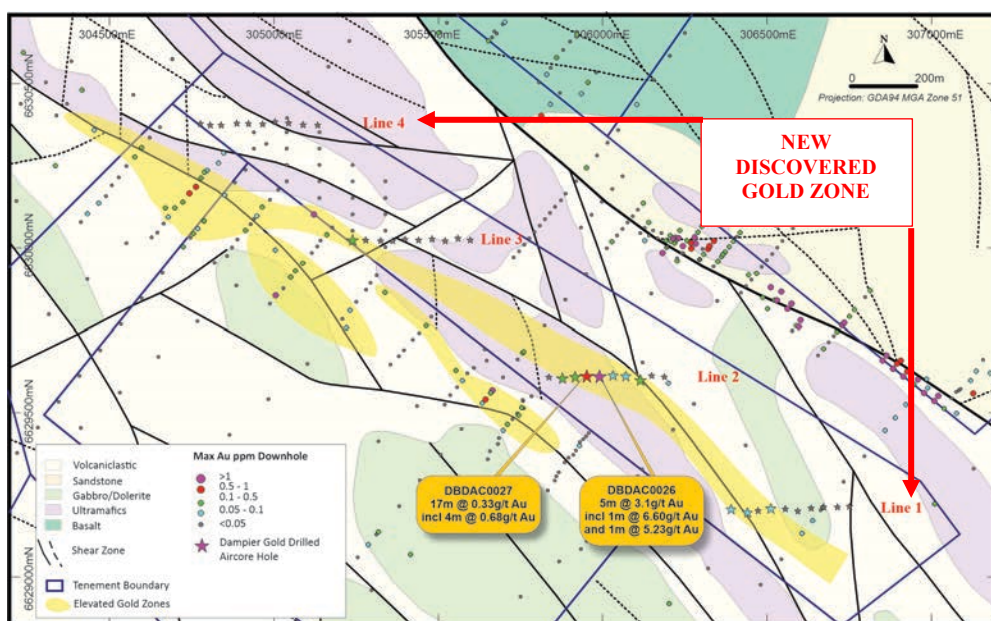


Figure 3 Browns Dam Aircore drilling results and new gold zone

Credo Gold Project soils confirm anomalous gold zone in a “high grade gold corridor”

On 7 October 2020, Dampier announced the results of a soil sample orientation program with assays to an accuracy of 0.001 ppb (1 ppm). The soil results confirmed the existence of an anomalous zone oriented north east – south west between Credo North West and Credo Well oriented and parallel to the Credo mineralised systems which is open to the south east 2.5km. The >200m wide cross cutting anomalous structure is open to the south west and crosses the high-grade corridor, (see Figure 4).

A follow-up expanded soil survey was undertaken in November/December 2020 and the results announced on 21 January 2021. The survey extended the orientation soil sampling program announced on 7 October 2020 covered both the corridor between the previously defined Credo NW and the Credo Well resources and extended the sampling a further 1.7km to the south-east over the interpreted extended corridor, (see Figure 5).

Results of up to 193 ppb Au were received from the Credo Well North area in the orientation survey amongst a background level of gold of 2-5 ppb. Results from the recent sampling have returned several anomalous zones >5 ppb Au with up to 45 ppb Au in addition to the anomalies from the orientation survey up to 193 ppb Au.

The north east trending shears that host gold in drilling at Credo Well and Credo Well North suggest that they may be repeated in the anomalous zones throughout the soil survey. The gold mineralisation also has support from anomalous arsenic assay results which are broadly coincident with the high-grade corridor, further defining a hydrothermal gold system.

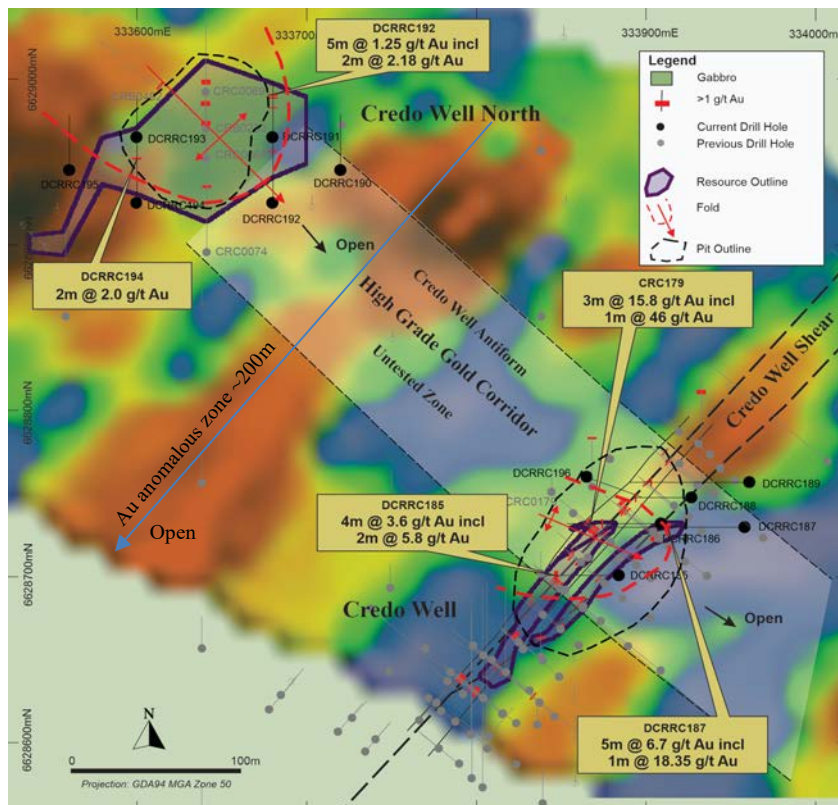


Figure 4 Soil anomalies super imposed on the high-grade corridor and pit outlines

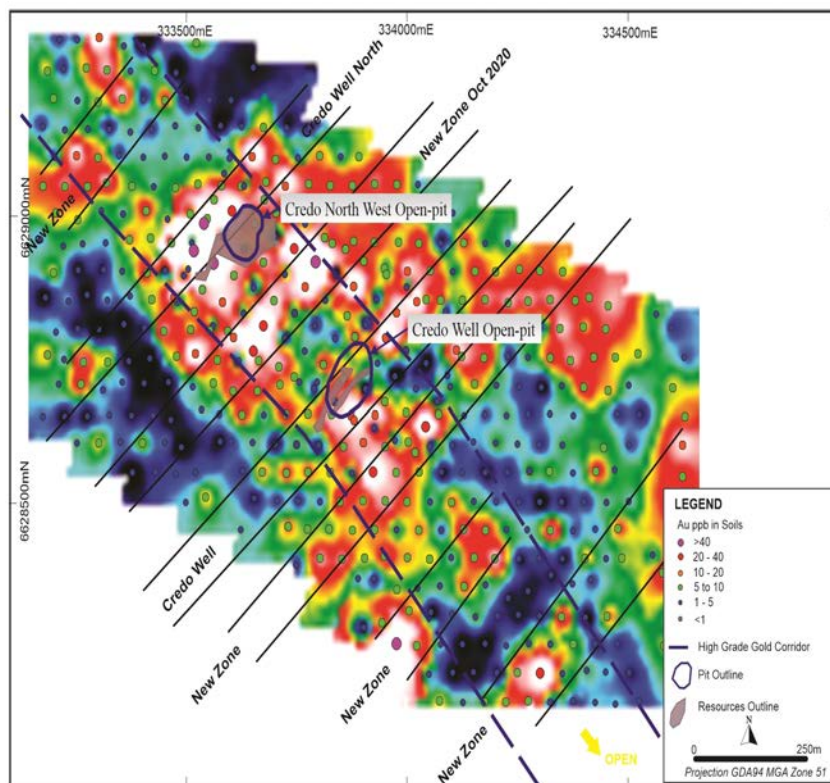


Figure 5 gold results in soils, high grade corridor

Due to the fresh gabbro near the surface adjacent to the Credo Well mine, reverse circulation drilling will be undertaken in the upcoming Stage 2 2021 exploration program to test these new anomalous zones in in the north west corner of the tenements.

High grade gold and nickel Values at Goongarrie Gold Project

On 12 October 2020, Dampier announced the results from a Stage 2 auger drilling program which returned high nickel and gold values.

The auger soil results have identified several gold anomalies, some of which overlie magnetic responses which coincide with the underlying granitic and mafic/ultramafic rocks. The soils information has provided lithological and structural targets to be further tested by aircore and reverse circulation drilling, (see Figures 6 and 7).

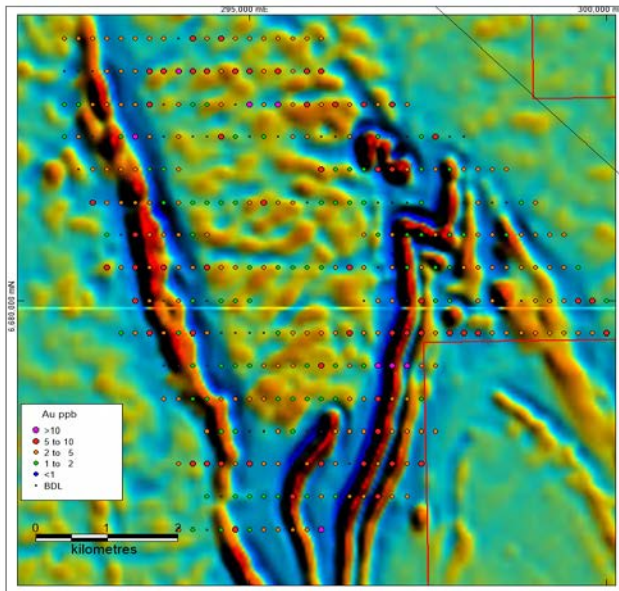


Figure 6 Goongarrie auger drill results on magnetics

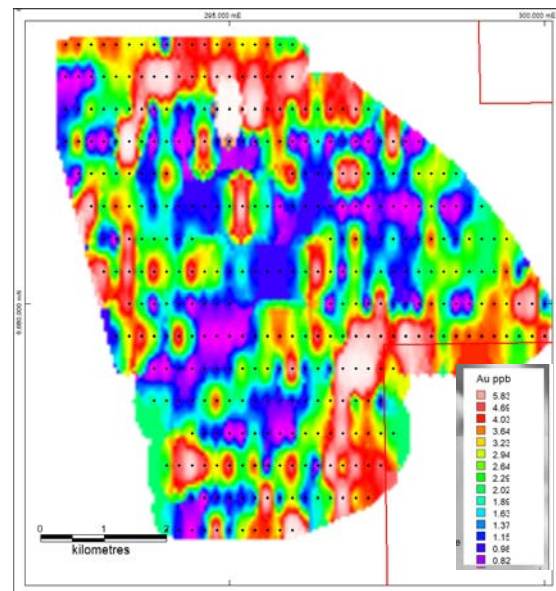


Figure 7 Goongarrie auger drill assay results

Menzies Gold Project

On 6 August 2020, Dampier announced that the Company would undertake on-ground exploration on its Menzies Gold Project (Menzies) in August. The program being ~600 auger hole soil geochemical sampling program in lightly explored exploration terrain to test the granite-greenstone stratigraphy obscured by pervasive transported cover. (see Figure 8)

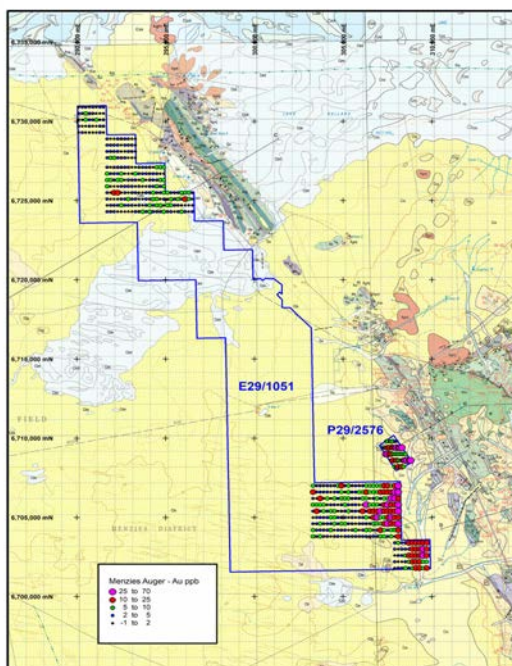


Figure 8 Menzies Project auger sample locations

The Project is largely under transported sand and soil cover and lake sediments. Gold exploration targets are based on interpreted structures near the contact of granite and greenstones.

The auger soil program on E29/1052 was separated into a northern and southern areas.

Highlights of the program included the highly anomalous and coherent results from P29/2576 with peak values up to 70ppb gold and the broad coherent gold anomalism returned from the southern area of E29/1052, with peak values of up to 46ppb gold.

30,000m RC and AC 2021 Stage 1 Exploration Program

On 17 December 2020 Dampier announced a Stage 1 30,000m RC and AC exploration program following a successful oversubscribed two tranche capital raising of \$6 million led by Cannacord Genuity and announced on 7 December 2020

Highlights of the 2020 maiden field season have been:

- Strong RC results and maiden resource at Credo Well (ASX Ann. 2 June 2020)
- Orientation soil program identifying new anomalous zone at Credo Well (ASX Ann. 7 October 2020)
- Significant RC and AC results at Paradigm East (ASX Ann. 15 September 2020 and 28 October 2020)
- New gold zone discovered at Browns Dam (ASX Ann. 15 October 2020)
- Anomalous gold and nickel at Goongarrie (ASX Ann. 12 October 2020)
- Anomalous gold at Menzies (ASX Ann. 12 November 2020)

These results have confirmed the highly prospective nature of the Company's gold project portfolio. The work was completed in a highly efficient and effective manor and the new funding will allow further systematic drilling of the known gold systems and the delineation of new systems by systematic evaluation of priority targets.

The Stage 1 2021 exploration program will consist of 20,000m AC program along with 10,000m RC drilling as well as mapping, geophysical interpretation, auger and soil sampling over the tenement portfolio with a view to identifying additional targets for drill testing.

A budget of \$2.8 million has been set for this phase of exploration, with the aim to:

- advance existing resources
- advance the data on mineralised zones to move these to resources
- identifying additional mineralisation and significant gold systems
- define new targets in the untested tenements in the Dampier portfolio

Dampier's continues with its litigation against Vango re the K2 Gold Project

On 3 August, the Company confirmed that it had commenced proceedings in the Supreme Court of Western Australia against Vango Mining Limited and Dampier (Plutonic) Pty Ltd seeking substantial damages, costs and an order requiring the transfer of Dampier's beneficial interest earned pursuant to the K2 Project Farm-in-Joint Venture Binding Term Sheet.

The court required the parties to provide discovery by 10 September 2020, with inspection of discovered documents by 18 September 2020. A court mediation conference occurred in the fourth quarter of 2020, (ASX Ann. 12 November 2020).

The dispute was not resolved at mediation, consistent with its desire to expedite the resolution of the court proceedings of this substantial matter, Dampier has sought to have the proceeding listed for trial as early as possible in 2021.

Malcolm Carson
Chairman

Competent Persons Statement

Mr Malcolm Carson has compiled the information in this report from information and exploration results supplied to Dampier Gold Limited. Malcolm Carson has sufficient experience that is relevant to the style of mineralisation, the type 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 and Allegiance Coal Limited. Mr Carson consents to the inclusion in the report of the matters based on the information in which it appears.

PAYMENTS TO RELATED PARTIES:

During the quarter a total of \$122,706 was paid to related parties of the Company as follows:

- \$18,000 for director's fees
- \$13,000 paid to a director for office rent
- \$91,706 for the provision of director's full-time services including superannuation

Listing Rule 5.3.1

Dampier advises that in accordance with ASX Listing Rule 5.3.1, the Company spent \$533,000 on exploration and evaluation activities during the quarter. These activities related to expenditure on Zuleika \$340,000, Credo \$125,000, Menzies \$22,000 and Goongarrie \$21,000 and Ruby Plain \$25,000.

TENEMENT HOLDING

| Tenement ID | Status | Current Area HA | Locality |
|-------------|---------|-----------------|--------------------|
| E80/5143 | Live | 170 BL | Ruby Plains |
| E80/5144 | Live | 21 BL | Flora Valley |
| E80/5162 | Live | 20 BL | Ruby Plains |
| E80/5291 | Live | 10 BL | Ruby Plains |
| E80/5292 | Live | 14 BL | Ruby Plains |
| E80/5293 | Live | 4 BL | Ruby Plains |
| E80/5294 | Live | 6 BL | Ruby Plains |
| E80/5295 | Live | 29 BL | Wolfe Creek |
| P16/3223 | Live | 171.01 | Leo Dam |
| P16/3224 | Live | 111.12 | White Elephant Dam |
| P16/3225 | Live | 191.56 | Balgarrie East |
| P16/3226 | Live | 196.71 | Balgarrie East |
| P16/3227 | Live | 196.63 | Balgarrie East 3 |
| P16/3228 | Live | 197.00 | Balgarrie East 4 |
| P16/3229 | Live | 199.47 | Balgarrie East 5 |
| P16/3236 | Live | 179.89 | Balgarri |
| P16/3237 | Live | 171.66 | Balgarri (2) |
| P16/3238 | Live | 174.52 | Balgarri West |
| P29/2573 | Live | 196.27 | Menzies (1) |
| P29/2575 | Live | 199.16 | Menzies (3) |
| P29/2576 | Live | 199.24 | Menzies (4) |
| P16/3268 | Pending | 123.00 | Balgarrie 1 |
| P16/3269 | Pending | 180.00 | Balgarrie 2 |
| P16/3270 | Pending | 186.00 | Balgarrie 3 |
| P16/3274 | Pending | 148.00 | Balgarrie South |
| P16/3275 | Pending | 140.00 | Balgarrie South |
| P24/5434 | Pending | 48.00 | Browns Lagoon |
| P29/2574 | Pending | 193.00 | Menzies (2) |
| E29/1051 | Live | 55 BL | Goongarrie West |
| E29/1052 | Live | 70 BL | Menzies West |

| Tenement ID | Status | Current Area HA | Locality |
|-------------|---------|-----------------|---------------|
| M24/975 | Pending | 1,589.00 | Credo Well |
| P24/4418 | Live | 155.00 | Credo Well |
| P24/4419 | Live | 133.00 | Credo Well |
| P24/4420 | Live | 150.00 | Credo Well |
| P24/4421 | Live | 160.00 | Credo Well |
| P24/4422 | Live | 131.00 | Credo Well |
| P24/4423 | Live | 106.00 | Credo Well |
| P24/4424 | Live | 104.00 | Credo Well |
| P24/4425 | Live | 137.00 | Credo Well |
| P24/4426 | Live | 128.00 | Credo Well |
| P24/4427 | Live | 85.00 | Credo Well |
| P24/4428 | Live | 120.00 | Credo Well |
| P24/4429 | Live | 150.00 | Credo Well |
| P24/4468 | Live | 46.00 | Credo Well |
| P24/4996 | Live | 86.00 | Rose Dam East |
| P24/5247 | Live | 8.78 | Credo Well |

| Tenement ID | Status | Current Area HA | Locality |
|-------------|--------|-----------------|-------------------------|
| E24/190 | Live | 7 BL | White Flag Lake |
| M16/229 | Live | 191.00 | Zuleika |
| M16/491 | Live | 218.00 | Hawkins Find |
| P16/2837 | Live | 153.00 | Balgarrie |
| P16/2843 | Live | 36.00 | Balgarrie West |
| P16/2853 | Live | 62.00 | Balgarries |
| P16/2882 | Live | 121.00 | Breakaway Dam |
| P16/2884 | Live | 165.00 | O'Loughlin |
| P16/2885 | Live | 95.00 | O'Loughlin Dam |
| P16/2896 | Live | 160.00 | O'Loughlin Dam |
| P16/2902 | Live | 78.10 | Kundana - North of |
| P16/2943 | Live | 180.00 | 4Kms East of Kintore |
| P16/2944 | Live | 175.00 | Red Dam |
| P16/2945 | Live | 145.00 | Breakaway Dam |
| P16/2946 | Live | 196.00 | Breakaway Dam |
| P16/2947 | Live | 186.00 | Breakaway Dam |
| P16/2948 | Live | 198.00 | O'Loughlin Dam |
| P16/2949 | Live | 178.00 | O'Loughlin Dam |
| P16/2950 | Live | 184.00 | Brown Dam |
| P16/2951 | Live | 196.00 | Carbine |
| P16/2952 | Live | 196.00 | Carbine |
| P16/2953 | Live | 180.00 | Chadwin Dam |
| P16/2959 | Live | 194.00 | Halfway Dam |
| P16/2960 | Live | 200.00 | Kintore East |
| P16/2964 | Live | 45.50 | 2km's East of Star Dam |
| P16/2965 | Live | 194.00 | Star Dam |
| P16/2966 | Live | 142.00 | Number 2 Dam |
| P16/2967 | Live | 70.00 | Number 2 Dam |
| P16/3161 | Live | 196.52 | 12 Mile Dam |
| P16/3162 | Live | 199.85 | Broad Dam |
| P16/3174 | Live | 164.11 | 4kms West Breakaway Dam |
| P16/3175 | Live | 194.04 | 3kms NE of George Dam |
| P16/3176 | Live | 201.74 | 2kms NE of George Dam |
| P16/3177 | Live | 193.74 | 2kms SW Breakaway Dam |
| P16/3178 | Live | 193.04 | 4kms East George Dam |
| P16/3210 | Live | 47.26 | Rocky Dam Zuleika |
| P24/4679 | Live | 175.00 | White Flag Lake |
| P24/4749 | Live | 8.01 | White Flag Lake |
| P24/4827 | Live | 192.00 | Stack Dam |
| P24/4828 | Live | 136.30 | Crown Dam |
| P24/4933 | Live | 195.37 | Leo Dam West |
| P24/5078 | Live | 180.00 | Brown Dam |
| P24/5079 | Live | 122.00 | Chadwin Dam |
| P24/5080 | Live | 134.00 | Chadwin Dam |
| P24/5081 | Live | 174.50 | Chadwin Dam |
| P24/5332 | Live | 170.41 | Gum Tree Dam |