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## **DAMPIER GOLD LIMITED**

**ACN 141 703 399**

### **NOTICE OF GENERAL MEETING**

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**TIME:** 12:00 pm (AEST)

**DATE:** 3 March 2017

**PLACE:** Level 27  
25 Bligh Street  
Sydney, NSW, Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 42 999 5000.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 12:00 pm (AEST) on Friday 3 March 2017 at:

Level 27  
25 Bligh Street  
Sydney, NSW, Australia

### Your vote is important

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The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm (AEST) on 1 March 2017.

### Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – CHANGE TO SCALE OF ACTIVITIES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as described in the Explanatory Statement.”*

**Short Explanation:** If successful, the Proposed Transaction will result in the Company changing the scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature or scale of its activities. ASX has advised the Company that it will not be required to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a shareholder, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 27 January 2017**

**By order of the Board**

**Malcolm Carson**  
**Director**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution.

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### 1. GENERAL INFORMATION IN RELATION TO THE PROPOSED TRANSACTION

#### 1.1 Background to the Company

Dampier Gold Limited (**Company** or **Dampier**) is an Australian public company listed on the official list of ASX (ASX code: DAU). The Company was admitted to the official list of ASX on 23 August 2010 with its principal activity being the exploration of gold in Western Australia.

Since its admission, Dampier has been engaged in the development of the Plutonic Dome Gold Project which includes the tenements comprising the K2 Mining Project. Completion of the acquisition of the Plutonic Dome Gold Project by the Company occurred on 13 August 2010, immediately before its admission to ASX, and the Company has been involved in the exploration and development of the Plutonic Dome Gold Project as its main undertaking since that time.

As announced on 19 November 2013, the Company entered into a farm-in and joint venture agreement with Vango Mining Limited (ACN 108 737 711) (**Vango**) (previously called Ord River Resources Limited), under which Vango earned an interest in the tenements comprising the Plutonic Dome Gold Project (**2013 Joint Venture**).

In 2016, the Company and Vango entered into a further agreement for the sale of the remaining interest held by Dampier in the Plutonic Dome Gold Project tenements to Vango, which was completed on 25 August 2016 (**2016 Sale Agreement**).

#### 1.2 Background to Change in Scale of Activities

As announced on 17 January 2017, Dampier and Vango have now entered into a farm-in heads of agreement in relation to the development of the K2 Mining Project, which falls within the tenements comprising the Plutonic Dome Gold Project, pursuant to which Dampier will contribute to the capital costs of the development of the K2 Mining Project in consideration for an interest of up to 50% in the tenements comprising the K2 Mining Project (**Heads of Agreement**) (**Proposed Transaction**).

ASX has determined that the Proposed Transaction will require Shareholder approval under ASX Listing Rule 11.1.2 (Resolution 1). Following settlement of the Proposed Transaction the Company intends to develop the K2 Mining Project in conjunction with Vango. Further information on the K2 Mining Project and the Heads of Agreement are outlined in Sections 1.3 and 1.4 below.

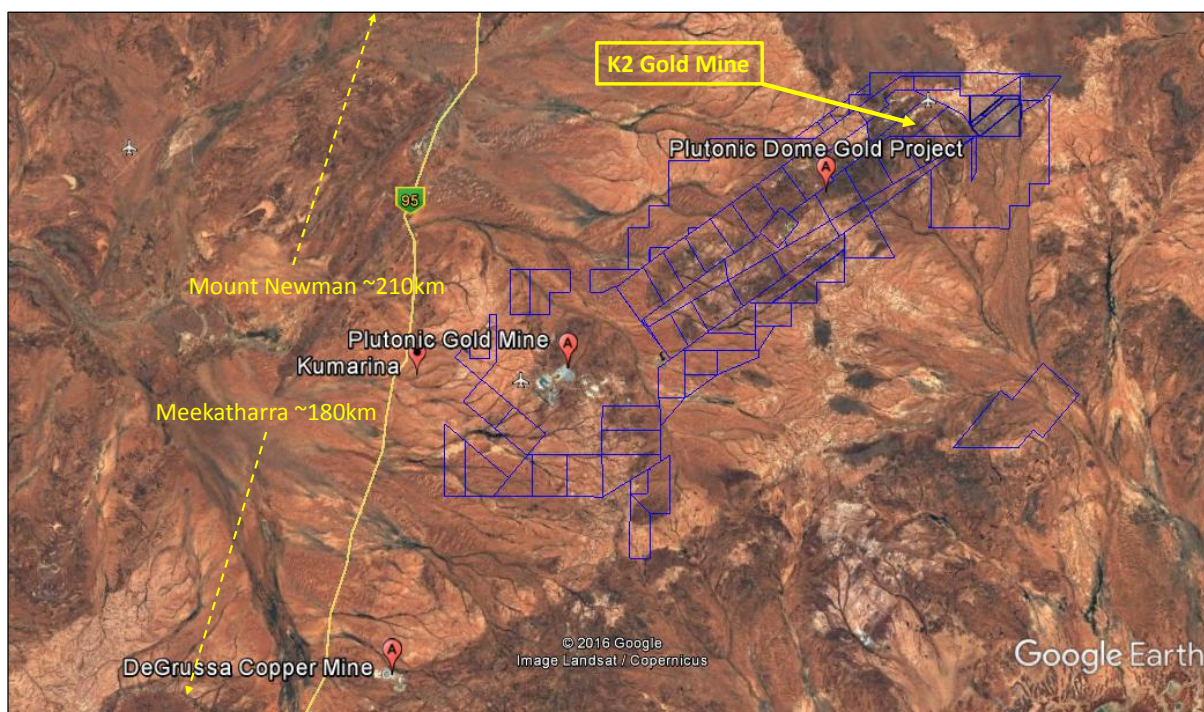
This Notice sets out the Resolution necessary to complete the Proposed Transaction. Subject to Shareholders' approval of the Resolution and the terms of the Heads of Agreement, including satisfaction or waiver of the condition precedent outlined in Section 1.4 below, the Company proposes to change the scale of its activities, as required by ASX (Resolution 1).

Other information considered material to a Shareholder's decision on whether to vote in favour of the Resolution is set out in this Explanatory Statement. Shareholders are advised to read this information carefully.

### 1.3 K2 Mining Project

As announced to ASX on 17 January 2017, the Company and Vango have entered into the Heads of Agreement, whereby Dampier may finance up to 50% of the capital cost for the development of the K2 Mine in exchange for up to a 50% equity interest in the tenements comprising the K2 Mining Project.

The Plutonic Dome Gold Project is in NW Western Australia, south of Mt Newman, north of Meekatharra and near the Kumarina Road House.

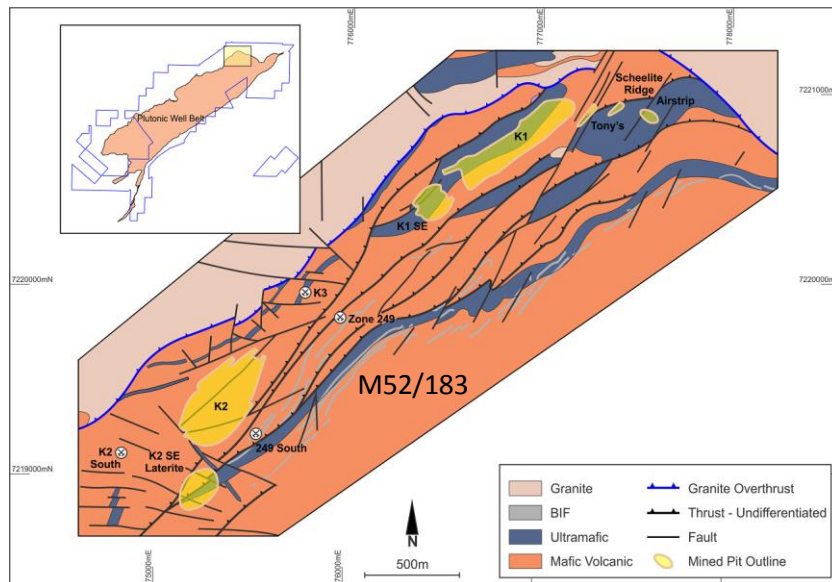


#### Location K2 Gold Mine and Plutonic Dome Gold Tenements

Stage 1 scoping and feasibility studies completed by West Australian based Entech Mining Engineering Consultants on behalf of Dampier/Vango were undertaken in 2014.

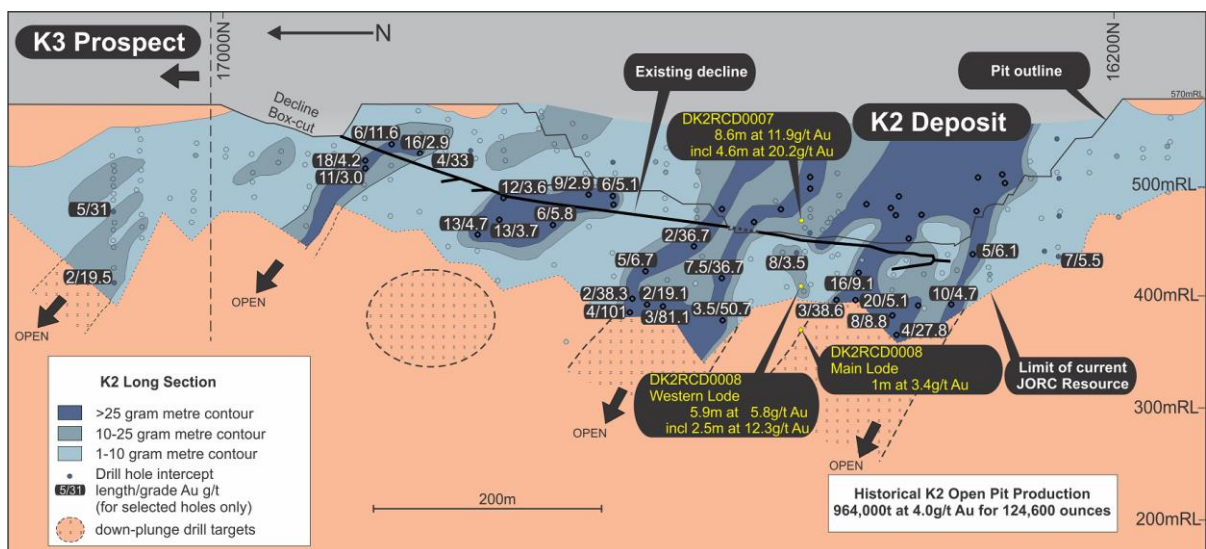
De-watering of the underground decline will commence immediately following the refurbishment of the ramp to the portal and the receipt of environmental approval.

Drilling is expected to commence early in Q1 2017 to further define and enhance the ore shoots along the decline (see below).



The K2 Gold Mine is in the northwest portion of the tenement block ~35km by existing haul road from the Plutonic Gold Mine Treatment Plant, and in the south west portion M52/183, as shown in the adjacent image.

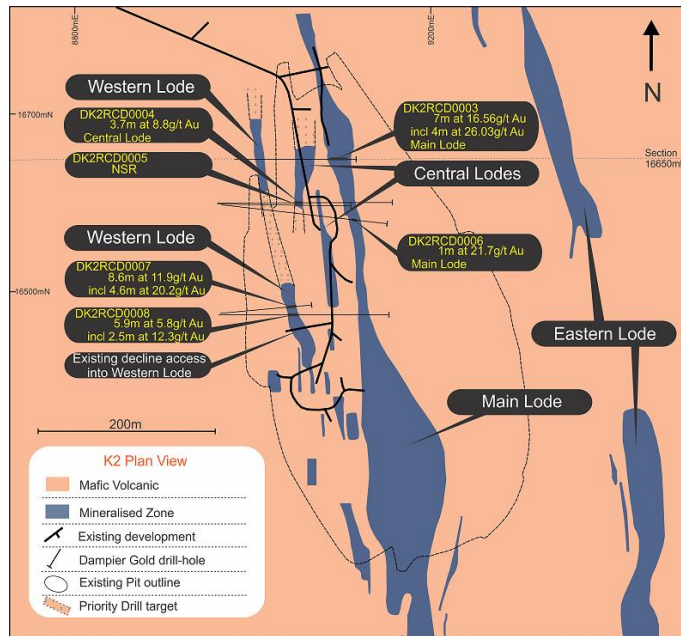
The following longitudinal section of the K2 decline shows the outline of the existing pit and the ore shoots (or lodes) and the related drill results of mineralised intersections and widths that were first reported to ASX on 31 October 2011. It should be noted that the estimated mineable resource/reserve inventory does not include the shallower mineralised zones along the decline and other zones near-to the main K2 Deposit referred to as the Western and Eastern Lodes.



**Longitudinal section K2 Deposit showing K2 open pit and existing K2 decline**

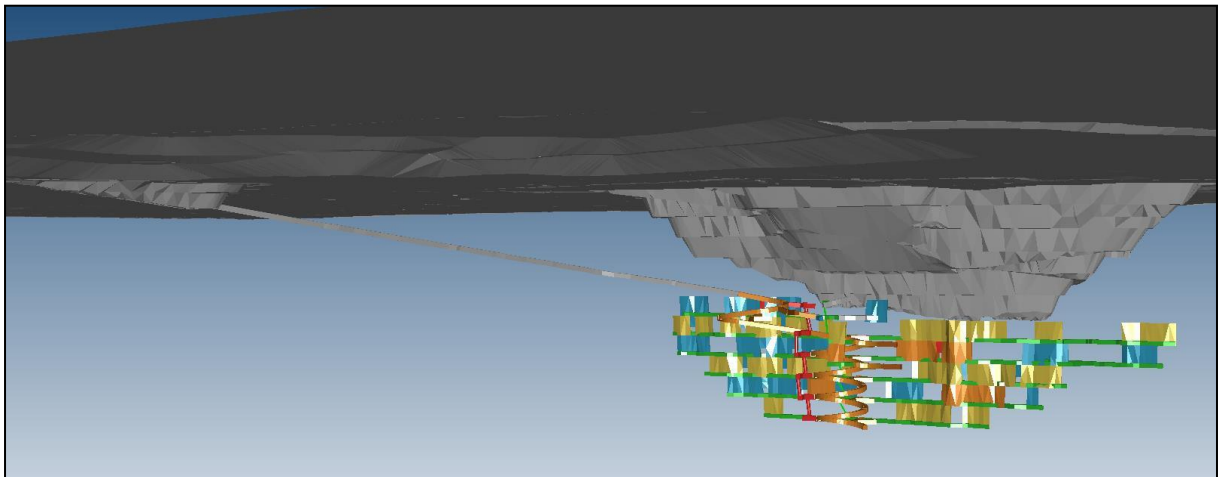
An underground diamond drilling program will be implemented immediately upon refurbishment of the upper levels of the decline which are above the water table. The program will test the upper level mineralised shoots as above and to progressively work down the decline (following dewatering and refurbishment) testing new shoots and enhancing our understanding of existing shoots. This program will assist in optimising mine planning and ore extraction during the dewatering and refurbishment period.





The above figure shows the K2 Deposit in plan view and the location of the Western and Eastern Lodes in proximity to the K2 Main Lodes.

The mine design includes rehabilitation of approximately 840m of the existing decline before extending the decline and strike drive level arrangement. The decline is designed with a minimum standoff of 30 metres from the main ore zone. Levels are designed at 20m level spacing (floor to floor) implying that the slopes will be approximately 16m in height over a strike length of 37.5m.



**Planned Mine Development K2 Underground**

The selected mining method of longitudinal open stoping with pillars has been determined to be the optimal method for the style of mineralisation and geotechnical parameters. The mining environment at K2 has been described as being relatively benign given the good rock mass conditions and shallow depths.



## 1.4 Summary of the Heads of Agreement

The Company has entered into the Heads of Agreement with Vango setting out the terms upon which the Company has agreed to farm-in for an interest of up to 50% of the tenements comprising the K2 Mining Project, subject to the satisfaction of the condition precedent set out below.

A summary of the key terms of the Heads of Agreement are as follows:

- (a) **(Condition Precedent)**: As a condition precedent to the Proposed Transaction, the Company must obtain all necessary corporate, statutory, third party or other approvals to allow the Company to lawfully complete the Proposed Transaction.
- (b) **(Contribution)**: The Company may contribute up to the lesser of \$3,000,000 or 50% of the capital cost estimate for the development of the K2 Mining Project (**CAPEX**) to the development of the K2 Mining Project and the mining of gold ore and its processing for the extraction of gold in accordance with the mining exploration and related work programs and budgets. The Company's contributions will be made in tranches to be pre-approved by the Mining Committee (as defined below).
- (c) **(Farm-in Interest)**: In exchange for the Company's contributions, the Company will earn an interest of up to 50% in the tenements comprising the K2 Mining Project.
- (d) **(Mining Committee)**: The Company and Vango will form a mining committee to be responsible for determining and approving the CAPEX and for the preparation of mine plans and exploration programs, amongst other items (**Mining Committee**). The Mining Committee will be comprised of equal numbers of Vango and Dampier representatives.
- (e) **(Mining Agreement)**: The Heads of Agreement is subject to execution of a mining agreement and any other legal documents) which is satisfactory to both Dampier and Vango, including terms of a usual nature in documents of this kind but expressly including a right for Dampier to be offered at any time following 12 months from the date of signing the mining agreement (or such other date as agreed between the parties), the priority right to earn the same interest as provided for in the Heads of Agreement in relation to the Tenements over the other tenements held by Vango as previously acquired from Dampier that are to be developed by Vango. The mining agreement will be subject to Dampier's shareholders approving the Resolution.
- (f) **(Mortgage)**: In the event that Vango is unable to comply with its funding obligations, Vango permits Dampier to register a mortgage in favour of tenement M52/183.

## 1.5 Proposed management

The board of directors and management of the Company will not change as a result of the Proposed Transaction.

## 1.6 Indicative timetable

An indicative timetable for completion of the Proposed Transaction is set out below:

Timetable	Date
Despatch of Notice of Meeting	1 February 2017
General Meeting	3 March 2017
Anticipated date of completion of expenditure under the Heads of Agreement	30 June 2018

Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

## 1.7 Pro-forma Balance Sheet

A proforma balance sheet of the Company showing the effect of the Proposed Transaction is set out in Annexure 1.

## 1.8 Pro-Forma Capital Structure

The Proposed Transaction will have no effect on the capital structure of the Company.

## 1.9 Use of funds

The Company's current cash position is approximately \$3.48 million.

It is proposed that the Company's existing cash will be applied towards CAPEX in the next 12 months as follows:

Item	Amount
March Quarter 2017	\$300,000
June Quarter 2017	\$450,000
September Quarter 2017	\$450,000
December Quarter 2017	\$300,000
<b>TOTAL</b>	<b>\$1,500,000</b>

The above table is a statement of current intentions as at the date of this Notice. Intervening events may alter the way funds are ultimately applied by the Company.

Dampier intends to fund its share of the CAPEX through a combination of Dampier's existing cash reserves, debt and/or equity. Following the passing of the Resolution, the Company intends to commence discussions with debt and/or equity participants in order to evaluate those funding options.

## 1.10 Risk factors

Shareholders should be aware that if the Resolution is approved and the Proposed Transaction is completed the Company will be subject to various risk factors.

Based on the information available, a non-exhaustive list of risk factors are as follows:

## **1.11 Company Specific**

### **(a) Contractual risk**

In order for the Company to be able to achieve its objectives the Company is reliant on the registered holder of the tenements comprising the K2 Mining Project to comply with its contractual obligations under the Heads of Agreement with respect to maintaining the Tenements in full force and effect, free from any liability to forfeiture or non-renewal.

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Where the registered holder of the Tenements, being Vango, fails to comply with conditions of the Tenements which results in loss of title to the Tenements the Company would lose its interest in the rights being acquired pursuant to the Heads of Agreement. It may then be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms. The Company has no current reason to believe that Vango will not meet and satisfy its obligations under the Heads of Agreement.

### **(b) Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

### **(c) Exploration success**

The Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Notice are able to be achieved.

The exploration costs in relation to the Tenements are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

## **1.12 Industry specific**

### **(a) Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

### **(b) Exploration**

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the case reserves of the Company and possible relinquishment of the Tenements.

(c) **Failure to satisfy Expenditure Commitments**

Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in those States and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Vango could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(d) **Native title and Aboriginal Heritage**

In relation to tenements which the Company will in the future acquire an interest in, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (**ILUA**) may be registered against one or more of the tenements in which the Company may obtain an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company may have an interest.

The existence of the Aboriginal heritage sites within the Tenements may lead to restrictions on the areas that the Company will be able to explore and mine.

(e) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(f) **Resource estimates**

In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature,

resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(g) **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

### **1.13 General**

(a) **Additional requirements for capital**

Additional funding may be required in the event exploration costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and

volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(c) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(d) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(e) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(f) **Joint venture, acquisitions or other strategic investments**

The Company may make strategic investments in complementary businesses, or enter into strategic partnerships or alliances with third parties in order to enhance its business, although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(g) **Litigation Risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(h) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;



- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(i) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

(j) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(k) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

#### **1.14 Advantages of the Proposed Transaction**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolution:

- (a) by participating in the K2 Mining Project, Dampier remains involved in exploration and mine developments in an area it knows well and in which it has considerable expertise;
- (b) the sale of the Plutonic Dome Gold Project included a payment stream in the form of royalties and payments linked to production milestones. By participating in the K2 Mining Project, Dampier could accelerate the receipt of these payments;
- (c) prior to completion of the 2016 Sale Agreement, Dampier had considerable non-contingent and contingent liabilities that were extinguished on the sale of the Plutonic Dome Gold Project. In accordance with the Heads of Agreement, the Company can now participate in the project without the burden of these particular liabilities;
- (d) Dampier has the opportunity to participate in exploration and other developments within the Plutonic Dome Gold Project. Dampier is in discussions with Vango on these possible future participations;
- (e) based on the Company's technical knowledge and experience within the Plutonic Dome and DeGrussa geological environments, Dampier recently applied for exploration licenses approximately 150km to the east of the Plutonic Dome Gold Project in an area it refers to as the Shoemaker North Project. These tenement applications demonstrate the Company's commitment to exploration in this region, which is considered to be in the interest of Dampier's Shareholders;
- (f) the Proposed Transaction provides the opportunity to increase the value of the Company;
- (g) the Company may be able to raise further funds at higher prices by way of Share equity as a result of the Proposed Transaction;
- (h) the Proposed Transaction will not have a dilutionary impact on Shareholders; and
- (i) successful completion of the Proposed Transaction will enable the Company to meet the listing requirements imposed by ASX on the Company, allowing the Company's Shares to continue to trade on the ASX.

#### **1.15 Disadvantages of the Proposed Transaction**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolution:

- (a) the Company will be changing the scale of its activities which may not be consistent with the objectives of all Shareholders;

- (b) there are inherent risks associated with the change in scale of the Company's activities resulting from the Proposed Transaction. Some of the key risks are summarised in Section 1.10 to 1.13 (inclusive) above;
- (c) future outlays of funds from the Company may be required for the operations undertaken on the Tenements;
- (d) opportunity costs associated with the Company being offered a more attractive transaction by not completing the Proposed Transaction;
- (e) there is no guarantee of the value of the Company's Shares upon completion of the Proposed Transaction; and
- (f) there is no guarantee with regard to the future success of the K2 Mine and/or the financial performance of the Company following completion of the Proposed Transaction.

If the Resolution is not passed and the Proposed Transaction is not completed, the Company will continue in its current form. In that regard, ASX has advised that the Company may be suspended on 28 February 2017 due to non-compliance with ASX Listing Rule 12.1 (ie insufficient operations). If the Proposed Transaction is not completed, the Company will continue searching for projects which have the potential to deliver future growth to Shareholders.

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## **2. RESOLUTION 1 – CHANGE TO SCALE OF ACTIVITIES**

### **2.1 General**

As outlined in Section 1 of this Explanatory Statement, the Company entered into the Heads of Agreement pursuant to which the Company intends to contribute to the capital costs for the development of the K2 Mining Project in consideration for acquiring up to a 50% interest in the Tenements.

A description of the Proposed Transaction is outlined in Section 1 above. ASX has determined that the Proposed Transaction will result in the change in the scale of the Company's exploration activities.

Resolution 1 seeks approval from Shareholders for the change to the scale of the activities of the Company resulting from the Proposed Transaction.

### **2.2 ASX Listing Rule 11.1**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that, given the change in the scale of the Company's activities upon completion of the Proposed Transaction, ASX requires the Company to obtain Shareholder approval. For this reason, the Company is seeking Shareholder approval for the Company to change the scale of its activities under ASX Listing Rule 11.1.2.

ASX has confirmed that it does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

## **2.3 Director's recommendation**

The Directors do not have any material personal interests in the outcome of the Resolution and unanimously recommend that Shareholders vote in favour of the Resolution, as they consider the Proposed Transaction to be in the best interests of Shareholders as, after assessment of the advantages and disadvantages referred to in Sections 1.14 and 1.15, the Directors are of the view that the advantages outweigh the disadvantages.

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## GLOSSARY

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**\$** means Australian dollars.

**AEST** means Australian Eastern Summer Time as observed in Sydney, New South Wales, Australia.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**CAPEX** means the capital cost estimate for the development of the K2 Mining Project.

**Chair** means the chair of the Meeting.

**Company** or **Dampier** means Dampier Gold Limited (ACN 141 703 399).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Heads of Agreement** means the non-binding heads of agreement between the Company and Vango dated 17 January 2017 summarised in Section 1.4 of this Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Proposed Transaction** means the farm-in by Dampier for an interest of up to 50% in the K2 Mining Project tenements pursuant to the Heads of Agreement.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolution** means the resolution set out in the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Tenements** means the tenements comprising the K2 Mining Project.

**Vango** means Vango Mining Limited (ACN 108 737 711).

## ANNEXURE 1 – UNAUDITED PRO-FORMA BALANCE SHEET

	Notes	31 Dec 2016	Pro Forma 31 Dec 2016
		\$'000	\$'000
<b>Current Assets</b>			
Cash and cash equivalents	1	3,484	1,984
Trade and other receivables		23	23
Prepayments		13	13
<b>Total Current Assets</b>		<b>3,520</b>	<b>2,020</b>
<b>Non-Current Assets</b>			
Property, plant & equipment		3	3
Exploration expenditure	1	-	1,500
<b>Total Non-Current Assets</b>		<b>3</b>	<b>1,503</b>
<b>Total Assets</b>		<b>3,523</b>	<b>3,523</b>
<b>Current Liabilities</b>			
Trade and other payables		28	28
<b>Total Current Liabilities</b>		<b>28</b>	<b>28</b>
<b>Total Liabilities</b>		<b>28</b>	<b>28</b>
<b>Net Assets</b>		<b>3,495</b>	<b>3,495</b>
<b>Equity</b>			
Issued capital		23,772	23,772
Reserves		-	-
Accumulated losses		(20,277)	(20,277)
<b>Total Equity</b>		<b>3,495</b>	<b>3,495</b>

- 1 Cost of estimated CAPEX for initial 12 months of \$1,500,000 capitalised as exploration expenditure. Pursuant to the Proposed Transaction, maximum CAPEX to be contributed by Dampier is \$3,000,000.

## PROXY FORM

**DAMPIER GOLD LIMITED**  
**ACN 141 703 399**

### GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:** ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 12:00 pm AEST, on Friday 3 March 2017 at Level 27, 25 Bligh Street, Sydney, NSW, Australia and at any adjournment thereof.

### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

**The Chair intends to vote undirected proxies in favour of Resolution 1. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.**

#### Voting on business of the Meeting

Resolution 1      Change to scale of activities

**FOR**

☐

**AGAINST**

☐

**ABSTAIN**

☐

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

#### Signature of Shareholder(s):

##### Individual or Shareholder 1

Sole Director/Company Secretary

##### Shareholder 2

Director

##### Shareholder 3

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph. (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail  
in relation to this Proxy Form:**

YES ☐ NO ☐



## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Dampier Gold Limited, 29 Brookside Place, Lota, Queensland, Australia, 4179; or
  - (b) facsimile to the Company on facsimile number +61 7 3901 0751; or
  - (c) email to the Company at admin@dampiergold.com,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**