

28 April 2017

March 2017 - Quarterly Activities Report

ASX : DAU

ISSUED CAPITAL

Ordinary shares:
95,740,141

Undiluted Market
Capitalisation:
\$2.4M

Cash: \$3.3M

DIRECTORS

Mr Malcolm Carson
Executive Chairman

Ms Hui (Annie) Guo
Executive Director

Mr Peiji Zhang
Non-Executive Director

CONTACT

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The Board of Dampier Gold Limited (Dampier or the Company) is pleased to present its Quarterly Activities Report for the period ended 31 March 2017.

The principal focus during the quarter was to:

- Work on details of the K2 Farm-in Joint Venture pursuant to the 17th January 2017 Heads of Agreement.
- Review dewatering, exploration and mining proposals for the K2 Mine.
- Review various gold investment opportunities.
- Developing a business plan involving Australian agriculture and related food products.

Plutonic Dome Gold Project

Following the receipt of shareholder approval at General Meeting held on 3 March 2017 for the Company to enter into a Farm-in Joint Venture with Vango Mining Limited (ASX:VAN) for the development of the K2 Deposit at Plutonic Dome, Dampier has been working with Vango to finalise the terms and conditions of the Joint Venture agreement. In addition, the parties have advanced their detailed review of the dewatering of the decline, exploration, decline refurbishment, mine development, ore extraction and ore processing options and issues.

Under the Heads of Agreement (**HOA**), 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. In addition, Dampier stands to earn up to a further \$6M from the successful development of the K2 Mine in milestone and royalty payments pursuant to the Plutonic Dome Gold Project Sale Agreement.

On 29th March 2017, Vango announced that statutory approvals were complete and that dewatering of the K2 decline would commence. Dewatering will expose the K2 ore blocks and is expected to take 65 days following mobilisation and set up.



ASX ANNOUNCEMENT

dampiergold

Following dewatering, the decline will be inspected and the refurbishment requirements and time line determined.

During the period an analysis of historic drill data by the Joint Venture's geological consultants determined that only a small number of additional drill holes would be required to define possible new ore blocks above the water table and adjacent to the decline.

Drilling programs, budgets and time lines are in preparation.

New Investments for Dampier

Gold Projects

The Company continues to review a range of gold investment opportunities and discuss farm-in and acquisition possibilities. To date, we have not identified a suitable or commercially viable investment opportunity for Dampier. Directors will continue to work with vendors of projects reviewed to date and review new opportunities.

Australian Food and Agriculture Produce

During the quarter, Dampier directors investigated a business concept involving the export of high quality Australian food and agriculture products. Internationally, Australia is seen to have a clean, safe and healthy environment for the production and manufacture of quality food products.

As a result, there is considerable demand for Australian produce in international markets, and in particular China where food security and safety is of a major concern to the Chinese government and the Chinese population.

Dampier's directors have been investigating the commercial viability of an Australian food aggregation, transport and distribution model. This investigation is early stage and presently there is no change of nature or scale to the operations of Dampier as a result of this concept.

Malcolm Carson
EXECUTIVE CHAIRMAN
DAMPIER GOLD LIMITED

Competent Persons Statement

Mr Malcolm Carson has compiled 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 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.