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**DAMPIER GOLD LIMITED**

**ACN 141 703 999**

**NOTICE OF GENERAL MEETING**

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**TIME:** 11:00 am AEDT]

**DATE:** 13 February 2018

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

***The Independent Expert has concluded that the Proposed Transaction the subject of this Notice of Meeting is NOT FAIR BUT REASONABLE to non-associated Shareholders. All Shareholders are referred to the Independent Expert's Report enclosed with this Notice of Meeting.***

***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 11:00 am AEDT on 13 February 2018 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 AEDT on 11 February 2018.

### **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, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member 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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – SALE OF AURIGIN FOODS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.1, and section 195(4) and Chapter 2E of the Corporations Act and for all other purposes, approval is given for the sale by the Company of 100% of the issued share capital of Aurigin Foods Pty Ltd to Aurigin Australia Limited, a related party of the Company (being an entity controlled by two directors of the Company, namely Mr Malcolm Carson and Ms Annie Guo), on the terms and conditions set out in the Explanatory Statement."*

**Independent Expert's Report:** Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the Proposed Transaction the subject of this Resolution to the non-associated Shareholders of the Company. **The Independent Expert has concluded that the Proposed Transaction the subject of the Resolution is NOT FAIR BUT REASONABLE to non-associated Shareholders.**

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a party to the Proposed Transaction and any associates of those persons, except a benefit solely in the capacity of a Shareholder. 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.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and

the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 2. RESOLUTION 2 – APPROVAL OF LOAN TO RELATED PARTY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) and Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to provide a loan totalling \$500,000 to Aurigin Foods Pty Ltd, a related party of the Company (being an entity controlled by two directors of the Company, namely Mr Malcolm Carson and Ms Annie Guo), on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by Aurigin Foods Pty Ltd or any of its associates. 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.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
  - (iii) a member of the Key Management Personnel; or
  - (iv) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (b) the proxy is the Chair of the Meeting; and
- (c) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**DATED: 10 FEBRUARY 2018**

**BY ORDER OF THE BOARD**

**MICHAEL HIGGINSON**

**COMPANY SECRETARY**

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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 Resolutions which are the subject of the business of the Meeting.

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### 1. RESOLUTION 1 – SALE OF AURIGIN FOODS PTY LTD

#### 1.1 Proposed Transaction

On 10 January 2018, the Company entered into a share sale agreement with Aurigin Foods Pty Ltd (**Aurigin**) and Aurigin Australia Limited (**AAL**) (**Agreement**) pursuant to which the Company agreed, subject to certain conditions, to sell all of its shares in Aurigin (**Aurigin Shares**) to AAL (**Proposed Transaction**). A summary of the key terms of the Agreement are set out in Section 1.4 below.

Resolution 1 seeks Shareholder approval for the Proposed Transaction.

#### 1.2 About Aurigin

On 24 July 2016, the Company incorporated Aurigin for the purposes of investigating the scope to create an Australian food exportation business, involving the export of high quality Australian food and agricultural products into the Chinese food market.

The purposes of considering this concept was to address an ongoing concern of Chinese consumers for safe, secure and authentic food, Aurigin's business model being to develop a food retail chain located in China.

Aurigin has three subsidiary companies, being Aurigin Foods Franchising Pty Ltd (ACN 618 778 706), Aurigin Group Limited (a Hong Kong registered company) and Aurigin Foods (Shanghai) Limited (a wholly owned subsidiary of Aurigin Group Limited), and has entered into franchising agreements with five different parties, who are in the process of locating, securing and establishing stores in several regions in China. Aurigin's management has been identifying and working with manufacturers and suppliers to establish the basis for a distribution chain to supply the franchisees.

Aurigin's intention is to be the franchisor and a sourcing, aggregating and supply company. Future revenue is intended to be derived from the sale of products, franchising fees and royalties. Aurigin has determined that considerable capital and operational costs will be incurred in establishing the franchise structure, the retail chain network and the sourcing, export and distribution chain.

The Directors have therefore been considering Aurigin's proposed business plan and the associated risks and benefits involved for Shareholders if the Company retains a direct contributing interest in Aurigin, given that the Company is predominantly a gold exploration entity. As part of this process, the Company has also been in consultation with ASX, who has queried the appropriateness of continuing to operate a business which is outside the Company's stated objectives.

The result of these considerations is that Directors have taken the view that it is not in the best interests of Shareholders to continue progressing and funding the possible development of the Aurigin business, as well as undertaking its gold exploration and development activities. As such, the Directors have resolved to seek the approval of Shareholders to enable the Company to dispose of 100% of

the issued share capital of Aurigin so that it can focus on its gold exploration and development activities.

### 1.3 About AAL

AAL is an entity controlled by Directors, Mr Malcolm Carson and Ms Hui Guo (who are both directors and shareholders of AAL), and is therefore a related party of the Company. Section 1.11 contains further information in relation to the related party elements of the Proposed Transaction.

Pursuant to the Proposed Transaction, the Company will acquire a shareholding interest in AAL as, upon completion of the Proposed Transaction, 10,000,000 shares in the capital of AAL (**AAL Shares**) will be allotted to the Company in consideration for the sale of the Aurigin Shares. A summary of the key terms of the Agreement are set out in Section 1.4 below.

Upon completion of the Proposed Transaction, Aurigin will be a wholly owned subsidiary of AAL, and the ownership and capital structure of AAL will be as follows:

Holder	AAL Shares and % undiluted interest in AAL	AAL Options <sup>1</sup>	Class 1 AAL Performance Rights <sup>2</sup>	Class 2 AAL Performance Rights <sup>2</sup>
Dampier Gold Limited	10,000,000 (33.33%) <sup>3</sup>	Nil	Nil	Nil
Malcolm Carson	10,000,000 (33.33%)	10,000,000	5,000,000	5,000,000
Annie Guo	10,000,000 (33.33%)	10,000,000	5,000,000	5,000,000
<b>Total</b>	<b>30,000,000 (100%)</b>	<b>20,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

**Note:**

1. Each AAL Option is exercisable on or before the date which is 5 years from their date of issue at \$0.20 each and entitles the holder to acquire one AAL Share upon exercise.
2. Each:
  - a. Class 1 AAL Performance Right may be converted by its holder into one AAL Share upon AAL and/or an AAL franchisee successfully opening a total of 10 Aurigin branded stores in China within two (2) years of the date of AAL being admitted to the official list of ASX (**Class 1 Milestone**). Pursuant to the terms of the Class 1 AAL Performance Rights, these performance rights vest upon the Class 1 Milestone being achieved. The holder of these performance rights then has 12 months following the date of vesting within which to notify AAL that the performance rights are to be converted into AAL Shares. Within 14 days of receipt by AAL of such notification, AAL must do all things necessary to convert the Class 1 AAL Performance Rights into AAL Shares; and
  - b. Class 2 AAL Performance Right may be converted by its holder into one AAL Share upon AAL and/or an AAL franchisee successfully opening a total of 15 Aurigin branded stores in China within three (3) years of the date of AAL being admitted to the official list of ASX (**Class 2 Milestone**). Pursuant to the terms of the Class 2 AAL Performance Rights, these performance rights vest upon the Class 2 Milestone being achieved. The holder of these performance rights then has 12 months following the date of vesting within which to notify AAL that the performance rights are to be converted into AAL Shares. Within 14 days of receipt by AAL of such notification, AAL must do all things necessary to convert the Class 2 AAL Performance Rights into AAL Shares.

3. *These 10,000,000 AAL Shares will be issued to the Company as consideration upon completion of the Proposed Transaction. Assuming AAL issues no further securities, on a fully diluted basis, the Company's AAL shareholding interests would reduce to 14.29%.*

Further information about the interests of the above parties in the Proposed Transaction and the benefits they will receive as a result, are set out in Section 1.11(b).

## 1.4 Key Terms

The key terms of the Agreement are as follows:

- (a) **(Agreement to buy and sell Aurigin Shares)** The Company has agreed to sell its Aurigin Shares together with any accrued rights free from encumbrances, and AAL has agreed to purchase the Aurigin Shares for the consideration described in paragraph (c) below on the terms and conditions set out in the Agreement.
- (b) **(Condition Precedent)** Completion of the Proposed Transaction is subject to and conditional on the Company, Aurigin and AAL obtaining all necessary shareholder and regulatory approvals as are required under their respective constitutions, the ASX Listing Rules and the Corporations Act.
- (c) **(Consideration)** The consideration payable by AAL to the Company for the Aurigin Shares is the issue of 10,000,000 AAL Shares **(Consideration)**.
- (d) **(Repayment of Loan)** The Company has loaned funds to Aurigin and, subject to Shareholders passing Resolution 2, expects to continue to loan funds to Aurigin pursuant to the Loan Agreement (summarised in Section 1.5 below). Under the Agreement the parties acknowledge that the Loan remains outstanding and the Company agrees that the loan facility under the Loan Agreement will continue to be made available to Aurigin post completion of the Proposed Transaction, in accordance with the terms of the Loan Agreement.
- (e) **(Representations and warranties)** The Company makes representations and warranties to AAL in respect of the Aurigin Shares, which are standard for an agreement of this nature. The Company also agrees to indemnify AAL and Aurigin against, and must pay an amount equal to, any loss suffered or incurred by AAL or Aurigin in connection with a breach of any of its warranties.

## 1.5 Loan Agreement

Dampier and Aurigin are also proposing to enter into a loan facility agreement pursuant to which the Company will advance to Aurigin an amount no greater than A\$500,000 **(Loan Agreement)**. As at the date of this Notice the Company has provided an unsecured loan of \$215,530 to Aurigin for the purposes of investigating and progressing Aurigin's proposed business plan, as described in Section 1.2 **(Loan)**.

Under the Loan Agreement, the Company may advance further funds, up to a maximum of \$500,000, to Aurigin for the same purpose. No interest is payable on the monies outstanding under the Loan.

The Loan becomes repayable upon the earlier of the date on which a Liquidity Event occurs and the date AAL is financially able to repay the Outstanding

Monies, or such other date as the parties agree in writing. Aurigin may also elect, with the prior consent of the Company (acting reasonably), to repay the whole or any part of the Loan before it is due to be repaid. In such circumstances the Loan cannot be redrawn and reduces the aggregate outstanding monies by the amount of the prepayment.

It is an event of default under the Loan Agreement if Aurigin fails to pay or repay any amount due by it under the Loan Agreement when it becomes due and payable within ninety (90) business days receipt of written notice given by the Company to Aurigin notifying Aurigin of such failure. It is also an event of default if Aurigin fails to perform or observe any other material obligation under the Loan Agreement and that failure is not, in the Company's reasonable opinion, remediable, or if an insolvency event occurs in relation to Aurigin or any of its subsidiaries.

## **1.6 Advantages and disadvantages the Proposed Transaction**

The non-associated director believes that the Proposed Transaction is in the best interests of the Company for the following (non-exhaustive) reasons:

- (a) the Proposed Transaction will allow the Company to save its cash funds (as it will cease to fund the Aurigin business) which can then be used to focus on development and commercialisation of the Company's joint venture investment in the K2 mine;
- (b) the Proposed Transaction provides the Company with the opportunity to have the Loan repaid and enables the Company to retain a contribution free, equity interest in Aurigin;
- (c) the Company will retain a contribution free equity interest in Aurigin without being exposed to the high degree of operational, commercial and capital risk that direct ownership and operating a non-core food related business would involve;
- (d) the proposed Aurigin business may not be consistent with the investment objectives of all Shareholders;
- (e) ASX have indicated that continuing to fund the Aurigin business may require that the Company re-comply with Chapters 1 and 2 of the ASX Listing Rules; and
- (f) The Independent Expert has concluded that the Proposed Transaction is reasonable (though not fair) to non-associated Shareholders of the Company.

The non-associated director believes that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Proposed Transaction:

- (a) the Company would lose any future direct benefit of an increase in the market value of the Aurigin business;
- (b) the Company will only be able to participate in or derive a portion (comprising 33.33%, or potentially lesser upon the exercise or conversion of the AAL Options and AAL Performance Rights, and the possible issue of securities pursuant to a capital raising or ASX listing) of future potential profits from Aurigin's proposed business (rather than 100%);



- (c) the Proposed Transaction involves the Company selling an asset, which may not be consistent with the investment objectives of all Shareholders; and
- (d) the Proposed Transaction, as noted in the Independent Expert's Report is not considered to be fair to non-associated Shareholders (but is considered to be reasonable).

## **1.7 Intentions of AAL following completion of Proposed Transaction**

Following completion of the Proposed Transaction, AAL intends to continue to develop and commercialise the proposed Aurigin business.

In that regard, is it envisaged that AAL will be required to raise in the order of \$1,000,000 to \$2,000,000 in start-up risk capital over the next 12 months to support the development of a franchise network and the supply chain for up to 5 to 10 Chinese based stores. It is intended that, following receipt of Shareholder approval, AAL will seek to raise such capital, which may, in part, be funded through a further drawn down under the Loan Agreement.

Should initial development prove successful, then further capital will be required to expand the business beyond the initial stores. It is envisaged that this further capital will be sought from either private investment funds or via a public listing on a recognised stock exchange.

## **1.8 Intentions of the Company following completion of Proposed Transaction**

Following completion of the Proposed Transaction, the Company intends to:

- (a) retain its shareholding in AAL;
- (b) focus on the development of the K2 mine in accordance with the Company's farm-in agreement with Vango Mining Limited; and
- (c) appraise new business opportunities for the Company in the gold and mineral resources sector.

## **1.9 ASX Listing Rules**

### ***ASX Listing Rule 10.1***

ASX Listing Rule 10 deals with transactions between an entity (or any of its subsidiaries) and persons in a position to influence the entity.

Listing Rule 10.1 requires the Company to obtain Shareholder approval prior to the acquisition or disposal of a substantial asset from or to a related party, a subsidiary, a substantial holder (within the meaning of Listing Rule 10.1.3) or an associate of any of them. A substantial asset is an asset valued at greater than 5% of the equity interests of the Company as set out in the latest accounts given to ASX by the Company.

The Aurigin business has been valued by the Independent Expert at approximately \$500,000 as at the date of this Notice, which is greater than 5% of the equity interests of the Company, and it is therefore considered a "substantial asset" of the Company for the purposes of Listing Rule 10.2.

Despite the value of the Aurigin Shares being sold by the Company being attributed a lesser estimated value by the Independent Expert in the range of

between nil and \$100,000, (given the Loan remains outstanding as at the date of this Notice – refer to Section 1.5), with nil being the preferred value, and because of the wide ambit of the definition of “dispose” provided in ASX Listing Rule 19.12 (which includes using an asset as collateral), the Company considers that the Proposed Transaction still falls within the ambit of Listing Rule 10.1.

Mr Malcolm Carson and Ms Hui Guo (who are directors and major shareholders of AAL) are related parties of the Company by virtue of being Directors of the Company. Accordingly, the Company seeks Shareholder approval pursuant to ASX Listing Rule 10.1.

The non-associated Director has outlined the advantages and disadvantages of the Proposed Transaction in Section 1.6 above. The non-associated Director considers that these are relevant to all Shareholders. All material information required for Shareholders to consider Resolution 1 is outlined in this Notice of Meeting (and the Independent Expert's Report).

### **ASX Listing Rule 10.10**

Listing Rule 10.10 provides that a notice of meeting containing a 10.1 resolution must contain a report on whether the transaction is fair and reasonable from an independent expert (**Independent Expert's Report**). The Company has engaged Stantons International Securities Pty Ltd to act as independent expert in the context of the Proposed Transaction.

The Independent Expert's Report has been prepared for the purpose of assisting Shareholders' consideration and assessment of the merits of the Proposed Transaction and the making of their decision whether to vote in favour of Resolution 1. Shareholders are urged to carefully read the Independent Expert's Report, to understand the scope of the report, and the methodology and valuation and the assumptions made.

**The Independent Expert has concluded that the Proposed Transaction is NOT FAIR BUT REASONABLE to the non-associated Shareholders of the Company.**

A copy of the Independent Expert's Report accompanies this Notice of Meeting.

## **1.10 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Proposed Transaction constitutes the giving of a financial benefit to Mr Malcolm Carson and Ms Hui Guo (**Related Parties**), who are related parties by virtue of being Directors of the Company. Upon completion of the Proposed Transaction, the Related Parties will receive a financial benefit in the form of an interest in Aurigin Shares (described in further detail below).

Each Director, other than Mr Peiqi Zhang, has an interest in the outcome of Resolution 1. As such, the Directors have been unable to form quorum to determine whether the exceptions set out in sections 210 to 216 of the Corporations Act apply in the current circumstances. As such, Shareholder approval is also sought in respect of the Proposed Transaction pursuant to Chapter 2E of the Corporations Act.

#### 1.11 Specific information required by section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in relation to the Proposed Transaction:

- (a) The Related Parties are:
- (i) Mr Malcolm Carson, a Director; and
  - (ii) Ms Hui Guo, a Director.
- (b) The nature of the financial benefit proposed to be given to the Related Parties is an interest in Aurigin Shares (through their shareholding in AAL) and, consequently, the Aurigin business and any associated benefit or profits arising from that interest.

##### **Shareholding interests (undiluted)**

Upon completion of the Proposed Transaction the Related Parties will derive the following financial benefit by each acquiring an interest in Aurigin through their (undiluted) security holdings in AAL, as set out in the table below.

Related Party	Shareholding interest in Aurigin
Mr Malcolm Carson	33.33% (through shareholding in AAL)
Ms Hui Guo	33.33% (through shareholding in AAL)
<b>Total aggregated interest of Related Parties</b>	<b>66.66%</b>

##### **Shareholding interests (fully diluted)**

The Related Parties also hold convertible securities in the capital of AAL, comprising 20,000,000 performance rights (**AAL Performance Rights**) and 20,000,000 options (**AAL Options**).

Each Class 1 AAL Performance Right vests upon satisfaction of the Class 1 Milestone and may be converted into one AAL Share within 12 months of vesting. Each Class 2 AAL Performance Right vests upon satisfaction of the Class 2 Milestone and may be converted into one AAL Share within 12 months of vesting. Each AAL Option is exercisable at \$0.20 within 5 years from their date of issue. Milestones for the conversion of AAL Performance Rights are set out in Section 1.3.

Upon the conversion of the AAL Performance Rights and exercise of the AAL Options, a further 40,000,000 AAL Shares could be issued to the Related Parties, which would result in the Related Parties acquiring a further interest in the capital of AAL (and, consequently, a larger interest in Aurigin), which is demonstrated in the table below:

Related Party	Interest in Aurigin
Mr Malcolm Carson	42.86% (through shareholding in AAL)
Ms Hui Guo	42.86% (through shareholding in AAL)
<b>Total aggregated interest of Related Parties</b>	<b>85.72%</b>

### ***Dilutionary effect on Company***

Following completion of the Proposed Transaction, the Company will hold a 33.33% shareholding in AAL. If the AAL Performance Rights are converted and the AAL Options are exercised, this will dilute the Company's interest in AAL (and its associated interest in Aurigin) to 14.29%. In addition, the Company's interest in AAL is expected to be further diluted as a result of any proposed capital raising or ASX listing of AAL.

- (c) As determined by the Independent Expert, the value of the Aurigin business has been valued at approximately \$500,000. However, the Aurigin Shares being acquired by the Related Parties have been attributed a lesser estimated value by the Independent Expert in the range of between nil and \$100,000 (given the Loan remains outstanding as at the date of this Notice – refer to Section 1.5), with a preferred value of nil. On this basis, a maximum value of \$33,333 (being 33.33% of the total estimated maximum value of the Aurigin Shares) has been attributed to each Related Party's interest.

Based on this current valuation, the Company would also retain an interest valued at \$33,333 in Aurigin (through its 33.33% AAL shareholding) if Resolution 1 is approved.

The Company's interest in Aurigin could be diluted, on the basis described in paragraph (b) above, if the AAL Performance Rights are converted and the AAL Options are exercised.

However, in order for any such dilution to occur, the value of the Aurigin business would potentially have increased at that time, as the Milestones for conversion of AAL Performance Rights require a significant expansion to the Aurigin business.

The amount of any such increase, and the associated value attributed to Aurigin's business in such circumstances, would require reassessment by an appropriately qualified party at that time. Given a number of varying factors would be involved in this assessment, and the fact that Aurigin's business is in the early phases as at the date of this Notice, it is not possible to provide an accurate estimate of what value, or potential increase in value (if any), could be attributed to the Aurigin business in such circumstances.

- (d) The relevant interests of the Related Parties in the securities of the Company are set out below:

Director	Shares	Options
Malcolm Carson	-	6,000,000
Hui Guo	-	6,000,000

**Note:** Each of Mr Carson and Ms Guo hold 3,000,000 Options each exercisable at \$0.05 and expiring 31 July 2019 and 3,000,000 Options each exercisable at \$0.10 and expiring 31 July 2021.

If the Options currently held by the Related Parties are exercised, an additional 6,000,000 Shares would be issued to each Related Party (being a total of 12,000,000 Shares in aggregate). In such circumstances each Related Party would acquire a 5.52% interest (being a total aggregate interest of 11.04%) in the Company and the Company's 33.33% retained interest in Aurigin (based on the Company's current capital structure, and assuming no further Shares have been issued by the Company at that time).

- (e) The remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Malcolm Carson	\$180,000	\$291,160
Ms Hui Guo	\$180,000	\$293,478

- (f) Each of Mr Malcolm Carson and Ms Hui Guo decline to make a recommendation to Shareholders in relation to Resolution 1 due to their respective material personal interests in the outcome of Resolution 1 on the basis that they will obtain a financial benefit (in the form of the interest in Aurigin described in paragraph (b)) if Resolution 1 is passed and the Proposed Transaction proceeds.
- (g) Mr Peiqi Zhang recommends that Shareholders vote in favour of Resolution 1 for the reasons set out in Section 1.6.
- (h) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

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## **2. RESOLUTION 2 – APPROVAL OF LOAN TO RELATED PARTY**

### **2.1 Background**

As noted in Section 1.5 above, Dampier and Aurigin are proposing to enter into a Loan Agreement pursuant to which the Company will advance a Loan to of up to A\$500,000. As at the date of this Notice, a total amount of \$215,530 has been provided by the Company to Aurigin.

The key terms of the Loan Agreement are summarised in Section 1.5.

### **2.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Company's entry into the Loan Agreement will constitute the giving of a financial benefit to Aurigin, who is likely to become a related party by virtue of being controlled by Directors of the Company upon completion of the Proposed Transaction (provided Resolution 1 is approved). Upon entry into the Loan Agreement, Aurigin will receive a financial benefit in the form of the Loan.

Each Director, other than Mr Peiqi Zhang, has an interest in the outcome of Resolution 2. As such, the Directors have been unable to form quorum to determine whether the exceptions set out in sections 210 to 216 of the Corporations Act apply in the current circumstances. As such, Shareholder approval is also sought in respect of the Company's proposed entry into the Loan Agreement pursuant to Chapter 2E of the Corporations Act.

### **2.3 Specific information required by section 219 of the Corporations Act**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in relation to the Company's proposed entry into the Loan Agreement:

- (a) The related party is Aurigin Foods Pty Ltd, an entity which will be controlled by Mr Malcolm Carson and Annie Guo, Directors, upon completion of the Proposed Transaction.
- (b) The nature of the financial benefit proposed to be given to Aurigin is a direct interest in the proceeds of the Loan. The Loan will be provided in accordance with the terms of the Loan Agreement, the terms of which are summarised in Section 1.5. As noted in that Section, no interest is payable on the Loan, which is unsecured.
- (c) As at the date of this Notice, the value of the Loan provided by the Company to Aurigin is \$215,530. Pursuant to the Loan Agreement, a maximum amount of \$500,000 can be advanced to Aurigin under the Loan.
- (d) Aurigin does not have any relevant interest in the securities of the Company, and has not received any other monetary amounts from the Company in the previous financial year other than the amount specified in paragraph (c) above, and does not expect to receive any further monetary amounts in the current financial year outside of the Loan.
- (e) Each of Mr Malcolm Carson and Ms Hui Guo decline to make a recommendation to Shareholders in relation to Resolution 2 due to their respective material personal interests in the outcome of Resolution 2 on the basis that they will control the recipient of the Loan, Aurigin, upon completion of the Proposed Transaction if Resolution 1 is passed and the Proposed Transaction proceeds.
- (f) Mr Peiqi Zhang recommends that Shareholders vote in favour of Resolution 2 for the following reasons:
  - (i) the advancement of the Loan will assist Aurigin to establish its business, which in turn, increases the likelihood of Loan repayment; and

- (ii) whether or not the Proposed Transaction proceeds, the Company will retain a direct or indirect interest in Aurigin, and will therefore be able to participate with any benefit associated with the establishment of the Aurigin business, which will be assisted by the provision of the Loan;
  - (iii) otherwise, for the reasons set out in Section 1.6.
- (g) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

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## GLOSSARY

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**\$** means Australian dollars.

**AAL** means Aurigin Australia Limited (ACN 622 691 409).

**AAL Option** means an option to acquire an AAL Share.

**AAL Performance Right** means either or both, as the context requires, of the Class 1 AAL Performance Rights and the Class 2 AAL Performance Rights, which each convert into AAL Shares upon satisfaction of the relevant Milestone.

**AAL Share** means a share in the capital of AAL.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales, Australia.

**Agreement** has the meaning given in Section 1.1.

**Asset Sale** means the sale by AAL of the whole or substantially the whole of the business or assets of the Aurigin Group on arms' length terms to one or more buyers whether in a single transaction or a series of related transactions.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

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

**Aurigin** means Aurigin Foods Pty Ltd (ACN 613 840 458).

**Aurigin Group** means Aurigin and each of its subsidiaries.

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

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

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

**Class 1 Milestone** means the milestone described in Note 2(a) under the table in Section 1.3.

**Class 1 AAL Performance Right** means an AAL Performance Right with the terms set out in Note 2(a) under the table in Section 1.3.

**Class 2 Milestone** means the milestone described in Note 2(b) under the table in Section 1.3.

**Class 2 AAL Performance Right** means an AAL Performance Right with the terms set out in Note 2(b) under the table in Section 1.3.



**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

**Consideration** means the consideration payable for the Aurigin Shares, as described in Section 1.4(c).

**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.

**Independent Expert** means Stantons International Securities Pty Ltd (ACN 128 908 289).

**Independent Expert's Report** means the report prepared by the Independent Expert.

**IPO** means the initial public offering of shares or other securities in AAL (or any securities in a vehicle to be listed) in conjunction with a listing or quotation of shares or other securities in AAL on the ASX, or equivalent admission to trading or permission to deal on any other recognised stock exchange.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Loan** has the meaning given to the term in Section 1.5.

**Loan Agreement** means the loan facility agreement between the Company and Aurigin, as summarised in Section 1.5.

**Liquidity Event** means, in respect of AAL of Aurigin (as applicable), the successful completion of any of the following events:

- (a) a Share Sale;
- (b) an Asset Sale;
- (c) an IPO,

or such other event or series of events which, together have the effect of allowing a realisation of the fair market value of all of the securities or assets in Aurigin Group.

**Milestone** means the Class 1 Milestone or the Class 2 Milestone.

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

**Option** means an option to acquire a Share.

**Proposed Transaction** means the proposed sale by Company to AAL of the Aurigin Shares.

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

**Related Parties** means Mr Malcolm Carson and Ms Annie Guo.

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

**Section** means a section of the Explanatory Statement.

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

**Share Sale** means the sale or transfer by AAL of all or substantially all of Aurigin's securities held by AAL on arm's length terms to one or more buyers as part of a single transaction.

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

## 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 11:00 am AEDT, on Tuesday 13 February 2018 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 all Resolutions. 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 Sale of Aurigin Foods Pty Ltd  
Resolution 2 Approval of Loan to Related Party

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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 YES ☐ NO ☐  
in relation to this Proxy Form:

## 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, QLD 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.**