



dampiergold

ASX RELEASE

7 January 2019

DAMPIER ACQUIRES TENEMENTS NORTH OF KALGOORLIE WESTERN AUSTRALIA

The Directors of Dampier Gold Limited are very pleased to advise that the Company has acquired two exploration projects located ~100km north of the Kalgoorlie gold mining district in Western Australia.

The acquisition comprises two exploration licence applications. Menzies, which lies adjacent to the Menzies gold camp and which has exploration potential for both hard rock and placer gold and Goongarrie, which lies southwest of Menzies and overlies an alluvial covered greenstone belt with exploration potential for hard rock gold and base metals.

The Menzies and Goongarrie acquisitions present exciting and cost-effective exploration opportunities for Dampier. The projects both lie within significant mineralised belts where company making projects have been developed from grass roots discoveries into successful gold mining operations. The Menzies gold camp, although a significant historical producer presents as an under explored anomaly relative to other gold camps on the Norseman - Wiluna greenstone belt such as Kalgoorlie, Leonora and Wiluna. The Goongarrie project overlies un-exposed and interpreted greenstone lithologies which have had very limited exploration. Dampier will actively explore both projects this coming field season with drill targets expected by the end of the June quarter.

Dampier directors are excited with the opportunity to secure exploration areas and be in a position to undertake exploration in one of the world's richest gold belts, particularly as the current spot gold price and outlook for further gains is very positive.

SUMMARY OF PROJECTS

The Menzies (196sqm) and Goongarrie (154sqkm) project tenements are located ~100km north northwest of the Kalgoorlie Golden Mile which in turn is located around 600km west of Perth, Western Australia as illustrated in the following figures. Both tenements have had minimal modern exploration carried out and both tenement applications are ready for approval.



Menzies is located immediately to the west of the Menzies town site in Western Australia and is a grass roots gold (Au) hard rock and placer target.

The tenement, which covers 196sqkm is on strike along the Kalgoorlie Shear and represents an area with easy access which can be readily explored to define targets.

The gold hard rock target is possible a westerly extension of the prolific Menzies greenstone belt and the paleo placer represent an exciting Tertiary channel target eroding the Menzies Gold Camp.

Goongarrie is located on strike and between the K2 and the Kalgoorlie Shears and represents a grass roots gold and base metal (Volcanogenic Massive Sulphide) play. The tenement covers northern extensions of a known greenstone belt with interpreted Banded Iron Formations and ultramafic lithologies. The central part of the project area exhibits a structure which suggests a stoping of the greenstone similar to the Goongarrie goldfield located ~30-40km to the east.

The following figures show for Menzies the extent of the gold occurrences on the eastern boundary of the Menzies tenement acquired by Dampier and for both Menzies and Goongarrie, the regional magnetics which illustrate the presence of suitable lithologies and structures which typically host gold mineralisation associated with greenstone belts in Archaean terrains in general and in particular in the world class Kalgoorlie Goldfield region.



Figure 1 - Menzies – gold mineral occurrences (gold stars) and regional magnetics (1:100,000 scale) showing the presence of mafics and ultramafics in the Menzies tenement area.

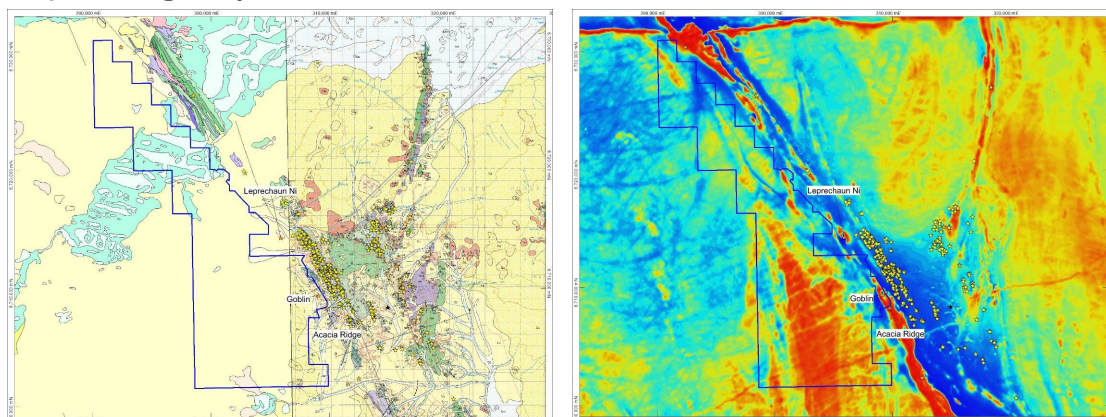
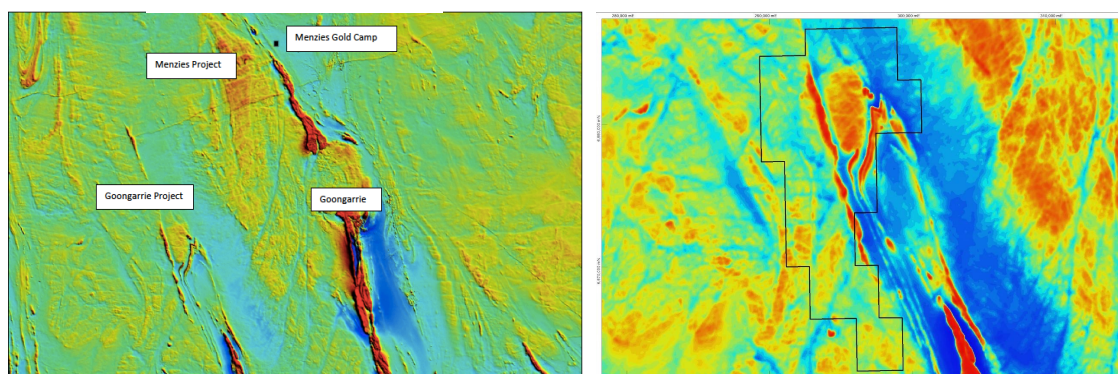


Figure 2 – Menzies and Goongarrie regional Total Magnetic Intensity (TMI) and Goongarrie, right hand figure show TMI which confirm the greenstones and associated rocks, extend into the under-explored tenement area.



Transaction Terms

In accordance with the terms and conditions of a binding Terms Sheet with Magnum Mining & Exploration Limited (ASX code: MGU) and Discovery Capital Limited (the **Vendors**), Dampier has acquired an 80% interest in each of exploration licence application 29/1052 (Menzies) and exploration licence application 29/1051 (Goongarrie). Both applications are ready for approval.

The consideration paid by Dampier is the issue of 10,000,000 fully paid ordinary shares and a cash payment of \$20,000. Following expenditure by Dampier of \$300,000 on each of the tenements, the Vendors can elect to contribute their 20% pro-rata share on all future expenditure on either of the Menzies or Goongarrie projects or receive a 2% Gross Royalty on either the Menzies or Goongarrie projects.

The 10,000,000 fully paid shares will held in voluntary escrow for a period of 24 months.

Malcolm Carson
CHAIRMAN



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 and Allegiance Coal Limited. Mr Carson consents to the inclusion in the report the matters based on the information in which it appears.