

22 January 2016

December 2015 - Quarterly Activities Report

ASX : DAU

ISSUED CAPITAL

Ordinary shares:

95,740,141

Undiluted Market

Capitalisation:

\$2.3M

Cash: \$2.23M

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 of the Company) is pleased to present its Quarterly Activities Report for the period ending 31 December 2015.

The principal focus during the quarter was the active negotiation of the sale of the Company's interest in the Plutonic Dome Gold Project (Project), together with the evaluation of other investment opportunities for Dampier.

Plutonic Dome Gold Project

Since 19 November 2013, the Project has been the subject of a joint venture with Vango Mining Limited (ASX: VAN) (Vango).

Vango has been progressively sole funding exploration and all other expenditure in order to earn an interest in the Project, which was previously 100% owned by Dampier.

The Project, located in the gold bearing greenstone belt in central Western Australia, covers some 412 sqkm and consists of 60 mineral tenements.

Heads of Agreement

On 19 January 2016, the Company executed a binding Heads of Agreement for the sale to Vango of 100% of Dampier Plutonic Pty Ltd (DPPL) which is the owner of the Project.

The agreement excludes 6 tenements which are to be separately sold to Northern Star Resources Limited (ASX:NST) for a nominal consideration and subject to finalising final terms.

Each party has agreed to use its best endeavours and act in good faith to finalise and enter into a sale and purchase agreement within 90 days following the date of the Heads of Agreement.

The sale of DPPL to Vango is subject to satisfaction of the following conditions precedent:

- Dampier shareholder approval in accordance with ASX Listing Rule 11.2; and
- any statutory, third party or other approvals as may be required in relation to the Project tenements (including entering into the transaction with Northern Star Resources Limited).

The conditions precedent must be satisfied (or waived by both parties) within 3 months after the date of the sale and purchase agreement. The parties will each use their best efforts to satisfy the conditions precedent.

The consideration to be paid to Dampier by Vango is as follows:

(a) Non Contingent Component:

\$2,200,000 (excluding GST) to be paid within 14 days after the satisfaction or waiver of the conditions precedent.

(b) Contingent Component

The following amounts to be paid by Vango within 7 days after the occurrence of the following events:

- \$1,000,000 (excluding GST) on production of a total of 45,000 ounces of gold from the Project tenements;
- \$1,000,000 (excluding GST) on production of a total of 100,000 ounces of gold from the Project tenements;
- \$1,000,000 (excluding GST) on production of a total of 200,000 ounces of gold from the Project tenements; and
- \$1,000,000 (excluding GST) on production of a total of 300,000 ounces of gold from the Project tenements.

(c) ROYALTY

Vango to pay a production royalty on overall production from the Project tenements as follows:

- 1.0% on each ounce of gold or equivalent production on a daily basis when the gold price is equal to or greater than US\$1,175/oz, or
- 2.0% on each ounce of gold or gold equivalent production on a daily basis when the gold price is equal to or greater than US\$1,250/oz, or
- 3.0% on each ounce of gold or gold equivalent production on a daily basis when the gold price is equal to or greater than US\$1,400/oz, or
- 4.0% on each ounce of gold equivalent production on a daily basis when the gold price is equal to or greater than US\$1,500/oz.



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The royalty is capped at \$2 million, with production being measured on a post ore treatment basis.

A break fee of \$100,000 is payable by Dampier if Vango complies with its obligations under the Heads of Agreement and Dampier does not enter into the sale and purchase agreement on or before 90 days following the date of the Heads of Agreement.

A break fee of \$100,000 is payable by Vango if Dampier and DPPL both comply with their obligations under the Heads of Agreement and Vango does not enter into the sale and purchase agreement on or before 90 days following the date of the Heads of Agreement.

Completion of the sale of the Project will give Dampier unencumbered >\$4M in cash, the prospect of additional cash payments and a royalty stream with the development of the Project.

During the quarter, Dampier reviewed several potential new business acquisitions. Assessment of other acquisition opportunities, as and when they may arise, will continue.

Malcolm Carson
EXECUTIVE CHAIRMAN
DAMPIER GOLD LIMITED



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Mining Tenement Information:

Tenement	Status	Grant Date	Expiry Date	Locality
E52/2071	Live	04-Sep-08	03-Sep-18	Marymia
E52/2072	Live	04-Sep-08	03-Sep-18	Marymia
E52/527	Live	03-Jul-92	02-Jul-01	Marymia
L52/154	Pending			Plutonic Dome
M52/183	Live	04-Dec-89	03-Dec-31	Marymia
M52/217	Live	20-Mar-91	19-Mar-33	Marymia
M52/218	Live	20-Mar-91	19-Mar-33	Marymia
M52/219	Live	20-Mar-91	19-Mar-33	Marymia
M52/220	Live	20-Mar-91	19-Mar-33	Marymia
M52/226	Live	20-Mar-91	19-Mar-33	Marymia
M52/227	Live	20-Mar-91	19-Mar-33	Marymia
M52/228	Live	20-Mar-91	19-Mar-33	Marymia
M52/229	Live	20-Mar-91	19-Mar-33	Marymia
M52/230	Live	20-Mar-91	19-Mar-33	Marymia
M52/231	Live	20-Mar-91	19-Mar-33	Marymia
M52/232	Live	20-Mar-91	19-Mar-33	Marymia
M52/233	Live	04-Feb-91	03-Feb-33	Marymia
M52/234	Live	04-Feb-91	03-Feb-33	Marymia
M52/235	Live	04-Feb-91	03-Feb-33	Marymia
M52/246	Live	09-Aug-91	08-Aug-33	Marymia
M52/247	Live	09-Aug-91	08-Aug-33	Marymia
M52/253	Live	11-Sep-91	10-Sep-33	Randal Well
M52/257	Live	04-Nov-91	03-Nov-33	Marymia
M52/258	Live	04-Nov-91	03-Nov-33	Marymia
M52/259	Live	04-Nov-91	03-Nov-33	Marymia
M52/269	Live	07-Nov-91	06-Nov-33	Marymia Hill
M52/270	Live	27-Nov-91	26-Nov-33	Marymia Hill
M52/278	Live	13-Jan-92	12-Jan-34	Plutonic Bore
M52/279	Live	13-Jan-92	12-Jan-34	Plutonic Bore
M52/291	Live	20-Mar-92	19-Mar-34	Randall Well
M52/292	Live	20-Mar-92	19-Mar-34	Randall Well
M52/293	Live	20-Mar-92	19-Mar-34	Randall Well



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Tenement	Status	Grant Date	Expiry Date	Locality
M52/299	Live	17-Mar-92	16-Mar-34	Plutonic
M52/303	Live	12-Aug-92	11-Aug-34	Marymia
M52/304	Live	12-Aug-92	11-Aug-34	Marymia
M52/305	Live	21-May-92	20-May-34	Plutonic
M52/306	Live	21-May-92	20-May-34	Plutonic
M52/320	Live	03-Sep-92	02-Sep-34	Marymia
M52/321	Live	03-Sep-92	02-Sep-34	Marymia
M52/323	Live	03-Sep-92	02-Sep-34	Marymia
M52/366	Live	14-May-93	13-May-35	Marymia
M52/367	Live	10-Jun-93	09-Jun-35	Plutonic Bore
M52/369	Live	10-Jun-93	09-Jun-35	Plutonic
M52/370	Live	10-Jun-93	09-Jun-35	Plutonic
M52/395	Live	10-Aug-93	09-Aug-35	Randall Well
M52/396	Live	15-Jun-93	14-Jun-35	Plutonic Bore
M52/478	Live	23-May-94	22-May-36	Marymia
M52/572	Live	14-Jun-96	13-Jun-17	Plutonic
M52/590	Live	27-Sep-96	26-Sep-17	Cabbage Gum Well
M52/593	Live	27-Sep-96	26-Sep-17	Plutonic Bore
M52/654	Live	30-Dec-97	29-Dec-18	Plutonic Bore
M52/670	Live	03-Jul-98	02-Jul-19	Cabbage Gum Well
M52/671	Live	03-Jul-98	02-Jul-19	Jimindi Well
M52/672	Live	03-Jul-98	02-Jul-19	Jimindi Well
M52/748	Pending			Marymia
M52/779	Live	27-Sep-13	26-Sep-34	Yowareena Hill
M52/780	Live	27-Sep-13	26-Sep-34	Yowareena Hill
M52/781	Pending			Yowareena Hill
M52/782	Pending			Yowareena Hill
P52/1220	Live	22-Mar-10	21-Mar-18	Marymia
P52/1221	Live	22-Mar-10	21-Mar-18	Marymia
P52/1222	Live	22-Mar-10	21-Mar-18	Marymia
P52/1223	Live	22-Mar-10	21-Mar-18	Marymia
P52/1393	Live	20-Dec-11	19-Dec-15	Marymia

EL52/527 is subject to the three ML pending applications.

The Company's wholly owned subsidiary, Dampier (Plutonic) Pty Ltd, is the holder of all of the tenements listed above, except for M52/748 which is held by Barrick (Plutonic) Limited.

No tenements were acquired or disposed of during the quarter.

Vango has claimed that it has earned a 60% interest in all of the tenements listed above.

No beneficial interests in Farm-in or Farm-out agreements were acquired or disposed of during the quarter.