
DAMPIER GOLD LIMITED

ACN 141 703 399

NOTICE OF GENERAL MEETING

TIME: 2:00 pm AEDT

DATE: 3 March 2016

PLACE: Level 27, 25 Bligh Street, SYDNEY NSW

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

Time and place of Meeting

Notice is given that the Meeting will be held at 2:00 pm AEDT on Thursday 3 March 2016 at:

Level 27, 25 Bligh Street, SYDNEY NSW

Your vote is important

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

Voting eligibility

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 2:00 pm AEDT on Tuesday, 1 March 2016.

Voting in person

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

Voting by proxy

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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

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

"That, for the purposes of Listing Rule 11.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to sell its interest in the Project Tenements on the terms and conditions described in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, 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.

Dated: 2 February 2016

By order of the Board

Malcolm Carson
Executive Chairman

EXPLANATORY STATEMENT

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.

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

1.1 Background

On 19 January 2016 the Company announced to ASX that it had entered into a heads of agreement (**HOA**) for the disposal of Dampier (Plutonic) Pty Ltd (ACN 131 670 963) (**DPPL**), its wholly owned subsidiary, which holds interests in tenements comprising the Plutonic Dome Gold Project (**Project Tenements**), being the Company's main undertaking, to Vango Mining Limited (ACN 108 737 711) (**Vango**) (**Disposal**).

The HOA excludes 6 tenements which are to be separately sold to Northern Star Resources Limited (ACN 092 832 892) (**NST**) for a nominal sum as NST has the underground mining rights.

The material terms of the HOA are as follows:

- (a) **Conditions precedent:** Settlement of the Disposal is subject to the Company and Vango obtaining all necessary regulatory and other third party approvals to complete the transaction, including all necessary shareholder approvals.
- (b) **Acquisition:** Vango acquires a 100% shareholding interest in DPPL for payment of the following consideration:
 - (i) **(Non Contingent Component):** \$2,200,000 (excluding GST) to be paid within 14 days after the satisfaction or waiver of the conditions precedent; and
 - (ii) **(Contingent Component):** The following amounts to be paid by Vango within 7 days after the occurrence of the following events:
 - (A) \$1,000,000 (excluding GST) on production of a total of 45,000 ounces of gold from the Project Tenements;
 - (B) \$1,000,000 (excluding GST) on production of a total of 100,000 ounces of gold from the Project Tenements;
 - (C) \$1,000,000 (excluding GST) on production of a total of 200,000 ounces of gold from the Project Tenements; and
 - (D) \$1,000,000 (excluding GST) on production of a total of 300,000 ounces of gold from the Project Tenements.
- (c) **Royalty:** If the Disposal is completed, the Company is entitled to the following production royalty on overall production from the Project Tenements, to be capped at \$2,000,000, with production being measured on a post ore treatment basis:
 - (i) 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
 - (ii) 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
 - (iii) 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
 - (iv) 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,

(Royalty).

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

1.2 ASX Listing Rule 11.2

ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders.

Resolution 1 seeks Shareholder approval for the disposal of the Company's main undertaking.

1.3 Indicative Timetable

Subject to ASX Listing Rules and Corporations Act requirements, the Company anticipates completion of the Disposal will be in accordance with the following timetable:

Event	Date
ASX announcement of Disposal	19 January 2016
Meeting to approve Disposal	3 March 2016
Satisfaction/waiver of all conditions in the HOA	31 March 2016
Settlement of Acquisition	30 April 2016

1.4 Financial effect of the Disposal on the Company

The impact of the Disposal on the Company's balance sheet is set out in the unaudited pro-forma consolidated balance sheet contained in Schedule 1.

The cash consideration payable under the Agreement will be used in conjunction with the Company's existing cash reserves to evaluate and pursue other investment opportunities. Any income received from the Royalty (if any) will be used by the Company for working capital purposes and to develop any existing investments held by the Company at that time.

There will be no impact on the capital structure of the Company.

1.5 Reasons for and against the Disposal

Advantages

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

- (a) the Company will have circa \$4,500,000 post completion of the Disposal to evaluate and pursue other opportunities in the best interests of Shareholders;
- (b) the Company's cash will be unencumbered and the Company will not have the operational costs or contingent liabilities (including rehabilitation liabilities) associated with DPPL and the Project Tenements following completion of the sale; and
- (c) in order to develop the Project Tenements, it became clear through discussions with debt and equity financiers that development of the Project was only achievable if the Project was wholly owned by one party. In the event that equity capital became available, then an equity raising would have required that the Company undertake the raising at prevailing prices, which would result in substantial and significant dilution for all Shareholders.

Disadvantages

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

- (a) the Company will not be able to participate in or derive any future potential profits from the Project Tenements (other than receipt of the Contingent Component of the consideration and any income derived from the Royalty);
- (b) the proposed Disposal involves the Company selling its principal operating business activity. However, the Board is actively investigating other opportunities and will provide Shareholders with further information when an appropriate transaction is identified;
- (c) there is a risk the Company may not be able to locate and acquire other suitable investment opportunities; and
- (d) the Company will be changing the scale of its activities by a significant extent, which may not be consistent with the investment objectives of all Shareholders.

1.6 Future activities and direction post Disposal

After completion of the Disposal, the Company will pursue other opportunities which have the potential to create Shareholder wealth.

ASX customarily allows listed entities a period of up to 6 months to allow it to identify and make an announcement of its intention to acquire a suitable new business. If the Company is unable to announce such an intention within this timeframe ASX will generally exercise its discretion to suspend the quotation of the Company's securities at the end of that 6 month period. The suspension would continue until the Company makes an announcement about its future activities which is acceptable to ASX. It is expected this 6 month period will commence from the time the Company disposes of a majority interest in the Project Tenements.

In the event Shareholder approval is not obtained and completion of the Disposal is unable to occur the Company intends to initiate processes to further reduce operational costs and pursue more favourable sale terms with another party. It is noted that any further operational cost reduction may adversely affect the ability of the Company to sell the Project Tenements and potentially reduce the value of sale terms.

In the event Shareholder approval is obtained but Vango does not proceed to acquire a 100% interest in DPPL and the Project Tenements, the Company intends to seek alternative options to divest DPPL and/or the Project Tenements.

1.7 Director interests and recommendations

The Directors do not have any material interest in the outcome of the Resolution other than as a result of their interest arising solely in the capacity as Shareholders.

The Directors have a relevant interest in the securities of the Company as set out in the following table:

Director	Shares
Malcolm Carson	Nil
Peiqi Zhang*	12,630,849
Hui Guo*	12,630,849

***Note:** The 12,630,849 Shares are registered in the name of Columbus Minerals Pty Ltd. Both Mr Zhang and Ms Guo have a relevant interest in the 12,630,849 Shares.

The Board has approved the proposal to put the Resolution to Shareholders.

Each of the Directors intends to vote all of their Shares in favour of the Resolution.

Based on the information available, all of the Directors consider that the proposed Disposal is in the best interests of the Company and recommend that the Shareholders vote in favour of the Resolution.

GLOSSARY

\$ means Australian dollars.

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

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.

Chair means the chair of the Meeting.

Company 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.

DPPL means Dampier (Plutonic) Pty Ltd (ACN 131 670 963).

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

NST means Northern Star Resources Limited (ACN 092 832 892).

Project Tenements means the tenements comprising the Plutonic Dome Gold Project, excluding 6 tenements which are to be separately sold to NST.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – UNAUDITED CONSOLIDATED PRO-FORMA BALANCE SHEET

	Notes	31 Dec 2015	Pro Forma 31 Dec 2015
		\$	\$
Current Assets			
Cash and cash equivalents	1	2,229,548	4,530,548
Trade and other receivables		36,774	36,774
Prepayments		8,813	8,813
Total Current Assets		2,275,135	4,576,135
Non-Current Assets			
Property, plant & equipment		1,864	1,864
Term deposits	1	101,000	-
Capitalised acquisition costs	2	1,781,877	-
Total Non-Current Assets		1,884,741	1,864
Total Assets		4,159,876	4,577,999
Current Liabilities			
Trade and other payables		33,325	33,325
Total Current Liabilities		33,325	33,325
Non-Current Liabilities			
Provisions	2	1,320,000	-
Total Non-Current Liabilities		1,320,000	-
Total Liabilities		1,353,325	33,325
Net Assets		2,806,551	4,544,674
Equity			
Issued capital		23,771,992	23,771,992
Reserves		76,103	76,103
Accumulated losses	2	(21,041,544)	(19,303,421)
Total Equity		2,806,551	4,544,674
1	Receipt of Non Contingent Component of \$2,200,000 and release of \$101,000 Term Deposit used to back environmental bonds provided over the Project Tenements.		
2	Sale of DPPL for \$2,200,000 resulting in a profit on sale of \$1,738,123, as set out below:		
	Consideration to be received	\$2,200,000	
	Less capitalised acquisition costs	(\$1,781,877)	
	Add right back of rehabilitation provision	\$1,320,000	
	Profit on sale of DPPL	\$1,738,123	

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:

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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 2:00 pm AEDT, on Thursday, 3 March 2016 at Level 27, 25 Bligh Street, Sydney, New South Wales, 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 Disposal of Main Undertaking

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, 116 Alastair Street, 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.