



dampiergold

# ASX ANNOUNCEMENT

31 October 2016

## September 2016 - Quarterly Activities Report

**ASX : DAU**

**ISSUED CAPITAL**

Ordinary shares:

95,740,141

Undiluted Market

Capitalisation:

\$2.6M

Cash: \$3.7M

### **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 30 September 2016.

The principal focus during the quarter was the completion of the sale of the Company's interest in the Plutonic Dome Gold Project (Project), which was concluded on 25 August 2016, and the evaluation of new investment opportunities.

### **Plutonic Dome Gold Project**

On 25 August 2016, the sale of the Company's interest in the Project to Vango Mining Limited (Vango) was completed and the non-contingent payment of \$2.2M deposited into Dampier's bank account.

Dampier stands to earn up to a further \$6M from the successful development by Vango of the Project in "contingent" payments (which are subject to the achievement of pre-determined production milestones) and a royalty.

Following completion of the sale, Dampier has been in discussions with Vango on the most practical and efficient approach to accelerate the development and commencement of gold production from the K2 Mining Project (50,000 to 100,000 ounces), which in-turn will bring forward the contingent payments and royalty to Dampier.

Whilst it proved difficult under the Farm-in Joint Venture for the Project to be developed, under the new ownership structure the opportunity of bringing K2 into production becomes particularly attractive for Dampier.

In this regard, the Plutonic Dome Gold Project is unique in Western Australia in that the area contains ~0.9M ounces of JORC Compliant Resources and the K2 Mine (50,000 to 100,000 ounces) can be brought into production for a modest estimated capital cost of ~\$8M because the mine, haul road and processing infrastructure are in place.



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For example:

- the K2 Mine has a decline developed to the ore blocks. Only dewatering and refurbishment of the decline is required to access these ore blocks.
- Haul roads are to the Plutonic Mine Processing Plant (owned by Canadian company Billabong Gold) and are established and only require moderate rehabilitation.
- Vango has a processing agreement with Billabong Gold for the processing of any gold ore extracted from the K2 Mine and from the Plutonic Dome Gold Project tenements.

## **New Investments for Dampier**

Dampier is now unencumbered financially, which puts it in a position to secure new growth opportunities for shareholders.

Among other opportunities, Dampier is in discussions with Vango regarding an investment in the development the K2 Gold Mine, which if consummated would result in Dampier securing a net profit interest; together with the potential to accelerate the \$4M of gold production milestone payments and \$2M in gold royalties.

Accordingly, an investment by Dampier (in conjunction with Vango) in the successful and accelerated development of the K2 Mine could generate substantial financial returns for Dampier and provide Dampier with the opportunity to expand its interest in the Plutonic Dome Gold Project. For example, the evaluation of the Trident and Marwest gold deposits.

In addition to the possible joint development of the K2 Mine with Vango, your directors have been evaluating various gold projects, industrial minerals, rare metals and rare earth projects and other diversified investments in agriculture, food and infrastructure.

Dampier is now in a strong, stable and unencumbered financial position with low overheads and a very experienced management team and support network which generates a steady flow of possible investment opportunities for your Company.

**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.

Dampier (Plutonic) Pty Ltd, is the holder of all the tenements listed above, except for M52/748 which is held by Barrick (Plutonic) Limited. The tenement holding entity Dampier (Plutonic) Pty Ltd was sold to Vango Mining Limited on 25 August 2016.

As a result of the sale by the Company of Dampier (Plutonic) Pty Ltd, all of the above tenements were disposed of by the Company during the quarter.