



31 July 2019

QUARTERLY ACTIVITIES REPORT – JUNE 2019

ASX : DAU

ISSUED CAPITAL

Ordinary shares:
176,640,141

Undiluted Market
Capitalisation:
\$4.4M

Cash: \$1.53M

DIRECTORS

Mr Malcolm Carson
Executive Chairman

Ms Hui Guo
Executive Director

Mr Peiqi Zhang
Non-Executive Director

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Highlights

- Dampier continues to pursue its rights to earn up to 50% of the K2 Gold project pursuant to the Binding Terms Sheet.
- The potential underground mining operation at the K2 project has the scope for Dampier to earn a significant return from the projected initial 49,000 ounces of gold production over a 36-month period. This projected production has estimated all in sustaining cost of \$1,100/ounce and start-up CAPEX of ~\$6.4M¹.
- During the quarter Dampier undertook desk top studies of the prolific Zuleika shear zone and has made application for tenements covering 1,263 ha of this highly prospective structure.
- At the Company's Menzies and Goongarrie projects, Dampier has completed early stage reconnaissance which indicates greenstone lithologies within the Menzies and Goongarrie project areas.
- Dampier has completed further desk-top studies and analysis of magnetic data at Ruby Plains and is now selecting target areas for a proposed drilling programme.

¹ Refer: Vango Mining Limited (ASX:VAN) announcement dated 14th February 2017, entitled "Upgraded Definitive Feasibility Study (DFS) on K2 Deposit"

K2 Gold Project

Key features of the K2 Gold Project are as follows:

- The K2 gold project is located ~30km north of Superior/Billabong's Plutonic Mine and processing plant, approximately 180km south of Mt Newman and ~50km north of Sandfire's Degrussa copper gold mine.
- K2 was previously mined as an open cut in 1997 by Resolute Mining producing 0.96mt @ 4 g/t for 124koz.
- Resolute proposed the establishment of underground operations and from a box cut developed a 1.4km decline which accessed the K2 ore blocks.
- Before underground mining commenced, Resolute abandoned the mine due to prevailing weak gold prices at that time.
- At current gold prices, the development of K2 is commercially viable and robust, based on the mining of an initial 49,000 ounces from the existing mineral resource inventory.
- Processing options are being considered and include toll treatment at nearby facilities or installation of a stand-alone processing plant.
- A major commercial feature of the mine is that it can be brought into production in an estimated 9 months, for a modest CAPEX of circa A\$6.4M.



Figure 1: Abandoned K2 open cut



Figure 2: K2 box cut decline

Vango Highlights in its 14/02/2017 announcement:

Dampier refers readers to the announcement by Dampier's JV partner, Vango Mining Limited (ASX: VAN) on 14 February 2017 in which Vango released to the ASX the results of an upgraded Definitive Feasibility Study (DFS) on the K2 Deposit.

The results of the upgraded DFS are highly positive and further strengthen the economic

robustness of the K2 Deposit. Please note that this upgraded study was completed at a gold price of A\$1,597/ounce. The current gold price is A\$2,058/ounce.

The headline results of this study include:

1. Pre-tax NPV increased to \$19.02 million from \$14.87 million in the previous DFS update of October 2014, **based on 49,000 ounces recovered at a spot gold price in February 2017 of A\$1,597/ounce;**
2. Internal Rate of Return (IRR) estimated at 382%, an increase of 153% from the 229% estimated in the October 2014 DFS update;
3. Pre-production Capital costs are estimated at \$6.4 million;
4. All-In Sustaining Unit Cost of Production of approximately A\$1135/ounce;
5. Free cash flows of \$22.7 million over an initial two-year mine life based on spot price A\$1,597/ounce, compared to \$18.2 million in the October 2014 DFS update; and
6. Payback period of approximately 13 months.

The updated DFS was determined using estimated total mined tonnes of 245,214 and head grade of 6.91 g/t gold (unchanged from October 2014 DFS) and the upgraded DFS did not consider the potential for additional resources that may be delineated by additional exploration and resource drilling.

Zuleika Shear Zone Project

The Zuleika Shear Zone is a significant NW-SE trending structural feature located around 20kms west of Kalgoorlie. It is the host of a number of significant gold resources including Kundana (>5 mozs), Carbine (>0.5mozs), Cave Rocks (>0.7mozs) and Bullant (>0.2mozs).

During the June quarter Dampier commenced a desk stop study of the geology and geophysics of this shear zone culminating in the application for 7 prospecting licences totalling 1,263 ha in early July.

A key component of these application areas is the potential to host NE trending splays off the main shear. These splays appear to be important components of significant gold resources located adjacent to the east and will be further evaluated during the September quarter.

Menzies and Goongarrie Projects

The Menzies and Goongarrie projects are located ~100km north northwest of the Kalgoorlie Golden Mile, which in turn is located around 600km east of Perth, Western Australia.

Both projects have had minimal modern exploration carried out.

The Menzies project, which covers 196sqkm, has been secured to explore the potential western extension of the prolific Menzies greenstone sequence in addition to the granite: greenstone contact in that area.

The project also covers what is interpreted to be the likely paleo drainage direction for the Menzies gold camp and consequently presents an attractive Tertiary channel Au target.

The Goongarrie project is located on trend between the Kundana K2 and Kalgoorlie shear zones and represents a grass roots gold and VMS base metal (Volcanogenic Massive Sulphide) play.

Magnetics and initial field reconnaissance indicates the project area covers greenstone lithology's comprising intermediate and mafic volcanics with possible ultramafics and banded iron formation.

Magnetic interpretation of the northern section of the Goongarrie project area has defined a semi-circular structure which suggests a stoping of the greenstone unit similar to the Goongarrie goldfield located ~30-40km to the east.

During the June quarter Dampier carried out additional desk top studies in anticipation of both project tenements being approved in the September quarter.

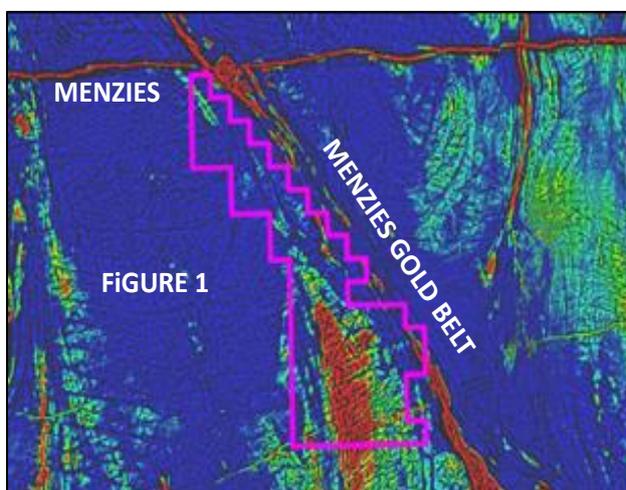


Figure 3: Menzies project magnetics

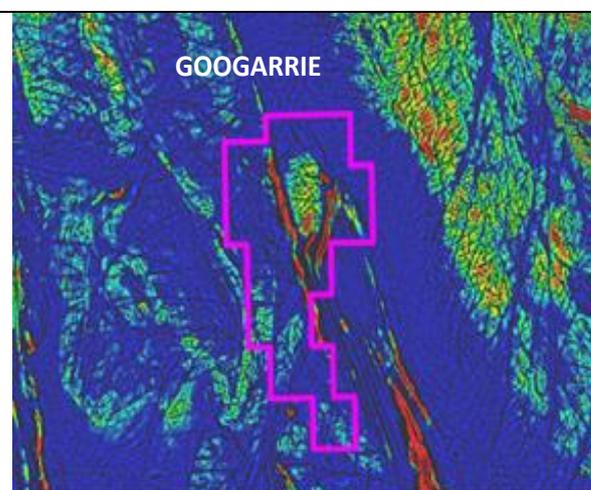


Figure 4: Goongarrie project magnetics

Figures 3 and 4 show the presence of significant untested structures and intrusive bodies in both the Menzies and Goongarrie project areas.

Ruby Plains Gold Project

In the previous quarter Dampier reported that initial field reconnaissance had confirmed the presence of multiple ancient paleo-channels within the Ruby Plains project area.



The Ruby Plains project area has had a number of desk top studies completed by previous tenement holders with a unified interpretation that the project area has the potential to host alluvial accumulations of gold eroded from the Halls Creek gold field and Halls Creek mobile zone.

Field evaluation by previous tenement holders was, however, very limited and during the June quarter Dampier continued to build a data base to provide targeted areas for a first stage field exploration programme.

This data base gathering has included sourcing wherever possible the location and drill logs of water bores completed within the project area. In addition, Dampier has undertaken desk top studies to evaluate the potential of various geophysical tools to assist in the delineation of the paleo channels.

At this stage, the work completed has indicated that the most reliable test of the palaeo channels will be drilling and work is continuing to prioritise target areas.

Dampier has been undertaking further desktop studies, based on these results, to define future exploration programs at Ruby Plains.

**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.

Tenement Holdings as at 31 July 2019

Zuleika Shear Tenement Applications

Tenement Number	Application Date	Area (Ha)
P16/3223	8 July 2019	170
P16/3224	8 July 2019	111
P16/3225	8 July 2019	192
P16/3226	8 July 2019	197
P16/3227	8 July 2019	197



P16/3228	8 July 2019	197
P16/3229	8 July 2019	199
	Total	1,263 Ha

Menzies Project Tenement

Tenement Number	Blocks	Area (Ha)
ELA29/1052	70	19,600

Goongarrie Project Tenement

Tenement Number	Blocks	Area (Ha)
ELA29/1051	55	15,400

Ruby Plains Tenements

Tenement Number	Blocks	Area (Ha)
E80/5143	170	53,700
E80/5144	21	6,600
ELA80/5161	49	15,500
ELA80/5162	20	6,300
ELA80/5291	10	3,200
ELA80/5292	14	4,400
ELA80/5293	4	1,300
ELA80/5294	6	1,900
ELA80/5295	29	9,200

JORC CODE, 2012 Edition-Table 1 Ruby Plains, Menzies and Goongarrie Projects:

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> N/A No Samples Reported
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> N/A No Drilling Reported
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> N/A No Drilling Reported
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant 	<ul style="list-style-type: none"> N/A No Drilling Reported



Criteria	JORC Code Explanation	Commentary
	<i>intersections logged.</i>	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> N/A <p>No Drilling or Samples Reported</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> N/A <p>No Assays Reported</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> N/A <p>No Sampling or Assays Reported</p>
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> No Drill holes or sample points are being reported. The Geophysical survey stations were located using a standard GPS with a nominal +/- 5m accuracy. The geophysical points were based on GDA 94 / MGA (zone 52)



Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The Geophysical surveys are preliminary reconnaissance surveys with lines covering four separate target areas. • The location of the survey lines was limited to existing station tracks and existing grid lines. • No Samples have been reported.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The geophysical survey was reconnaissance in nature, being relatively wide spaced and the orientation of potential mineralised structures is yet to be confirmed. • There is insufficient information to determine if the reconnaissance geophysical surveys were orientated perpendicular to potential mineralised structures.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • N/A No Samples or Assays Reported
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No Audits have been undertaken, No Assay or Samples reported

Section 2: REPORTING OF EXPLORATION RESULTS Ruby Plains, Menzies and Goongarrie Projects:

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The Ruby Plains Project is located approximately 340km south of Kununurra and 70km SE of Halls Creek in the Kimberley region of Western Australia. • The project consists of four exploration licences covering approximately 821 square kilometres. E80/5143 and E80/5144 are granted while E80/5161 and E80/5162 are applications. • All tenements are 100% beneficially owned by Dampier with transfers pending from the original tenement applicants G. Mooney and Z. Sas.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Within the body of the release the company acknowledges work undertaken in the region including the pre-competitive open file geophysical and geological work undertaken by the Western Australian Geological Survey along with previous exploration within the general Kimberley region of Western Australia including work undertaken in the region by Stockdale (De Beers) and POZ minerals. • GSWA Open File Reports a42683, a32030, a32167 and a32426
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of</i> 	<ul style="list-style-type: none"> • The geological target is gold within alluvial channels along with potential



Criteria	JORC Code Explanation	Commentary
	<i>mineralisation.</i>	regolith hosted supergene gold mineralisation.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • No drilling reported
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • No Assay or drilling results reported
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i> 	<ul style="list-style-type: none"> • No drilling results reported.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill</i> 	<ul style="list-style-type: none"> • Appropriate summary diagrams are included in the body of the announcement.



Criteria	JORC Code Explanation	Commentary
	<i>hole collar locations and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none">• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<ul style="list-style-type: none">• No drilling or Assay Results have been reported.• The entire Geophysical interpretation and survey data has been presented in various figures within the body of the report.
Other substantive exploration data	<ul style="list-style-type: none">• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<ul style="list-style-type: none">• The local scale and regional geophysical and historical geological mapping and interpretation of the alluvial paleochannels is reported in the body of the announcement.• Summary information included in GSWA Open File Reports a42683, a32030, a32167 and a32426
Further work	<ul style="list-style-type: none">• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<ul style="list-style-type: none">• Additional work including geophysics, geological mapping and interpretation, geochemical sampling and potentially drilling is either planned or is expected to be planned to further evaluate the extent and potential of the interpreted Paleochannels within the project