



31 January 2019

DECEMBER 2018 QUARTERLY ACTIVITIES REPORT

ASX : DAU

ISSUED CAPITAL

Ordinary shares:
175,640,141

Undiluted Market
Capitalisation:
\$5.6M

Cash: \$2.1M

DIRECTORS

Mr Malcolm Carson
Executive Chairman

Ms Hui Guo
Executive Director

Mr Peiqi Zhang
Non-Executive Director

CONTACT

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Highlights

- The opportunistic take over launched by Vango Mining Limited (Vango) on 17 September 2018 was extended several times and closed on 4 January 2019 with Vango securing ~22% of Dampier.
- In response to Vango's take-over offer, Dampier with the support of its Corporate Advisors Steinepreis Paganin and Financial and Technical experts Stantons International and Dunbar Resource Management, issued 5 supplementary Target's Statements, including an independent expert report released on 5 November 2018 which concluded that Vango's offer was "not fair and not reasonable".
- Dampier will continue to pursue all avenues to protect its right to earn 50% of the K2 Joint Venture pursuant to the Binding Terms Sheet executed on 12 May 2017.
- Vango continues to frustrate Dampier's efforts to earn 50% of the K2 Joint Venture in accordance with the Binding Terms Sheet.
- During the quarter, Dampier reported on its first stage exploration program over the Ruby Plains tenements which demonstrated encouraging results indicating the presence of previously hypothesised paleo-channels and significantly, a paleo-surface at ~60m.



- Dampier applied for additional tenements over prospective areas near the Company's existing Ruby Plains tenement holdings.
- A private placement completed, raising \$1M in working capital for the purpose of contributions towards the development of the K2 Gold Mine in accordance with the Binding Terms Sheet.
- Dampier evaluated two properties in the Menzies and Goongarrie areas north of the Kalgoorlie Golden Mile and on 7 January 2019 announced the acquisition of 2 tenement applications.

Vango Takeover Offer and the K2 Gold Mine Joint Venture

On 17 September 2018, Vango announced an unsolicited conditional off-market offer to purchase all of Dampier's Shares for a consideration of 2 Vango shares for every 7 Dampier Shares (**Offer**). The opportunistic Offer, which Dampier believes was initiated to subvert Dampier's rights to earn a 50% interest in the K2 Joint Venture, closed on 4 January 2019 with Vango securing ~22% of Dampier.

Dampier's Directors, through their determined response in 5 Supplementary Target's Statements, recommended that shareholders reject Vango's all scrip offer. In support of this recommendation, an Independent Expert who concluded that Vango's offer was "**not fair and not reasonable**". Vango subsequently failed to achieve its stated target of 50.1% of Dampier's shares.

At current gold prices, development of the K2 Gold Mine represents a clear and present opportunity for Dampier to achieve cash flow within 12 months and generate significant profits. To date, Vango has frustrated Dampier's efforts to earn a 50% interest in the K2 Joint Venture.

Dampier directors on behalf of shareholders will continue to pursue the Company's rights under the K2 Joint Venture in accordance with the Binding Terms Sheet dated 12 May 2017.

Ruby Plains Gold Project

Dampier reported on 23 October 2018, the results of the August/September exploration program which confirmed the presence of ancient paleo-channels at Ruby Plains and the presence of pisolitic conglomerates in those channels.

Highlights of the exploration program are:

- ground magnetics successfully confirmed the magnetic signatures interpreted from wide-spaced aeromagnetic data which coincides with a **ferruginised (Maghemite), pisolitic, pebble conglomerate**;

- the work and interpretations are consistent with previous interpretations which had proposed that there was an older deep and shallow paleo-channels;
- the area has considerable exploration upside and is significantly underexplored having been only mapped in detail by Government agencies in 1996 (100,000) and in 1977 (250,000);
- Dampier is the first to test these ground geophysical exploration methods on the Ruby Plains and is encouraged by the results to date;
- ground magnetic data indicated a possible deeper magnetic source, which may reflect an older paleo-surface within the deeper paleo-channel;
- survey techniques confirmed the suitability of these methods in the Kimberly Region as experienced by other explorers; and
- Dampier is now in a better position to determine the most suitable exploration methods to advance target definition and drilling.

Additional Ruby Plains Tenement Applications

Following the Company's October 2018 announcement, Dampier applied for five new tenements at Ruby Plains which are shown in blue in the following image.

These tenements cover additional prospective ground, including gossanous quartz outcrop in the north central area and a linear magnetic anomaly along Wolfe Creek to the south west of the main linear magnetic target on E80/5143.

Dampier's ground holding in granted tenements and applications increased to 1,020 sqkm.

Menzies and Goongarrie Projects

On 7 January 2019, Dampier announced the acquisition of two projects at Menzies (196sqm) and Goongarrie (154sqkm) which are located ~100km north northwest of the Kalgoorlie Golden Mile which in turn is located around 600km west of Perth, Western Australia. 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.

\$1m Capital Raising

Following the receipt of shareholder approval on 18 September 2018, on 16 October 2018 the Company successfully raised \$1,000,000 in working capital pursuant to the issue of 40,000,000 shares at an issue price of \$0.025 per share.

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 HOLDING – RUBY PLAINS

Project	Tenement Number	Blocks	Area sqkm	Status
Ruby Plains	E80/5143	170	537	Granted
	E80/5144	21	66	Granted
	E80/5161	49	155	Application
	E80/5162	20	63	Application
	E80/5291	10	32	Application
	E80/5292	14	44	Application
	E80/5293	4	13	Application
	E80/5294	6	19	Application
	E80/5295	29	92	Application
TOTAL		323	1020	

TENEMENT HOLDING – MENZIES GOONGARRIE

Project	Tenement Number	Blocks	Area sqkm	Status
Menzies	ELA29/1052	70	196	Application
Goongarrie	ELA29/1051	55	154	Application
TOTAL		125	350	