



dampiergold

ASX Announcement

19 November 2013

Dampier Gold is positioning itself to be among the next generation of Australian gold producers. The Company is involved in evaluating and exploring the Plutonic – Marymia greenstone belt in central Western Australia with a view to near-term gold production.

ASX CODE

DAU

CURRENT

Share Price

\$0.026

Undiluted Market Capitalisation

\$1.7M

ISSUED SHARE CAPITAL

Ordinary shares

66.7M

DIRECTORS

Mr Rod Hanson

Chairman

Mr Richard Hay

Managing Director

Mr Philip Retter

Non-Executive Director

Ms Susan Hunter

Non-Executive Director/Company

Secretary

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Farm In and Joint Venture with Ord River Resources

Highlights

- Farm In and Joint Venture (FIJVA) entered into with Ord River Resources to explore Dampier's Plutonic Dome project;
- Ord to sole fund up to \$6 million over two years to earn up to 75% interest;
- Farm In requires Ord to spend a minimum of \$2 million in first 9 months to earn 30% interest;
- The FIJVA will significantly reduce Dampier's project holding costs and closure liabilities, whilst retaining substantial shareholder exposure to the upside potential;

Dampier Gold Limited ("Dampier" or the "Company", ASX: DAU) is pleased to announce that the Company has entered into a Farm In and Joint Venture Agreement (FIJVA) with Ord River Resources ("Ord", ASX: ORD) covering its 100% owned Plutonic Dome project ("the Project") in central WA (Figure 1).

The transaction comprises an FIJVA which will accelerate the exploration and possible development of the Project. Framework terms will continue in place for a proposed ore purchase agreement to access Barrick's Plutonic processing facility enhancing the prospect of rapid and successful development of the Project.

Dampier's Managing Director Mr Richard Hay said: *"This is a major development for Dampier in its aspiration for advancing the Project towards production. We look forward to working closely with Ord to maximise the near term potential of the Plutonic Dome Project."*

Over the past few months the Company has been reviewing the results of its cutting edge regional 3D prospectivity model recently developed for the entire Plutonic – Marymia greenstone belt. A number of high priority targets have been identified and undergone preliminary evaluation. Significant expenditures are now required to effectively drill test these targets. It is envisaged that Ord will address high priority targets in its work programs. During the term of the FIJVA, Ord will be responsible for all Project holding costs, concurrent rehabilitation work and maintaining the tenements in good standing.

Access to capital is currently very challenging and potentially highly dilutive for junior resource companies, such as Dampier. The Board has determined that it is prudent management to seek a partner to share in the risk, whilst preserving shareholder exposure to the potential upside of the project.

The Company will now focus on applying its current financial strength towards the search for other value-add opportunities, whilst working closely with Ord on the Plutonic Dome project."



Key Terms of the Agreement

Ord has the right to earn a maximum of 75% interest in the Project by sole funding expenditure of up to \$6 million over 24 months, conditional on satisfying the following expenditure milestones:

The first \$2 million Farm In expenditure will entitle Ord to a 30% Joint Venture Interest provided the expenditure is incurred within 9 months of the agreement coming into effect; the next \$1 million expenditure will entitle Ord to a further 15% Joint Venture Interest (total 45%) provided the expenditure is incurred within 14 months of the agreement coming into effect; the next \$1 million will entitle Ord to a further 15% Joint Venture Interest (total 60%) provided the expenditure is incurred within 19 months of the agreement coming into effect; and the final \$2 million will entitle Ord to a further 15% Joint Venture Interest (total 75%) provided the expenditure is incurred within 24 months of the agreement coming into effect.

Ord may elect to cease sole funding once the minimum Farm In expenditure of \$2 million in 9 months is satisfied.

Dilution provisions apply after sole funding obligations have ceased.

Ord is obligated to maintain the tenements in good standing.

The transaction is not subject to shareholder approval.

The transaction is subject to several conditions precedent, including obtaining third party waivers and consents and other conditions considered customary for an agreement of this nature, as well as Ord raising the necessary finance for the first Farm In stage. In this regard, Ord has advanced plans.

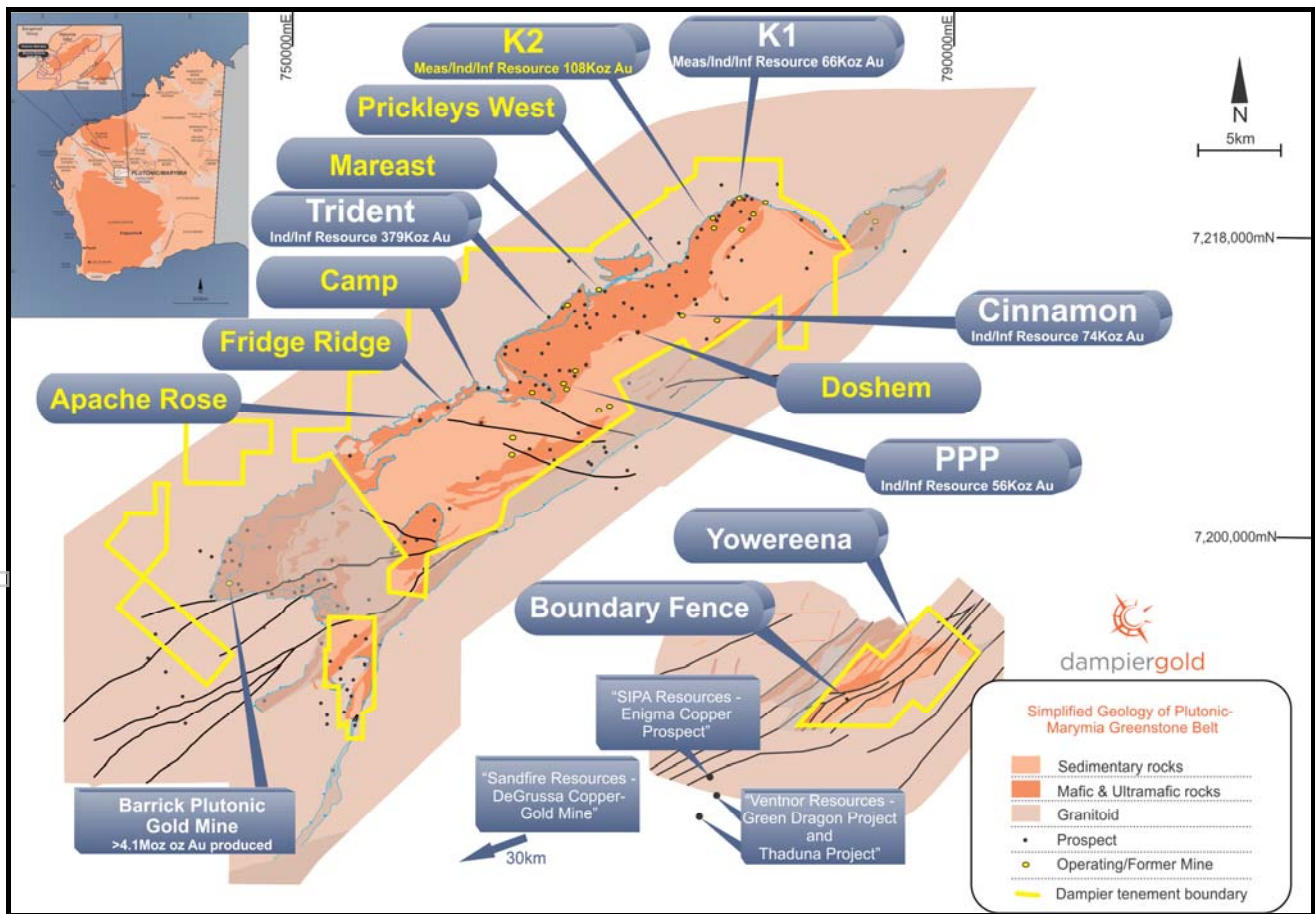


Figure 1. Plutonic Dome Project simplified geology and deposit / prospect locations.



Contact

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About Dampier Gold

Dampier Gold acquired 100% of the Plutonic Dome Project from Barrick Gold in 2010, covering the majority of the Plutonic – Marymia greenstone belt, excluding Barrick's underground mining and processing operation. Dampier's project area produced some 580,000oz Au from 40 open pits in a generally low gold price environment between 1990 and 2005. The project currently contains a Mineral Resource of approximately 683,000oz Au (comprising a Measured Resource of some 0.6Mt at 2.1g/t Au, an Indicated Resource of some 2.7Mt at 4.0g/t Au and an Inferred Resource of some 2.2Mt at 4.1g/t Au). The Company is evaluating and exploring the Plutonic Dome Project with a view to near-term gold production.

Appendix 1

Plutonic Dome Project Mineral Resource Statement as at July 2013

Deposit	OP/ UG	Measured		Indicated		Inferred		Total		
		Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Contained metal (oz)
**K2, K3	OP	28,000	3.1	231,000	4.6	341,000	2.1	600,000	3.1	60,300
	UG	-	-	161,000	6.2	85,000	5.8	247,000	6.1	48,000
Sub-total		28,000	3.1	393,000	5.3	426,000	2.9	847,000	4.0	108,300
*Trident	OP	-	-	-	-	-	-	-	-	-
	UG	-	-	854,000	6.2	1,356,000	4.8	2,210,000	5.3	378,600
Sub-total		-	-	854,000	6.2	1,356,000	4.8	2,210,000	5.3	378,600
**K1	OP	593,000	2.0	123,000	1.9	171,000	3.7	888,000	2.3	66,000
	UG	-	-	-	-	-	-	-	-	-
Sub-total		593,000	2.0	123,000	1.9	171,000	3.7	888,000	2.3	66,000
**ppp	OP	-	-	294,000	2.6	88,000	2.1	382,000	2.5	30,900
	UG	-	-	106,000	4.0	91,000	3.9	196,000	4.0	25,000
Sub-total		-	-	400,000	3.0	179,000	3.0	579,000	3.0	55,900
**Cinnamon	OP	-	-	961,000	2.3	54,000	2.3	1,015,000	2.3	74,100
	UG	-	-	-	-	-	-	-	-	-
Sub-total		-	-	961,000	2.3	54,000	2.3	1,015,000	2.3	74,100
Total	OP	621,000	2.1	1,608,000	2.6	655,000	2.5	2,885,000	2.5	231,200
Total	UG	-	-	1,121,000	6.0	1,532,000	4.8	2,653,000	5.3	451,600
Grand Total		621,000	2.1	2,730,000	4.0	2,187,000	4.1	5,538,000	3.8	682,800

OP = open pit, UG = underground

Underground resources are reported above a 3.0 g/t Au cut-off

**Resources are reported within optimised conceptual pit shells at A\$1,700/oz gold price above a 0.5g/t Au cut-off

Due to rounding, tonnages and grades may not equate to exact contained ounces; 100% equity basis

Competent Persons

The information in this announcement that relates to Mineral Resources is based on information compiled and reviewed by Mr Graham de la Mare who is a Member of the Australian Institute of Geoscientists and full-time employee of RungePincockMinarco Limited. Mr Graham de la Mare has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2004 JORC Code. Mr de la Mare consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.



The information in this announcement that relates to Exploration Results is based on information compiled and reviewed by Mr Richard Hay, who is a Member of the Australian Institute of Geoscientists and Managing Director of Dampier Gold Ltd. Mr Richard Hay has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which she has undertaken, to qualify as a Competent Person as defined in the 2004 JORC Code. Mr Richard Hay consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

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