



dampiergold

# ASX Announcement

07 January 2014

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

\$0.029

## ISSUED SHARE CAPITAL

Ordinary shares

66.7M

## DIRECTORS

**Mr Rod Hanson**

Chairman

**Mr Richard Hay**

Managing Director

**Mr Peiqi Zhang**

Non-Executive Director

**Ms Hui Guo**

Alternate Non-Executive Director

## CONTACT

**Dampier Gold Limited**

ACN 141 703 399

6 Outram Street,

West Perth WA 6005

PO Box 1981,

West Perth WA 6872

P: (08) 6424 9700

F: (08) 6424 9799

E: info@dampiergold.com

[www.dampiergold.com](http://www.dampiergold.com)

## Farm In and Joint Venture with Ord River Resources - Satisfaction of Conditions Precedent

### Highlights

- All Conditions Precedent satisfied for Farm In and Joint Venture Agreement (FIJVA) 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 on or before 2<sup>nd</sup> October 2014 to earn 30% interest;
- The FIJVA will significantly reduce Dampier's project holding costs and closure rehabilitation liabilities, whilst retaining substantial shareholder exposure to the upside potential;

Dampier Gold Limited ("Dampier" or the "Company", ASX: DAU) is pleased to announce that all conditions precedent have been satisfied for the Company's FIJVA with Ord River Resources ("Ord", ASX: ORD) covering its 100% owned Plutonic Dome project ("the Project") in central WA.

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

Dampier's Managing Director Mr Richard Hay said: *"The Company is pleased that the conditions precedent have now been satisfied allowing the deal to come into effect. We look forward to working closely with the Ord team to advance Dampier's aspiration of progressing the Project towards production in the near term, whilst retaining significant shareholder exposure to the upside."*

*In addition to testing compelling 3D targets generated by Dampier in 2013, Ord intends to focus on predevelopment activities for the K2 and Trident deposits.*

*Furthermore, 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 thereby allowing the Company to focus on the search for other value-add opportunities."*



### 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.

### Contact

Richard Hay – Managing Director

+61 8 6424 9700

[richard.hay@dampiergold.com](mailto:richard.hay@dampiergold.com)

[www.dampiergold.com](http://www.dampiergold.com)

For personal use only