



Dampier Gold Limited

Chairman's Letter to Shareholders

Requisition for General Meeting

Dear Fellow Shareholder,

On 8th January 2014, your Company, Dampier Gold Limited announced to the ASX that it had received a requisition notice under Section 249D of the Corporations Act 2001 from Columbus Minerals Pty Ltd, which seeks to remove our Managing Director, Mr Richard Hay and to replace him as a board member with a Columbus nominee, Ms. Hui Guo. The shareholder meeting to consider these resolutions is to be held within 60 days of the receipt of a valid notice.

As your Chairman and the only independent director on a board of three, also comprising Richard Hay and Mr Peiqi Zhang representing Columbus Minerals, with Ms. Hui Guo as his alternate, I firmly believe that both of these resolutions are not in the best interests of your Company or you as individual shareholders.

By way of background, for some time now the junior resource sector has confronted a number of challenges typified by a lack of investor enthusiasm resulting in major difficulties in raising new equity without excessive shareholder dilution. Unfortunately, these market conditions have rendered companies such as yours vulnerable to aggressive actions such as those initiated by Columbus and its Chinese investors. We have an annual minimum expenditure commitment of over \$3.5 million (inclusive of \$1.1 million in rents and rates) to keep our very attractive Plutonic Dome project in good standing. Recently your Board decided that it was in the best interests of all shareholders to enter into a Farm In and Joint Venture Agreement with Ord River Resources ("Ord") under which Ord must spend \$2 million over the first nine months to earn 30% of the Plutonic Dome project and is entitled to sole fund a further \$4 million to earn a maximum of 75% of the project. Ord is obliged to keep the tenements in good standing whilst earning into the project. Under this approach, Dampier shareholders gain certainty of short term funding, whilst the project continues to advance. We understand that Columbus is not supportive of the Ord Agreement, although most industry observers believe it to be an eminently sensible transaction.

Richard Hay, our Managing Director, is the sole employee of the Company. Richard has an excellent knowledge of the Western Australian Yilgarn Goldfields and a deep understanding of the Plutonic Goldfield. Richard is a conscientious, loyal and trustworthy executive. If Richard is removed, your Company would suffer a serious loss of corporate knowledge and a period of uncertainty whilst a search is undertaken for a new Managing Director. Richard has my full support and has shown that he is capable of developing and delivering the Company strategy.



Columbus Minerals holds approximately 18.9% of the Company's shares and since the recent AGM has one board representative on a total board of three members. Columbus' proposition of holding two board seats out of three, if both resolutions are carried, is simply inappropriate and unacceptable from a corporate governance perspective. This resolution would deliver control of the Company to Columbus without it initiating a formal takeover procedure, delivering a premium for control or stating its plans for the Company.

You can rest assured that I will be doing everything within my power to protect the interests of all shareholders. I seek your support at the forthcoming meeting to reject both of these resolutions.

Yours sincerely,

A handwritten signature in black ink, appearing to read "R. H. --".

Rod Hanson
Non-executive Chairman

14 January 2014