



dampiergold

ASX Announcement

3 March 2014

Dampier Gold is exploring the Plutonic Dome project in partnership, whilst seeking new advanced opportunities, with the aim of becoming a near term gold producer.

ASX CODE

DAU

CURRENT
Share Price
\$0.038

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

Excellent Progress to Date on Plutonic Dome Project Farm In and Joint Venture

Dampier Gold Limited (“Dampier” or the “Company”, ASX: DAU) is pleased to note the significant progress made by Ord River Resources (“Ord”; ASX:ORD) towards its Farm In obligations since the Farm In and Joint Venture Agreement (FIJVA) on the Plutonic Dome project (“the Project”) became effective on 2 January 2014.

In addition to the initial \$2.0M raised by Ord as required under the FIJVA, substantial progress towards securing a further conditional **~\$3.0M placement** has been made (see ASX announcement by Ord on 25 February 2014). This provides Dampier with a **high level of confidence** that Ord will have the financial capacity to meet its FIJVA obligations.

Ord has completed an updated 2012 JORC compliant Mineral Resource estimate for the Marwest, K2, K2SE and K3 deposits (see ASX announcement by Ord on 11 February 2014) resulting in an increased project Mineral Resource totalling **7.7Mt at 3.13g/t Au for 778,000oz of contained gold** (Table 1). A feasibility study of the K2 underground project has commenced.

Dampier is closely monitoring Ord’s contractual obligations to keep all the tenements in good standing (via its tenement managers). If in the unlikely event that Ord does not meet its initial \$2.0M Farm In obligation, then Dampier will retain 100% ownership of the Plutonic Dome project.

Following the commencement of the FIJVA, Dampier has been able to focus on its strategy of acquiring value-add advanced projects that are more suited to the Company’s financial capacity.

Dampier’s Managing Director Mr Richard Hay said: “We are pleased to learn of the significant advances Ord has made towards securing the necessary finance to ensure its obligations under the FIJVA will be met. This provides further confidence that Dampier can continue focussing on activities to acquire new value add projects”.



Key Terms of the FIJVA

Ord has the right to earn a maximum of 75% interest in the Project tenements by sole funding expenditure of up to \$6.0M over 24 months, conditional on satisfying the following expenditure milestones:

- The first \$2.0M Farm In expenditure will entitle Ord to a 30% Joint Venture Interest provided the expenditure is incurred prior to 2 October 2014;
- A further \$1.0M expenditure will entitle Ord to an additional 15% Joint Venture Interest (total 45%) provided the expenditure is incurred prior to 2 March 2015;
- A further \$1.0M expenditure will entitle Ord to an additional 15% Joint Venture Interest (total 60%) provided the expenditure is incurred prior to 2 August 2015; and
- A further \$2.0M expenditure will entitle Ord to an additional 15% Joint Venture Interest (maximum total 75%) provided the expenditure is incurred prior to 2 January 2016.

Ord may elect to cease sole funding only after the minimum Farm In expenditure of \$2.0M by 2 October 2014 is satisfied. In the unlikely event that Ord fails to meet its obligations under the Farm In, then ownership of the whole Project will remain with Dampier and operational management will revert to Dampier.

Dilution provisions apply after sole funding obligations have ceased if either party elects not to contribute to ongoing expenditure in accordance with each party's then interest in the tenements.

Ord is obligated to maintain all Project tenements in good standing for the entire sole funding period of the FIJVA.

Contact

Richard Hay – Managing Director

+61 8 6424 9700

richard.hay@dampiergold.com

www.dampiergold.com



Mineral Resources:

Deposit	OP/UG	Measured		Indicated		Inferred		Total		
		Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Ounces (000's)
*K2	UG	-	-	156	8.86	170	6.64	326	7.7	81
	Sub-total	-	-	156	8.86	170	6.64	326	7.7	81
**K2SE	OP	-	-	866	1.11	782	1.08	1,648	1.1	58
	Sub-total	-	-	866	1.11	782	1.08	1,648	1.1	58
**K3	OP	-	-	384	1.78	380	1.69	781	1.74	44
	Sub-total	-	-	384	1.78	380	1.69	781	1.74	44
**Marwest	OP	-	-	-	-	267	2.5	268	2.5	21
	Sub-total	-	-	-	-	267	2.5	268	2.5	21
***Trident	OP	-	-	-	-	-	-	-	-	-
	UG	-	-	854	6.2	1,356	4.8	2,210	5.3	379
	Sub-total	-	-	854	6.2	1,356	4.8	2,210	5.3	379
***K1	OP	593	2.0	123	1.9	171	3.7	888	2.3	66
	UG	-	-	-	-	-	-	-	-	-
	Sub-total	593	2.0	123	1.9	171	3.7	888	2.3	66
***ppp	OP	-	-	294	2.6	88	2.1	382	2.5	31
	UG	-	-	106	4	91	3.9	196	4	25
	Sub-total	-	-	400	3	179	3	579	3	56
***Cinnamon	OP	-	-	961	2.3	54	2.3	1,015	2.3	74
	UG	-	-	-	-	-	-	-	-	-
	Sub-total	-	-	961	2.3	54	2.3	1,015	2.3	74
	Total	593	2.0	3,744	3.20	3,359	3.3	7,697	3.13	778

Table 1: Plutonic Dome Gold Project Mineral Resources as at February 2014

OP = open pit, UG = underground. Underground resources reported above a 3.0g/t Au cut-off.

* Resources reported in accordance with JORC 2012 Edition of Guidelines above a 3.0g/t Au cut-off grade.

** Resources reported in accordance with JORC 2012 Edition of Guidelines above a 0.5g/t Au cut-off grade.

*** Resources reported in accordance with JORC 2004 Guidelines. OP= open pit resources, reported within optimised conceptual shells at \$1,700/oz gold price above a 0.5g/t Au cut off. UG= underground resources, reported above a 3.0 g/t Au cut-off grade.

Due to rounding, tonnages and grades may not equate to exact contained ounces

Competent person's statement:

The information in this announcement that relates to Mineral Resources for Trident, K1, PPP and Cinnamon 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 Mineral Resources for Marwest, K2, K2SE, K3 and Plutonic Dome Project Exploration Results is based on information compiled and fairly represented by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Geonomics Pty Ltd. Mr King 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 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.