



dampiergold

ASX Announcement

28 April 2014

Dampier Gold is positioning itself to be among the next generation of Australian gold producers. The Company has recently joint ventured its project over the Plutonic - Marymia greenstone belt in central Western Australia with a view to advancing to near-term gold production.

ASX CODE

DAU

CURRENT

Share Price
\$0.021

ISSUED SHARE CAPITAL

Ordinary shares
66.7M

DIRECTORS

Mr Rod Hanson

Chairman

Mr Ben Loiterton

Non-Executive 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

March 2014 Quarterly Activities Report

Operations

- Farm In and Joint Venture Agreement (FIJVA) with Ord River Resources ("Ord"; ASX:ORD) to explore Dampier's Plutonic Dome project ("Project") commences on 2 January 2014;
- Ord appointed as Manager under the terms of the FIJVA;
- Ord has made excellent progress to date including:
 - A new Mineral Resource for the Marwest deposit;
 - Mineral Resource update for the K2 deposit;
 - Commenced feasibility study on the K2 deposit.
- The Company continued to assess potential acquisition of suitable new projects.

Corporate

- Mr Ben Loiterton was appointed as a Director on 6 March 2014.
- A General Meeting was held by the Company on 7 March 2014.
- A further General Meeting requisition was received from the Company's largest shareholder Columbus Minerals Pty Ltd, and another shareholder Sahara Minerals Pty Ltd, on 9 March 2014.
- A General Meeting is scheduled to be held on 8 May 2014.
- Available cash of \$2.93* million as at 31 March 2014.

* Available cash is net of \$101,000 in cash backed environmental bonds



Dampier Gold Limited ("Dampier" or the "Company", ASX: DAU) is pleased to announce an update for the March 2014 quarter.

FIJVA with Ord River Resources

The Company is pleased to note the significant progress made by Ord River Resources (Ord) during the quarter including a new Inferred Mineral Resource for the Marwest deposit of 0.27Mt at 2.5g/t Au for 21,000 ounces (Table 1) located adjacent to the significant Trident deposit. In addition, Ord completed an updated Mineral Resource estimate for the K2, K2SE and K3 deposits focussing on the underground potential. The combined total Mineral Resource estimate for the Plutonic Dome project stands at 7.7Mt at 3.3g/t Au for 778,000 ounces (Table 1).

In addition, Ord have commenced a feasibility study focussing on the potential to develop the K2 underground deposit. Ord has appointed a feasibility study manager and has also commenced work on the relevant statutory approvals. Furthermore, Ord has reported that a Letter of Intent has been signed with Northern Star to Toll Treat ore at the Plutonic Mine.

Of note, Ord reported to the ASX on 10 March 2014 that it had placed \$1.495 million of its rights issue shortfall ensuring that it has additional finance available to meet its expenditure obligations for the initial Farm In obligation of \$2 million by 2 October 2014 to earn a 30% interest in the project.

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

New Projects

During the quarter, the Company continued to review new projects that have the potential to value add and which are more suited to the financial capacity of Dampier. Material progress has been impeded due to the uncertainty caused by the two section 249D notices of requisition for General Meetings received during the quarter.

Board Changes

During the quarter Mr Ben Loiterton was appointed as a Non-Executive Director and Mr Richard Hay was removed as a Director.

General Meeting 7 March 2014

A General Shareholder Meeting was held on 7 March 2014 in Perth WA. The results of the meeting were that Ms Hui Guo was not elected as a Director of the Company and Mr Richard Hay was removed from the Board as a Director. Mr Richard Hay remained employed as the Chief Executive Officer to provide continuity for the Company as its only full time employee.

General Meeting 8 May 2014

A further notice of requisition of general meeting was received by the Company from major shareholder Columbus Minerals Pty Ltd and another shareholder Sahara Minerals Pty Ltd on 9 March 2014. There are four proposed resolutions which are 1.) appoint Mr Malcolm Carson as a Director; 2.) appoint Mr Peter Evans as a Director; 3.) remove Mr Rod Hanson as a Director 4.) remove Mr Ben Loiterton as a Director. The General Meeting is scheduled for 9am on 8 May 2014, to be held at the Celtic Club, West Perth, WA.

Cash Position

The Company's cash position as at 31 March 2014 was \$2.93 million net of \$101,000 in cash backed environmental bonds. Dampier's cash position has been protected by Ord's obligation to maintain the Project tenements in good standing by sole funding during the Farm In period, thereby releasing Dampier from directly meeting the minimum project expenditure obligations of +\$3.5 million per annum and allowing the Company to pursue new value add projects that are more suited to Dampier's financial capacity.



Section 5.3.3 of ASX reporting guidelines

There were no changes to the Company's Mining Tenements during the quarter. See full listing of Mining Tenements in Appendix 1.

Contact

Richard Hay

+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	8.85	170	6.54	325	7.7	81
	Sub-total	-	-	156	8.85	170	6.54	325	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 pit 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 Plutonic Dome Gold Project:

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.

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.

For personal use only



Appendix 1 – Mining Tenement Information (s5.3.3 of ASX reporting guidelines)

Tenement	Ownership Status	Location	Comments
E52/2071	100%*	Plutonic Dome	
E52/2072	100%*	Plutonic Dome	
E52/527	100%*	Plutonic Dome	
M52/183	100%*	Plutonic Dome	
M52/217	100%*	Plutonic Dome	
M52/218	100%*	Plutonic Dome	
M52/219	100%*	Plutonic Dome	
M52/220	100%*	Plutonic Dome	
M52/226	100%*	Plutonic Dome	
M52/227	100%*	Plutonic Dome	
M52/228	100%*	Plutonic Dome	
M52/229	100%*	Plutonic Dome	
M52/230	100%*	Plutonic Dome	
M52/231	100%*	Plutonic Dome	
M52/232	100%*	Plutonic Dome	
M52/233	100%*	Plutonic Dome	
M52/234	100%*	Plutonic Dome	
M52/235	100%*	Plutonic Dome	
M52/246	100%*	Plutonic Dome	
M52/247	100%*	Plutonic Dome	
M52/253	100%*	Plutonic Dome	
M52/257	100%*	Plutonic Dome	
M52/258	100%*	Plutonic Dome	
M52/259	100%*	Plutonic Dome	
M52/269	100%*	Plutonic Dome	
M52/270	100%*	Plutonic Dome	
M52/278	100%*	Plutonic Dome	
M52/279	100%*	Plutonic Dome	
M52/291	100%*	Plutonic Dome	
M52/292	100%*	Plutonic Dome	
M52/293	100%*	Plutonic Dome	
M52/299	100%*	Plutonic Dome	
M52/303	100%*	Plutonic Dome	
M52/304	100%*	Plutonic Dome	
M52/305	100%*	Plutonic Dome	
M52/306	100%*	Plutonic Dome	
M52/320	100%*	Plutonic Dome	
M52/321	100%*	Plutonic Dome	
M52/323	100%*	Plutonic Dome	
M52/366	100%*	Plutonic Dome	
M52/367	100%*	Plutonic Dome	
M52/369	100%*	Plutonic Dome	
M52/370	100%*	Plutonic Dome	
M52/395	100%*	Plutonic Dome	
M52/396	100%*	Plutonic Dome	
M52/478	100%*	Plutonic Dome	
M52/572	100%*	Plutonic Dome	

For personal use only



M52/590	100%*	Plutonic Dome	
M52/593	100%*	Plutonic Dome	
M52/654	100%*	Plutonic Dome	
M52/670	100%*	Plutonic Dome	
M52/671	100%*	Plutonic Dome	
M52/672	100%*	Plutonic Dome	
M52/779	100%*	Plutonic Dome	
M52/780	100%*	Plutonic Dome	
P52/1220	100%*	Plutonic Dome	
P52/1221	100%*	Plutonic Dome	
P52/1222	100%*	Plutonic Dome	
P52/1223	100%*	Plutonic Dome	
P52/1393	100%*	Plutonic Dome	

*All tenements 100% owned by Dampier (Plutonic) a wholly owned subsidiary of Dampier Gold Pty Ltd but are subject to the Ord River Farm In and Joint Venture as at 31 March, Ord River Resources had not earned an interest in any of the tenements

MINING TENEMENT APPLICATIONS

M52/748	PENDING	Plutonic Dome	
M52/781	PENDING	Plutonic Dome	
M52/782	PENDING	Plutonic Dome	

- No tenements were acquired or disposed of during the quarter
- There were no changes to beneficial interest in any mining tenements during the quarter due to Farm-In or Farm-Out agreements
- No beneficial interests in Farm-In or Farm-Out agreements were acquired or disposed of during the quarter

For personal use only

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Dampier Gold Limited

ABN

43 141 703 399

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 Months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(29)	(800)
(b) development	-	-
(c) production	-	-
(d) administration	(296)	(714)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28	91
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other^	133	133
Net Operating Cash Flows	(164)	(1,290)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other*	-	3,144
Net investing cash flows	-	3,144
1.13 Total operating and investing cash flows (carried forward)	(164)	1,854

+ See chapter 19 for defined terms.

For personal use only

1.13	Total operating and investing cash flows (brought forward)	(164)	1,854
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Term deposits to secure bank guarantees)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(164)	1,854
1.20	Cash at beginning of quarter/year to date	3,094	1,076
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter **	2,930	2,930

[^] Pursuant to the Farm In and Joint Venture Agreement (FIJVA) entered into with Ord River Resources (Ord) on 19 November 2013, Ord is obligated to sole fund all exploration expenditure and reimburse expenditure incurred by Dampier Gold Ltd (Dampier) after 19 November 2013. During the quarter, Ord reimbursed a total of \$132,624 to Dampier for pro-rata rents and rates for the agreement period.

* The Group opted in to the West Australian Government's Mining Rehabilitation Fund (MRF) program which resulted in the retirement of \$3.144m in cash backed environmental bonds previously provided to the Department of Mines and Petroleum.

** Cash at the end of the quarter is net of \$101,000 of cash deposits used to back environmental bonds provided to the Department of Mines and Petroleum.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	136
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees (incl PAYG and Superannuation), consultation fees and out of pocket expense reimbursements exclusive of GST.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	15
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	265

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	372	559
5.2 Deposits at call	2,558	2,535
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,930	3,094

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

For personal use only

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	66,685,050	66,685,050		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Ordinary shares released from escrow				
7.5 +Convertible debt securities				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,000,000 3,000,000	- -	<i>Exercise price</i> \$0.15 \$0.15	<i>Expiry date</i> 19 September 2015 8 February 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	800,000	-	\$0.36	14 December 2014
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Further to the above securities there are 1,000,000 unquoted Performance Rights on issue. The Performance Rights have vesting provisions subject to achieving agreed performance hurdles. The expiry date of the Performance Rights is 1 April 2016. All Performance Rights held on 1 April 2016 will lapse if the performance hurdles are not met.

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /~~does not~~ give a true and fair view of the matters disclosed.



Sign here:

(Director/~~Company secretary~~)

Date: 28/04/2014

Print name:

Rod Hanson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.