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dampiergold
LIMITED

ABN 43 141 703 399

Financial Report for the half-year ended 31 December 2014

www.dampiergold.com

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CORPORATE DIRECTORY

Board of Directors

Malcolm Carson	Executive Chairman
Peiqi Zhang	Non-Executive Director
Peter Evans	Non-Executive Director
Hui Guo	Alternative Director for P Zhang

Company Secretary

Michael Higginson

Principal & Registered Office

Level 14, 20 Hunter Street
Sydney NSW 2000

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Auditors

Stantons International
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

Lawyers

Kings Park Corporate Lawyers
Level 2, 45 Richardson Street
West Perth, Western Australia 6005

DIRECTORS' REPORT

Your Directors submit the Financial Report of the Group for the half-year ended 31 December 2014.

Directors

The names of the Directors of the Company in office during the half year and to the date of this Report are:

Malcolm Carson	(Executive Chairman)
Peiqi Zhang	(Non Executive Director)
Peter Evans	(Non Executive Director)
Hui Guo	(Alternate Director)

Review of operations

Exploration and Evaluation

During the reporting period, the Company continued to support the efforts of its Joint Venture partner Vango Mining Limited ("Vango") in the development and commercialisation of the Plutonic Dome Gold Project ("Project") whilst also reviewing a number of new stand-alone opportunities across a broad spectrum of mineral commodities.

Vango is earning up to a 75% interest in the Project by sole funding a minimum of \$6 million in project based expenditure. As at 31 December 2014, Vango had earned a 30% interest (by expending \$2 million) and had elected to sole fund a further \$1 million to earn an additional 15% interest in the Project.

Exploration work to date has evaluated seven priority targets and has identified an estimated resource base of 8.3 million tonnes at a grade of 3.1g/t for a total of 820,000 oz of gold.

Share Placement

On 20 October 2014, the Company placed 16,567,247 ordinary fully paid shares at an issue price of \$0.026 per share to raise \$430,747 (before costs) in working capital.

Financial Result

The loss after tax for the half-year ended 31 December 2014 was \$839,477 (2013: loss of \$866,652).

Events Subsequent to Reporting Date

On 18 February 2015, the Company announced that Vango Mining Limited ("Vango") had completed its sole funding expenditure obligation under the second stage of the Farm-in Joint Venture Agreement. Completion of this second stage funding entitles Vango to a further 15% interest in the Plutonic Dome Gold Project tenements. Vango has now earned a 45% equity interest in the Project.

On 18 February 2015, Vango advised the Company that it had elected to commit to the third stage of sole funding expenditure obligations. In so doing, Vango has elected to commit to the next \$1m of expenditure which, on completion in a period of not more than 5 months, will entitle Vango to an additional 15% equity interest in the Project. This would then bring Vango's direct equity interest in the Project to 60%.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

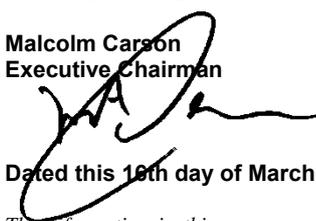
Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 2 for the half year ended 31 December 2014.

This Report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors.

Malcolm Carson
Executive Chairman



Dated this 16th day of March 2015

The information in this announcement that relates to Mineral Resources for K2 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 Australia 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.

16 March 2015

The Directors
Dampier Gold Limited
Level 14, 20 Hunter Street
Sydney NSW 2000

Dear Sirs

RE: DAMPIER GOLD LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Dampier Gold Limited.

As Audit Director for the review of the financial statements of Dampier Gold Limited for the six month period ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2014

	Note	Consolidated 31 Dec 2014 \$	Consolidated 31 Dec 2013 \$
Revenue	2	42,045	62,368
Administration expenses		(324,646)	(448,632)
Exploration and evaluation expenses		(556,876)	(470,449)
Share-based payments		-	(9,939)
Loss from continuing operations before income tax benefit	2	(839,477)	(866,652)
Income tax credit		-	-
Loss from continuing operations attributable to members of the parent entity		(839,477)	(866,652)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss		-	-
Total comprehensive loss for the year		(839,477)	(866,652)
Loss attributable to owners of the Company		(839,477)	(866,652)
Total comprehensive loss attributable to owners of the Company		(839,477)	(866,652)
Loss per share:			
Basic (cents per share)	4	(1.15)	(1.30)
Diluted (cents per share)	4	(1.15)	(1.30)

The accompanying notes form part of the consolidated financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	Consolidated 31 Dec 2014 \$	Consolidated 30 Jun 2014 \$
Current assets			
Cash and cash equivalents		2,632,688	2,603,349
Trade and other receivables		22,893	46,093
Total current assets		2,655,581	2,649,442
Non-current assets			
Property, plant and equipment		4,138	7,819
Term deposits		101,000	101,000
Capitalised acquisition costs		2,961,643	4,230,919
Total non-current assets		3,066,781	4,339,738
TOTAL ASSETS		5,722,362	6,989,180
Current liabilities			
Trade and other payables		42,249	89,617
Provisions		-	32,113
Total current liabilities		42,249	121,730
Non-current liabilities			
Provisions – environmental rehabilitation		1,680,000	2,400,000
Total non-current liabilities		1,680,000	2,400,000
TOTAL LIABILITIES		1,722,249	2,521,730
NET ASSETS		4,000,113	4,467,450
Equity			
Issued capital	3	23,547,665	23,142,763
Reserves		76,103	1,824,933
Accumulated losses		(19,623,655)	(20,500,246)
Total equity		4,000,113	4,467,450

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2014

Consolidated	Attributable to equity holders			Total Equity \$
	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	
For the six months ended 31 December 2013				
Balance at 1 July 2013	23,142,763	1,807,078	(19,019,499)	5,930,342
Total comprehensive income				
Loss for the half year	–	–	(866,652)	(866,652)
Other comprehensive income for the half year	–	–	–	–
Total comprehensive loss for the half year	–	–	(866,652)	(866,652)
Transactions with owners recorded direct to equity				
Issue of shares (net of capital raising costs)	–	–	–	–
Share-based payments	–	9,939	–	9,939
Total transactions with owners	–	9,939	–	9,939
Balance as at 31 December 2013	23,142,763	1,817,017	(19,886,151)	5,073,629

Consolidated	Attributable to equity holders			Total Equity \$
	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	
For the six months ended 31 December 2014				
Balance at 1 July 2014	23,142,763	1,824,933	(20,500,246)	4,467,450
Total comprehensive income				
Loss for the half year	–	–	(839,477)	(839,477)
Other comprehensive income for the half year	–	–	–	–
Total comprehensive loss for the half year	–	–	(839,477)	(839,477)
Transactions with owners recorded direct to equity				
Issue of shares (net of capital raising costs)	404,902	–	–	404,902
Adjustment for expired/cancelled options	–	(1,748,830)	1,716,068	(32,762)
Total transactions with owners	404,902	(1,748,830)	1,716,068	372,140
Balance as at 31 December 2014	23,547,665	76,103	(19,623,655)	4,000,113

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2014

Note	Consolidated 31 Dec 2014 \$	Consolidated 31 Dec 2013 \$
Cash flows from operating activities		
Payments for exploration and evaluation	(11,894)	(734,208)
Payments to suppliers and employees	(410,947)	(454,144)
Interest received	45,491	62,631
Net cash used in operating activities	(377,350)	(1,125,721)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	3,800	–
Payments for property, plant and equipment	(2,013)	–
Release of term deposits	–	3,144,000
Net cash provided by investing activities	1,787	3,144,000
Cash flows from financing activities		
Proceeds from issues of ordinary shares	430,747	–
Payment for share issue costs	(25,845)	–
Net cash provided by financing activities	404,902	–
Net increase in cash and cash equivalents	29,339	2,018,279
Cash and cash equivalents at the beginning of the financial period	2,603,349	1,075,733
Cash and cash equivalents at the end of the half year	2,632,688	3,094,012

The accompanying notes form part of the consolidated financial statements.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Dampier Gold Limited and its controlled entities (referred to as the "Consolidated Entity" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the following half-year.

The half year report has been prepared on an accruals basis and is based on historical costs.

Going Concern

The financial report has been prepared on a going concern basis.

The Directors believe there are sufficient grounds to believe that the Group will be able to continue to pay its debts as and when they fall due. This is based on future cash forecasts, existing cash reserves and the ability to significantly reduce activity to preserve cash if necessary. In addition, Vango Mining Limited are continuing to sole fund the Plutonic Dome Gold Project pursuant to the Farm-in Joint Venture Agreement which significantly reduces the Group's project holding costs and is expected to further reduce the closure rehabilitation liability of \$1.68 million.

(b) Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

(c) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Dampier Gold Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 7.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

(d) Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

	Consolidated 31 Dec 2014 \$	Consolidated 31 Dec 2013 \$
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2. Income/(Loss) from continuing operations

Loss from continuing operations before income tax has been determined after:

(a) Revenue

Interest revenue	42,045	62,368
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(b) Expenses

Depreciation	5,431	40,928
Employment and recruitment expenses	51,262	186,268

3. Issued capital

83,252,297 fully paid ordinary shares (30 June 2014: 66,685,050)	23,547,665	23,142,763
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	31 Dec 2014		30 Jun 2014	
	No.	\$	No.	No.
Fully paid ordinary shares				
Balance at beginning of period	66,685,050	23,142,763	66,685,050	23,142,763
Placement of shares to investor	16,567,247	430,747	-	-
Share issue costs	-	(25,845)	-	-
Balance at end of period	83,252,297	23,547,665	66,685,050	23,142,763

4. Loss per share

	Consolidated 31 Dec 2014 Cents per share	Consolidated 31 Dec 2013 Cents per share
Basic loss per share:	(1.15)	(1.30)
Diluted loss per share	(1.15)	(1.30)

The weighted average number of issued ordinary shares during the reporting period used in the calculation of basic and diluted loss per share is 73,203,311 (2013: 66,685,050)

5. Segment reporting

For management purposes, the Group has identified one reportable segment being exploration and evaluation activities undertaken in Australia.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

6. Contingent liabilities and contingent assets

In the opinion of the Directors there are no contingent assets or liabilities as at 31 December 2014.

7. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(c):

Name	Country of Incorporation	Class of Shares	Equity Holding %
Dampier (Plutonic) Pty Ltd	Australia	Ordinary	100

The proportion of ownership interest is equal to the proportion of voting power held.

8. Subsequent events

On 18 February 2015, the Company announced that Vango Mining Limited ("Vango") had completed its sole funding expenditure obligation under the second stage of the Farm-in Joint Venture Agreement. Completion of this second stage funding entitles Vango to a further 15% interest in the Plutonic Dome Gold Project tenements. Vango has now earned a 45% equity interest in the Project.

On 18 February 2015, Vango advised the Company that it had elected to commit to the third stage of sole funding expenditure obligations. In so doing, Vango has elected to commit to the next \$1m of expenditure which, on completion in a period of not more than 5 months, will entitle Vango to an additional 15% equity interest in the Project. This would then bring Vango's direct equity interest in the Project to 60%.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

The Directors declare that:

- (a) The financial statements and notes, as set out on pages 3 to 9, are in accordance with the Corporations Act 2001, including:
- i. complying with Accounting Standard AASB 134 – Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.
- (b) In the Directors' opinion there are reasonable grounds to believe that Dampier Gold Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Malcolm Carson
Executive Chairman

Dated this 16th day of March 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
DAMPIER GOLD LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dampier Gold Limited, which comprises the consolidated condensed statement of financial position as at 31 December 2014, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity, and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Dampier Gold Limited (the consolidated entity). The consolidated entity comprises both Dampier Gold Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Dampier Gold Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dampier Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Dampier Gold Limited on 16 March 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dampier Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik
Director

Stantons International Audit & Consulting Pty Ltd



West Perth, Western Australia
16 March 2015

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