



dampiergold

23 February 2018

Ms Elizabeth Harris
Principal Advisor, ASX Listing Compliance
Level 40, 152-158 St Georges Terrace
PERTH WA 6000

Dear Ms Harris

DAMPIER GOLD LTD (“DAU”): AWARE LETTER

I refer to your letter dated 21 February 2018 wherein the Australian Securities Exchange is seeking answers to a number of questions in relation to the Aurigin Foods business and also requiring the Company to provide a specific confirmation. For convenience, I have included your questions and confirmation request in this letter and have provided the Company’s response immediately below.

1. Does DAU consider that the entry by Aurigin Foods Franchising Pty Ltd (“Aurigin Franchising”) (the wholly-owned subsidiary of Aurigin Foods Pty Ltd (“Aurigin”) into franchise agreements with five different parties (“Franchise Agreements”) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No

2. If the answer to question 1 is “no”, please advise the basis for that view.

By way of background, China represents a large market. There is, however, significant risks for Australian entities seeking to establish a business in China. To our knowledge, Aurigin would be one of the few Australian entities seeking to enter the specific market that Aurigin is targeting, so there was and is no benchmark on which to measure future outcomes. In this regard, the business is conceptual in nature and remains at an early stage and there is no capacity to forecast or predict a time line or business value.

In this context, the signing of franchise agreements simply represents the fact that Aurigin has sourced 5 parties who are prepared to become franchisees of a conceptual business that has no revenues or operating history whatsoever. The franchisees being parties who seek to set up a retail shop using the Aurigin brand and Aurigin sourced products, but at that stage without any of the necessary permits or premises.

29 Brookside Place
Lota, Queensland 4179
Telephone: +61 7 3901 0751
Fax: +61 7 3901 0751
E-mail: admin@dampiergold.com

For personal use only



The Company confirms that no supply contracts had been secured and no distribution network has been established or contracted. Without these essential elements, the franchise agreements have no commercial value whatsoever. As such, an announcement concerning the franchise agreements could not have a material effect on the price or value of DAU's securities.

3. When did Aurigin Franchising first enter into each of the Franchise Agreements?

The initial five agreements were executed by the 5 franchisees on the following dates:

*18/9/2017
19/9/2017
22/9/2017
1/10/2017
5/10/2017*

4. If Aurigin Franchising entered into a Franchise Agreement with a franchisee before 10 January 2018, did DAU make any announcement prior to 10 January 2018 which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe DAU was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DAU took to ensure that the information was released promptly and without delay.

DAU did not make an announcement concerning the franchise agreements prior to 10 Jan 2018. No announcement was made prior to 10 Jan 2018 for the reasons outlined in section 2.

5. Have any of the directors of DAU entered into Franchise Agreements with Aurigin Franchising?

No.

6. Have any of the franchisees set up stores in China or elsewhere?

No stores have been set up in China or elsewhere.

7. If the answer to question 6 is "yes", please provide details including the date the stores were set up and the location of the stores.

Not applicable.

8. Please provide details of the relationships (as referred to in DAU's announcement of 10 January 2018) that Aurigin Franchising or Aurigin entered into with Australian manufacturers and suppliers of food products to establish a distribution chain to supply the franchisees. In responding to this question please provide details of the nature of the relationships with Australian manufacturers and suppliers including the material terms of any agreements or contracts which have been entered into,



the identity of the manufacturers and suppliers and the due diligence undertaken by DAU, Aurigin or Aurigin Franchising (or a subsidiary or child entity of either) on the manufacturers and suppliers and the date DAU, Aurigin or Aurigin Franchising (or a subsidiary or child entity of either) entered into relationships with the Australian manufacturers and suppliers.

The relationships referred to in the 10th January 2018 announcement to supply product are not by way of formal contract, but by pre-order to supply following pre-delivery payment on a spot basis. In that regard, Aurigin has sourced specific Australian suppliers that have the capacity to supply specific product and who have expressed a willingness to supply such product in the future. No supply contracts are either in place or negotiated. In addition, no recurring orders for product from franchisees are in place. The limited number of orders that have been placed have been for the purpose of quality control, product testing and for logistical and market testing purposes.

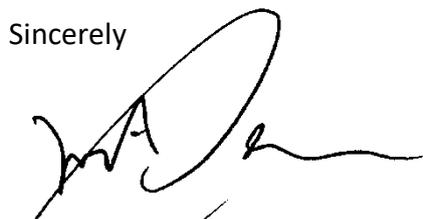
9. Please confirm that DAU is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

DAU considers it to be compliant with the Listing Rules and in particular Listing Rule 3.1.

10. Please confirm that DAU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DAU with delegated authority from the board to respond to ASX on disclosure matters.

DAU confirms that the responses to the questions have been authorised and approved by an officer of DAU with delegated authority from the board to respond to ASX on disclosure matters.

Sincerely



MALCOLM CARSON
CHAIRMAN
DAMPIER GOLD LIMITED

For personal use only



21 February 2018

Mr Michael Higginson
Company Secretary
Dampier Gold Ltd
116 Alastair Street
Lota Queensland 4179

By email mike.higginson@inet.net.au

Dear Mr Higginson

DAMPIER GOLD LTD (“DAU”): AWARE LETTER

ASX Limited (“ASX”) refers to the following.

- A. DAU’s quarterly activities report for the quarter ended March 2017 released on the ASX Market Announcements Platform (“MAP”) on Friday, 28 April 2017 at 11:24 am (AEST), which disclosed the following.

“Australian Food and Agriculture Produce

During the quarter, Dampier directors investigated a business concept involving the export of high quality Australian food and agriculture products. Internationally, Australia is seen to have a clean, safe and healthy environment for the production and manufacture of quality food products.

As a result, there is considerable demand for Australian produce in international markets, and in particular China where food security and safety is of a major concern to the Chinese government and the Chinese population.

Dampier’s directors have been investigating the commercial viability of an Australian food aggregation, transport and distribution model. This investigation is early stage and presently there is no change of nature or scale to the operations of Dampier as a result this concept.”

- B. DAU’s quarterly activities report for the quarter ended June 2017 released on MAP on Wednesday, 26 July 2017 at 4:17 pm (AEST), which disclosed the following.

“Australian Food and Agriculture Produce

During the quarter, your directors have progressed the evaluation of the viability of exporting high quality Australian food and agriculture products, through Dampier’s wholly owned subsidiary Aurigin Foods Pty Ltd.

For personal use only



Australian produced, packaged and manufactured products are regarded as safe, clean and healthy. The Chinese consumer is attracted to Australian food products due to an anxiety as to the safety and integrity of locally sourced and imported products. Accordingly, there is considerable Chinese demand for Australian produce.

Your directors have been considering an Australian food aggregation, transport and distribution model and establishing a supply chain and retail outlook network. In order to confirm the commercial viability of the concept, additional work will continue."

- C. DAU's quarterly activities report for the quarter ended September 2017 released on MAP on Thursday, 26 October 2017 at 8:28 am (AEDT), which disclosed the following.

"Australian Food and Agriculture Produce

During the quarter, your directors continued to evaluate through Aurigin Foods Pty Ltd the commercial viability of aggregating and exporting high quality Australian food and agriculture products for import and distribution in China.

Australian produced, packaged and manufactured products are regarded as safe, clean and healthy. The Chinese consumer is attracted to Australian food products due to concerns as to the safety and integrity of locally sourced and imported products."

- D. DAU's announcement released on MAP on 10 January 2018 at 1:21 pm (AEDT) which stated as follows:

"The Directors of Dampier Gold Ltd (ASX:DAU) (Dampier) are pleased to announce that Dampier has today entered into a conditional Share Sale Agreement for the sale of 100% of the issued capital of its wholly owned subsidiary, Aurigin Foods Pty Ltd (Aurigin) to Aurigin Australia Limited a company associated with Dampier directors Malcolm Carson and Annie Guo."

"Aurigin, through its wholly owned subsidiary Aurigin Foods Franchising Pty Ltd, has entered into franchise agreements with five different parties. The franchisees are currently in the process of establishing Aurigin stores in China. In addition, Aurigin has established relationships with a number of Australian manufacturers and suppliers of food products."

- E. The independent expert report which forms part of DAU's notice of meeting released on MAP on 15 January 2018 at 4:45 pm (AEDT) which disclosed the following information:

"Aurigin has three subsidiary companies, being Aurigin Foods Franchising Pty Ltd (CAN 618 778 706), Aurigin Group Limited (a Hong Kong registered company) and Aurigin Foods (Shanghai) Limited (a wholly owned subsidiary of Aurigin Group Limited), and has entered into franchising agreements with five different parties, who are in the process of locating, securing and establishing stores in several regions in China."

"It is also noted that the five franchisees signed up to date have yet to commence any business and are in negotiations to acquire premises."

"Aurigin's management has been identifying and working with manufacturers and suppliers to establish the basis for a distribution chain to supply the franchisees."



“Conceptual store and packaging designs have recently been completed. Franchisees are in the process of locating, securing and establishing stores in several regions in China. Aurigin has been working with manufacturers and suppliers to establish a distribution chain to supply the franchisees.”

- F. The shareholder meeting held on 13 February 2018 pursuant to which shareholders of DAU approved the disposal of Aurigin Pty Ltd to current directors of DAU, Malcolm Carson and Annie Guo.
- G. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- H. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”,

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

- I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”



J. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks DAU to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Does DAU consider that the entry by Aurigin Foods Franchising Pty Ltd ("Aurigin Franchising") (the wholly-owned subsidiary of Aurigin Foods Pty Ltd ("Aurigin")) into franchise agreements with five different parties ("Franchise Agreements") to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did Aurigin Franchising first enter into each of the Franchise Agreements?
4. If Aurigin Franchising entered into a Franchise Agreement with a franchisee before 10 January 2018, did DAU make any announcement prior to 10 January 2018 which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe DAU was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DAU took to ensure that the information was released promptly and without delay.
5. Have any of the directors of DAU entered into Franchise Agreements with Aurigin Franchising?
6. Have any of the franchisees set up stores in China or elsewhere?
7. If the answer to question 6 is "yes", please provide details including the date the stores were set up and the location of the stores.
8. Please provide details of the relationships (as referred to in DAU's announcement of 10 January 2018) that Aurigin Franchising or Aurigin entered into with Australian manufacturers and suppliers of food products to establish a distribution chain to supply the franchisees. In responding to this question please provide details of the nature of the relationships with Australian manufacturers and suppliers including the material terms of any agreements or contracts which have been entered into, the identity of the manufacturers and suppliers and the due diligence undertaken by DAU, Aurigin or Aurigin Franchising (or a subsidiary or child entity of either) on the manufacturers and suppliers and the date DAU, Aurigin or Aurigin Franchising (or a subsidiary or child entity of either) entered into relationships with the Australian manufacturers and suppliers.
9. Please confirm that DAU is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.



10. Please confirm that DAU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DAU with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 3:30 pm AWST on Friday, 23 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in DAU's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A DAU's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltsperth@asx.com.au. It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DAU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that DAU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading Halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in DAU's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.



We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Please contact me if you have any queries about the above.

Yours sincerely

[sent electronically without signature]

Elizabeth Harris
Principal Adviser, ASX Listings Compliance

For personal use only