DAMPIER GOLD LIMITED
ACN 141 703 399
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:30 am (WST)

DATE: 11 December 2020

PLACE: Level 2, 1 Walker Avenue
WEST PERTH WA 6000

The Loan Resolutions in this Notice of Meeting require the provision of a report prepared by an Independent Expert. The Independent Expert has determined the issues of Securities pursuant to the Loan Resolutions are not fair and not reasonable and the grant of the Security Interest to Auracle Group is FAIR AND REASONABLE to the non-associated Shareholders of the Company.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 9 December 2020.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:
A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

  (i) does not specify the way the proxy is to vote on this Resolution; and

  (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR MALCOLM CARSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purpose of clause 13.1 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Malcolm Carson, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

4. RESOLUTION 3 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

> *"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."*

5. RESOLUTION 4 – RATIFICATION OF PREVIOUS ISSUE OF SETTLEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 520,000 Settlement Shares on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely PrimaryMarkets Pty Ltd and Pancho (NSW) Pty Limited) or an associate of that person or those persons.
However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 5 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO MS HUI GUO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11and for all other purposes, approval is given for the Company to issue 12,000,000 Performance Rights to Ms Hui Guo (or her nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Ms Guo and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.
However, this does not apply to a vote if it is cast by:

(a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or

(b) it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.
In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
    (i) a member of the Key Management Personnel; or
    (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO MR MALCOLM CARSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 12,000,000 Performance Rights to Mr Malcolm Carson (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Carson and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.
However, this does not apply to a vote if it is cast by:

(a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
(b) it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
    (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the

vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.
In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
    (i) a member of the Key Management Personnel; or
    (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO MS HUI GUO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Ms Hui Guo (or her nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Ms Guo and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.
However, this does not apply to a vote if it is cast by:

(a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
(b) it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
    (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.
In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
    (i) a member of the Key Management Personnel; or
    (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – APPROVAL OF ISSUE OF OPTIONS TO MR MALCOLM CARSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Mr Malcolm Carson (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Carson and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.

However, this does not apply to a vote if it is cast by:

(a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or

(b) it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

  (i) a member of the Key Management Personnel; or

  (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – APPROVAL TO ISSUE SHARES AND OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 100,000,000 Shares, together with one (1) free attaching Option for every 3 Shares subscribed for and issued, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons.
However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
    (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. RESOLUTION 10 – ADOPTION OF EMPLOYEE INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled "Employee Securities Incentive Plan" and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
    (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:
(a) the proxy is either:
    (i) a member of the Key Management Personnel; or
    (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.
However, the above prohibition does not apply if:
(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 11 – APPROVAL OF ISSUE OF INITIAL PLACEMENT SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to and conditional upon the passing of Resolution 13, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Shares and 80,000,000 Options to Auracle Group (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Auracle Group (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (including Annie Guo) (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.
However, this does not apply to a vote if it is cast by:
(a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
(b) it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
    (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:
(a) the proxy is either:
    (i) a member of the Key Management Personnel; or
    (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.
However, the above prohibition does not apply if:
(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Independent Expert's Report – Resolution 11
Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval required under Listing Rule 10.1 and Chapter 2E of the Corporations Act (in relation to the Loan Resolutions). The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of the Loan Resolutions to the non-associated Shareholders in the Company. The Independent Expert considers the transaction the subject of Resolution 11 to be not fair and not reasonable to the non-associated Shareholders in the Company.

13. RESOLUTION 12 – APPROVAL OF ISSUE OF FACILITY FEE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to and conditional upon the passing of Resolution 11 and 13, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Shares to Auracle Group (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Auracle Group (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (including Annie Guo) (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.
However, this does not apply to a vote if it is cast by:
(a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
(b) it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
    (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:
(a) the proxy is either:
    (i) a member of the Key Management Personnel; or
    (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.
However, the above prohibition does not apply if:
(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Independent Expert's Report – Resolution 12
Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval required under Listing Rule 10.1 and Chapter 2E of the Corporations Act (in relation to the Loan Resolutions). The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 12 to the non-associated Shareholders in the Company. The Independent Expert considers the transaction the subject of Resolution 12 to be not fair and not reasonable to the non-associated Shareholders in the Company.

14. RESOLUTION 13 – GRANT OF SECURITY INTEREST TO AURACLE GROUP UNDER LOAN AGREEMENT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, subject to and conditional upon the passing of Resolution 11, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.1 and for all other purposes, approval is given for the Company to grant the Security Interest over its assets and undertaking in favour of Auracle Group (or its nominee) on the terms set out in the Explanatory Statement"*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Auracle Group and any other person who will obtain a material benefit as a result of the transaction (including Annie Guo) (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.
However, this does not apply to a vote if it is cast by:

(a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or

(b) it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
    (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
    (i) a member of the Key Management Personnel; or
    (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Independent Expert's Report – Resolution 13
Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval required under Listing Rule 10.1 and Chapter 2E of the Corporations Act (in relation to the Loan Resolutions). The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 13 to the non-associated Shareholders in the Company. The Independent Expert considers the transaction the subject of Resolution 13 to be **FAIR AND REASONABLE** to the non-associated Shareholders in the Company.

15. RESOLUTION 14 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

> *"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.*

Dated: 11 November 2020

By order of the Board

Michael Higgison
Company Secretary

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

The Directors have resolved that Shareholders and their proxies will not be able to attend the Meeting in person due to the Government's implementation of prohibitions on public gatherings and social distancing measures in light of COVID-19.

Shareholders will however be able to watch and attend the Meeting by videoconference. While it will be possible to ask questions during the teleconferences and/or videoconference, if Shareholders do wish to ask questions of the Company and/or the Directors at the Meeting, it would be preferable for them to do so prior to the Meeting by:

- calling the Company Secretary on +61 (0)42 999 5000; or
- emailing the Company at admin@dampiergold.com,

and informing the Company of the question(s) they wish to have answered.

Shareholders and their proxies are encouraged to lodge their votes in accordance with the instructions set out in the Proxy Form.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0)42 999 5000.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at dampiergold.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR MALCOLM CARSON

3.1 General

Listing Rule 14.4 and clause 13.1 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Ms Malcolm Carson, who has served as a Director since 8 May 2014 and was last re-elected on 29 November 2018, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Malcolm Carson (BSc, MSc, AUSIMM, AIG) has over 40 years' experience in the resource sector including field exploration geologist and commercial evaluation of mineral resources and project finance. Mr Carson has held senior positions in exploration and mining companies, the West Australian Government, investment banks and executive roles in ASX and TSX publicly listed companies.

Mr Carson is a director of Allegiance Coal Limited and a director of Canadian listed company Pacific Wildcat Corporation.

3.3 Independence

If re-elected the Board considers that Mr Malcolm Carson will be an independent Director.

3.4 Board recommendation

The Board has reviewed Mr Carson's performance and considers that Mr Carson's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Carson and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – REPLACEMENT OF CONSTITUTION

4.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 3 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2010.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

(a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and

(b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website dampiergold.com and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 (0)42 999 5000). Shareholders are invited to contact the Company if they have any queries or concerns.

4.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than $500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not a pay a dividend unless:

(a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;

(b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and

(c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

(a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;

(b) assisting in preventing Shareholders from being locked in as a minority;

(c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

(d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

(a) proportional takeover bids may be discouraged;

(b) lost opportunity to sell a portion of their Shares at a premium; and

(c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RATIFICATION OF PREVIOUS ISSUE OF SETTLEMENT SHARES

5.1 Background

On 13 August 2020, the Company issued 520,000 Shares as full and final settlement of corporate services mandates between the Company, PrimaryMarkets Limited (ACN 136 368 244) (**PrimaryMarkets**) and Pancho (NSW) Pty Limited (ACN 434 394 132) (**Pancho**) pursuant to a deed of release (**Deed of Release**) (**Settlement Shares**).

The Deed of Release provides for full and final settlement and termination of two corporate services mandates entered into between Dampier, Primary Markets and Pancho on 3 December 2019 and 12 February 2020. Dampier disputed performance under the corporate services mandates and ultimately entered into the Deed of Release to release the parties from any further obligations under the mandates, for which Dampier issued 520,000 Settlement Shares to Pancho.

5.2 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 16 October 2019.

The issue of the Settlement Shares does not fit within any of the exceptions within Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity

to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Settlement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Settlement Shares.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Settlement Shares.

5.3 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Settlement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Settlement Shares.

If this Resolution is not passed, the Settlement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Settlement Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 14 being passed at this Meeting.

5.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

(a) the Settlement Shares were issued to Pancho, who is not a related party of the Company;

(b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

  (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

  (ii) issued more than 1% of the issued capital of the Company;

(c) 520,000 Settlement Shares were issued and the Settlement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Settlement Shares were issued on 13 August 2020;

(e) the Settlement Shares were issued for nil cash consideration at a deemed issue price of $0.022 per Settlement Share (equivalent to $11,440), as full and final settlement of a corporate services mandate between the Company and Pancho. The Company has not and will not receive any other consideration for the issue of the Settlement Shares;

(f) the purpose of the issue of the Settlement Shares was to as fully and finally settle the Company's obligations pursuant to a corporate services Mandate between the Company and Pancho;

(g) the Settlement Shares were issued to Pancho under a Deed of Release. A summary of the material terms of the Deed of Release is set out above in Section 5.1; and

(h) a voting exclusion statement is included in Resolution 4 of the Notice.

6. RESOLUTIONS 5 AND 6 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS – MS HUI GUO AND MR MALCOLM CARSON

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 24,000,000 Performance Rights to Ms Hui Guo and Mr Malcolm Carson (or their nominee(s)) (**Related Parties**) on the terms and conditions set out below.

Resolutions 5 and 6 seek Shareholder approval for the issue of the Performance Rights to the Related Parties.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Performance Rights to the Related Parties constitutes the giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Performance Rights are proposed to be issued to Messrs Guo and Carson (being all the Directors other than Mr Peiqi Zhang), the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Performance Rights. Accordingly, Shareholder approval for the issue of Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

6.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

10.11.1 a related party;

10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Performance Rights falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5 and 6 seek the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

6.4 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of the Performance Rights to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 and 6 are not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company will consider other alternative arrangements to incentivise and reward the performance of the Related Parties.

6.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 and 6:

(a) the Performance Rights will be issued to the following persons:

(i) Ms Hui Guo (or her nominee) pursuant to Resolution 5; and

(ii) Mr Malcolm Carson (or his nominee) pursuant to Resolution 6, comprising,

each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;

(b) the maximum number of Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 24,000,000 comprising:

(i) 12,000,000 Performance Rights to Ms Hui Go (or her nominee) pursuant to Resolution 5, comprising:

(A) 4,000,000 Class A Performance Rights;

(B) 4,000,000 Class B Performance Rights; and

(C) 4,000,000 Class C Performance Rights; and

(ii) 12,000,000 Performance Rights to Mr Malcolm Carson (or his nominee) pursuant to Resolution 6, comprising:

(A) 4,000,000 Class A Performance Rights;

(B) 4,000,000 Class B Performance Rights; and

(C) 4,000,000 Class C Performance Rights;

(c) the terms and conditions of the Performance Rights are set out in Schedule 1;

(d) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;

(e) each Performance Right will vest and convert into one Share upon satisfaction of the following milestones:

Class	Milestone
A	The volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days exceeds $0.06 (six cents) for 5 consecutive days.
B	The volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days exceeds $0.08 (eight cents) for 5 consecutive days.
C	The volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days exceeds $0.10 (ten cents) for 5 consecutive days.

(f) The issue price of the Performance Rights is nil. The Company will not receive any consideration in respect of the issue of the Performance Rights;

(g) the purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package

for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

(h) the Company has agreed to issue the Performance Rights to the Related Parties as non-cash incentive based remuneration because it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed;

(i) the number of Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:

(i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

(ii) the remuneration of the Related Parties; and

(iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves;

(j) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year[1]	Previous Financial Year[2]
Ms Hui Guo	$566,420[3]	$280,420
Mr Malcolm Carson	$566,420	$280,420

Notes:

1. Comprising fees of $166,000, superannuation payments of $3,420 and share-based payments of $397,000 (being the value of the Options and Performance Rights to be issued to each of Messrs Guo and Carson).
2. Comprising fees of $166,000, superannuation payments of $3,420 and a share-based payment of $110,000.
3. This figure does not include the value of the financial benefit to be received by Auracle Group, of which Ms Guo is an associate, as a result of entry into the Loan Agreement.

(k) the value of the Performance Rights was determined independently by Stantons International Securities Pty Ltd at a deemed grant date of 9 October 2020. The Performance Rights were valued using Monte Carlo simulation methodology, which incorporates the effect of the vesting condition on the value. Given that the Performance Rights will be issued for nil consideration and no consideration will be payable on conversion into shares, the Performance Rights are valued as zero-exercise price options. Under this model, the value of the Performance Rights was determined as the average payoff over 50,000 simulated outcomes,

where the payoff is the present value of the simulated share price if the vesting condition is met and zero if not met.

Key input assumptions to the model include:

Input variable	Value
Deemed grant date	9 October 2020
Term	3 years
Spot price at grant date	$0.029
Exercise price	nil
Expected volatility	95.59%
Risk free rate	0.1451%
Expected dividend yield	nil

The value attributed to each of the classes of Performance Rights is outlined below.

	Value per Performance Right
Class A Performance Rights	$0.0237
Class B Performance Rights	$0.0213
Class C Performance Rights	$0.0195

(l) the Performance Rights are not being issued under an agreement;

(m) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares[1]	Options[2,3]	Performance Rights[4]
Ms Hui Guo	6,000,000	3,000,000	4,000,000
Mr Malcolm Carson	7,647,687	3,000,000	4,000,000

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: DAU).
2. Unquoted Options exercisable at $0.10 each on or before 31 July 2021.
3. It is noted that Messrs Guo and Carson will also be issued 10,000,000 Director Options each should Resolution 7 and 8 be passed. The terms of the Director Options are set out in Schedule 2.

(n) the Company proposes to issue a total of 24,000,000 Performance Rights. In the event the Performance Rights convert into Shares, this would increase the number of Shares on issue from 284,960,540 (being the total number of Shares on issue as at the date of this Notice) to 308,960,540 (assuming that all Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 7.8%, comprising 3.9% by Ms Guo and 3.9% by Mr Carson.

(o) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	$0.046	15 July 2020
Lowest	$0.014	12 – 13 December 2019, 16 – 18 December 2019
Last	$0.022	7 October 2020

The market price for Shares will determine whether the Performance Rights convert into Shares.

(p) Ms Guo and Mr Carson are both executive Directors of the Company and therefore Mr Zhang believes that the issue of the Performance Rights to Ms Guo is in line with Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations;

(q) Mr Zhang recommends that Shareholders vote in favour of Resolutions 5 to 6 for the reasons set out in Sections 6.5(g) and 6.5(h). In forming his recommendation, Mr Zhang considered the experience of the Related Parties, the current market price of Shares, the current market standards and practices when determining the number of Performance Rights to be issued to each of the Related Parties, as well as the terms and conditions of those Performance Rights;

(r) each Director (other than Mr Zhang) has a material personal interest in the outcome of Resolutions 5 and 6 on the basis that the Directors (other than Mr Zhang) (or their nominees) are to be issued Performance Rights on the same terms and conditions should Resolutions 5 and 6 be passed. For this reason, the Directors (other than Mr Zhang) do not believe that it is appropriate to make a recommendation on Resolutions 5 and 6 of this Notice;

(s) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 and 6; and

(t) a voting exclusion statement is included in Resolutions 5 and 6 of the Notice.

7. RESOLUTIONS 7 AND 8 – APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO DIRECTORS – MS HUI GUO AND MR MALCOLM CARSON

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 20,000,000 Options (**Director Options**) to Ms Hui Guo and Mr Malcolm Carson (or their nominee) (**Related Parties**) on the terms and conditions set out below.

Resolutions 7 and 8 seek Shareholder approval for the issue of the Director Options to the Related Parties.

7.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

The issue of Director Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Director Options are proposed to be issued to Messrs Guo and Carson (being all the Directors other than Mr Peiqi Zhang), the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Director Options. Accordingly, Shareholder approval for the issue of Director Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

7.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 6.3 above.

The issue of Director Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 7 and 8 seek the required Shareholder approval for the issue of the Director Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

7.4 Technical information required by Listing Rule 14.1A

If Resolutions 7 and 8 are passed, the Company will be able to proceed with the issue of the Director Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Options (because approval is being obtained under Listing Rule 10.11), the issue of the Director Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 and 8 are not passed, the Company will not be able to proceed with the issue of the Director Options and the Company will consider other alternative arrangements to incentivise and reward the performance of the Related Parties.

7.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 7 and 8:

(a) the Director Options will be issued to the following persons:

(i) Ms Hui Guo (or her nominee) pursuant to Resolution 7; and

(ii) Mr Malcolm Carson (or his nominee) pursuant to Resolution 8,

each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;

(b) the maximum number of Director Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 20,000,000 comprising:

(i) 10,000,000 Director Options to Ms Hui Guo (or her nominee) pursuant to Resolution 7; and

(ii) 10,000,000 Director Options to Mr Malcolm Carson (or his nominee) pursuant to Resolution 8;

(c) the value of the Director Options was determined independently by Stantons International Securities Pty Ltd at a deemed grant date of 9 October 2020. The Director Option were valued using the Black Scholes methodology, under the assumption that the majority of the options will be exercised towards the end of their term.

Key input assumptions to the Black Scholes model include:

Input variable	Value
Grant date	9 October 2020
Term	3 years
Spot price at grant date	$0.029
Exercise price	$0.050
Expected volatility	95.59%
Risk free rate	0.1451%
Expected dividend yield	nil

The value attributed to the Director Options is outlined below.

	Value per Option
Director Options	$0.0139

(d) the Director Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Director Options will occur on the same date;

(e) the issue price of the Director Options will be nil. The Company will not receive any consideration in respect of the issue of the Director Options (other than in respect of funds received on exercise of the Director Options);

(f) the purpose of the issue of the Director Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

(g) the Director Options are unquoted Options. The Company has agreed to issue the Director Options to the Related Parties for the following reasons:

(i) the Director Options are unquoted; therefore, the issue of the Director Options has no immediate dilutionary impact on Shareholders;

(ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Director Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and

(iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options on the terms proposed;

(h) the number of Director Options to be issued to each of the Related Parties has been determined based upon a consideration of:

(i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

(ii) the remuneration of the Related Parties; and

(iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves,

the Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;

(i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out above in Section 6.5(j);

(j) the Director Options are being issued on the terms and conditions set out in Schedule 2;

(k) the Director Options are not being issued under an agreement;

(l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out above in Section 6.5(m);

(m) if the Director Options issued to the Related Parties are exercised, a total of 20,000,000 Shares would be issued. This will increase the number of Shares on issue from 284,960,540 (being the total number of Shares on issue as at the date of this Notice) to 304,960,540 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 6.6%, comprising 3.3% by Ms Guo and 3.3% by Mr Carson,

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;

(n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out above in Section 6.5(o);

(o) Ms Guo and Mr Carson are both executive Directors of the Company and therefore Mr Zhang believes that the issue of the Director Options to Ms Guo is in line with Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations;

(p) Mr Zhang recommends that Shareholders vote in favour of Resolutions 7 to 8 for the reasons set out in Sections 6.5(g) and 6.5(h). In forming his recommendation, Mr Zhang considered the experience of the Related Parties, the current market price of Shares, the current market standards and practices when determining the number of Director Options to be issued to each of the Related Parties, as well as the exercise price and expiry date of those Director Options;

(q) each Director (other than Mr Zhang) has a material personal interest in the outcome of Resolutions 7 and 8 on the basis that the Directors (other than Mr Zhang) (or their nominees) are to be issued Director Options on the same terms and conditions should Resolutions 7 and 8 be passed. For this reason, the Directors (other than Mr Zhang) do not believe that it is appropriate to make a recommendation on Resolutions 7 and 8 of this Notice;

(r) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 7 and 8; and

(s) a voting exclusion statement is included in Resolutions 7 and 8 of the Notice.

8. RESOLUTION 9 – APPROVAL TO ISSUE SHARES AND OPTIONS

8.1 General

Resolution 9 seeks Shareholder approval for the issue of up to 100,000,000 Shares at an issue price which will be determined at the time of the issue but which will not be more than a 20% discount to the 5 day VWAP of the Company's Shares immediately preceding the date of issue (**Placement Shares**).

In addition, and if required in order to facilitate the issue of the Placement Shares, Shareholder approval is also sought to issue on a 1 for 3 basis up to 33,333,333 free attaching options each exercisable at $0.05 and expiring 31 December 2022 (**Placement Options**) (collectively the **Placement**).

The Company is undertaking the Placement because it requires additional funds to meet its agreed expenditure commitments of $1.5 million required under the Zuleika and Credo Well Joint Ventures Agreements with Torian Resources Limited (ASX: TNR).

A summary of Listing Rule 7.1 is set out in Section 5.2 above.

The proposed issue of the Placement Shares and Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

8.2 Technical information required by Listing Rule 14.1A

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Placement (i.e. the Placement Shares and if required the Placement Options).

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Placement Shares and if required the Placement Options. In addition, the issue of the Placement Shares and Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Shares and if required the Placement Options.

8.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Placement:

(a) the Placement Shares and if applicable Placement Options will be issued to professional and sophisticated investors who will be identified by the Directors. The recipients will be identified through an expression of interest process undertaken at the relevant time. The Directors will determine to whom the Placement Shares and if applicable Placement Options will be issued;

(b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

(c) the maximum number of Placement Shares to be issued is 100,000,000 and the maximum number of free attaching Placement Options to be issued is 33,333,333 as the Placement Options will be free-attaching to the Placement Shares on a 1:3 basis;

(d) the Placement Shares and if applicable Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Shares and if applicable Placement Options will occur on the same date;

(e) the issue price of the Placement Shares will be determined at the time of the issue but shall not be more than a 20% discount to the 5 day VWAP of Shares immediately prior to the date of the Placement. Based on the last closing price of the Company's Shares on 27 October 2020 ($0.064), the maximum discounted price to that figure would be $0.0512 per

Placement Share. At this indicative issue price, the Company could raise up to $5,120,000 under the Placement;

(f) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares

(g) any Placement Options issued will be issued on the terms and conditions set out in Schedule 2; and

(h) the Placement is not being undertaken pursuant to or in accordance with an agreement;

(i) the purpose of the Placement is to raise capital, which the Company intends to apply in the manner set out in Section 8.4 below.

8.4 Use of Funds

To calculate the potential funds that could be raised by the issue of the 100,000,000 Shares the subject of the Placement, the table below uses a notional issue price equal to 80% of the $0.022 closing price of Shares on ASX on 7 October 2020 of $0.024 and then assumes a 50% increase and 50% decrease of that notional issue Share price of $0.0176.

Notional issue price	Number of Shares	Maximum Funds Raised
$0.0176	100,000,000	$1,760,000
$0.0264 - 50% increase	100,000,000	$2,640,000
$0.00895 – 50% decrease	100,000,000	$895,000

The table below sets out the Company's intended use of funds raised by the issue of the Placement assuming that the Company raises $1,760,000.

Use of Funds	$	%
Exploration expenditure on tenements at Menzies, Goongarrie and Ruby Plain	$88,000	5%
Farm-in expenditure pursuant to the Zuleika and Credo Well Joint Ventures Agreements and general working capital	$1,408,000	80%
Drilling at Menzies and Goongarrie Projects	$264,000	15%
Total	**$1,760,000**	**100.00%**

In the event the Company raises less than $1,760,000, the expenditure will be scaled back pro rata based on the % shown in the right-hand column.

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

8.5 Dilution

The number of Shares proposed to be issued under the Placement is 100,000,000 Shares. Based on the current number of Shares on issue (being 284,960,540 Shares) and assuming 100,000,000 Placement Shares are issued, no other Shares are issued and no convertible securities are converted into Shares prior to the issue of the 100,000,000 Placement Shares, then existing Shareholders would be diluted by 25.98%.

Assuming that the 10,000,000 Initial Placement Shares (refer Resolution 11) and the 1,000,000 Facility Fee Shares (refer Resolution 12) are issued and no other convertible securities are converted into Shares prior to the issue of the 100,000,000 Placement Shares, then existing Shareholders would be diluted by 25.25% as a result of the issue of the 100,000,000 Placement Shares.

9. RESOLUTION 10 – ADOPTION OF EMPLOYEE INCENTIVE PLAN

9.1 General

Resolution 10 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Securities Incentive Plan" (**Plan**) and for the issue of securities under the Share Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Listing Rule 7.1 is summarised in Section 5.1 above.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If this Resolution is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 9.2(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If this Resolution is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will

reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the securities.

9.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 10:

(a) a summary of the key terms and conditions of the Plan is set out in Schedule 4;

(b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Share Plan;

(c) the maximum number of securities proposed to be issued under the Plan, following Shareholder approval, is 20,000,000 securities. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately; and

(d) a voting exclusion statement is included in Resolution 10 of this Notice.

10. BACKGROUND TO LOAN AGREEMENT WITH AURACLE GROUP

10.1 General

As announced on 12 February 2020, the Company is currently pursuing legal action against Vango Mining Limited (ASX: VAN) (on its own behalf and on behalf of its wholly owned subsidiary Dampier (Plutonic) Pty Limited (**Vango**) (**Litigation**) with respect to the Company's interests in the K2 Joint Venture tenement (**K2 Project**) (Mining Lease 52/183) which forms part of what Vango describes as its Marymia Gold Project (**K2 Project Tenement**) and rights to earn further equity in the K2 Project Tenement pursuant to the binding term sheet (**BTS**) entered into between the Copmany and Vango dated 12 May 2017 (**Joint Venture**).

The Company has retained the services of King & Wood Mallesons who, on 12 February 2020, issued a letter of demand to Vango in relation to Vango's repudiation and termination of the Joint Venture (**Letter of Demand**).

By way of the Letter of Demand, Dampier:

(a) demands payment within 30 days by Vango to Dampier of AU$21,573,813, being the estimated losses incurred to date by Dampier. This loss is calculated by references to:

  (i) Vango's announcement to the ASX dated 8 October 2014, where it estimated that the K2 Mine could recover 54,000 ounces at an All In Sustaning Cost (AISC) of AU$1,030 per ounce; and

  (ii) the gold price at the relevant times;

(b) identifies further significant losses as a result of Vango's repudiation, estimated by references to Vango's 2019 Annual Report, where it reported 104,000 ounces as Indicated and Inferred Resources for the K2 Tenement, i.e. potentially up to a further 50,000 ounces, and the current gold price;

(c) alleges that Vango has repeatedly breaches the BTS and Joint Venture;

(d) alleges that, for reasons including but not limited to Vango's continued refusal from commencement of the Joint Venture in May 2017 to take steps to progress the Joint Venture and/or allowed Dampier to earn up to its full 50% interest in the K2 Tenement, together with its letter to Dampier dated 14 November 2019, Vango has repudiated the BTS and the Joint Venture;

(e) alleges that Dampier has suffered and conintues to suffer significant loss and damage as a result of Vango's failure to perform the Joint Venture and its repudiation of the BTS and Joint Venture, including without limitation, in respect of Dampier's right to earn up to a full 50% interest in the K2 Tenement and the anticipated profits associated with that right;

(f) states that if Vango does not make payment as demanded by Dampier, Dampier reserves it right to pursue Vango for all losses that have been and will be incurred in relation to Vango's repudiation (including in respect of future net revenue), including by way of commencement of court proceedings; and

(g) seeks writter confirmation from Vango within 7 days that:

(i) Dampier owns at a minimum its 4.1% interest in the K2 Tenement already earned as at 12 May 2017 and confirmed in clause 3(a) of the BTS; and

(ii) Vango will honour each of the Milestone Paymenets and Royalty Payments (totalling AU$6 million) pursuant to the provisions of the Plutonic Dome Purchase and Sale Agreement between Vango and Dampier dated 16 August 2016 which agreement is separate and apart from the BTS and Joint Venture.

As announced on its ASX platform on 14 February 2020, Vango has denied each of the matters set out in the Letter of Demand.

10.2 Update in respect of Litigation

Dampier provides the following update to the market on the Litigation:

(a) On 26 May 2020, Dampier commenced the Litigation in the Supreme Court of Western Australia.

(b) On 26 June 2020, at the instigation of Dampier, the proceedings were referred to the Honourable Justice Smith to manage in her Commercial and Managed Cases list.

(c) On 27 July 2020, the pleadings stage of the proceedings closed with Dampier filing its reply to Vango and DPPL's defence, after Dampier had requested, and been provided with, further and better particulars of Vango's and DPPL's defence.

(d) On 29 September 2020, the parties gave discovery.

The next stage in the proceedings requires the parties to inspect discovered documents with a mediation conference to occur on 11 November 2020. If the dispute cannot be resolved at mediation, consistent with its desire to expedite the

resolution of the court proceedings of this material matter, Dampier will seek to have the proceedings listed for trial as early as possible in 2021.

10.3 Loan Agreement

To enable the Company to pursue the action and to fund the costs associated with the commencement of the Litigation against Vango, the Company been in the process of securing the required regulatory approvals since May 2020 and on 11 November 2020 entered into a conditional loan agreement with Auracle Group Pty Ltd (**Auracle Group**) (**Loan Agreement**) pursuant to which Auracle Group has agreed to provide the Loan (defined below), with funds to be applied toward the associated costs of the K2 Project Litigation.

The Loan Agreement is structured as follows:

(a) an initial advance by Auracle Group to the Company of $300,000, which is satisfied by the issue of the Initial Placement Shares (the subject of Resolution 11); and

(b) a loan facility of up to $700,000 which may be drawn on by the Company and at the Auracle Group's discretion during the Term (defined below) subject to provision of valid tax invoices by the Company to Auracle Group for the costs of the Litigation.

The Company has also agreed that in consideration for the advance of the Loan and subject to Shareholder approval, it will:

(c) pay Auracle Group a facility fee equal to $30,000 (**Facility Fee**) which, at the election of Auracle Group, is to be satisfied by the issue of Shares (at a deemed issue price of $0.03 per Share) (the subject of Resolution 12); and

(d) issue Auracle Group (or its nominee) 80,000,000 Options exercisable at $0.05 on or before the date that is five (5) years from issue (**Initial Placement Options**).

The material terms of the Loan Agreement are set out in Schedule 4.

ASIC has advised the Company that a report prepared by an independent expert opining on the fairness and reasonableness of the proposed issue of Securities pursuant to the terms of the Loan Agreement is required to be included in this Notice. Accordingly, the Independent Expert Report is annexed to this Notice.

The Independent Expert considers that the issue of Securities pursuant to the Loan Agreement are not fair and not reasonable to the non-associated Shareholders of the Company.

10.4 Security Interest

The Loan Agreement also provides that on and from the date of the receipt of Shareholder approval under this Notice until the day the Company pays the Success Fee, Auracle Group may elect to register such security it deems necessary to secure the obligations of the Company under the Loan Agreement, including, but not limited to, a first ranking general security deed registered its interests over assets of the Company on the Personal Property Securities Register

(**Security Interest**), subject to receipt of any required regulatory and Shareholder approvals.

The Security Interest is the subject of Resolution 13, for which the Independent Expert's Report has been prepared.

The Independent Expert considers that the grant of the Security Interest is **FAIR AND REASONABLE** to the non-associated Shareholders of the Company.

10.5 Conditionality of Loan Resolutions

Resolutions 11 and 13 are conditional upon Shareholders approving the other. If either or both of Resolutions 11 and 13 are not approved by Shareholders, then all Loan Resolutions will fail and the Loan Agreement will not proceed.

Resolutions 11 and 13 are not conditional upon Shareholders approving Resolution 12, but Resolution 12 is conditional upon Shareholders approving Resolutions 11 and 13. This is because in the event Shareholder approval for Resolution 12 is not forthcoming, the Facility Fee to which that Resolution relates can be satisfied by payment in cash.

As noted above, Resolution 13 requires the provision of the Independent Expert's Report, which accompanies this Notice of Meeting.

The other Resolutions in this Notice are not conditional on the passing of the Loan Resolutions.

10.6 Who is Auracle Group?

Auracle Group Pty Ltd is an Australian registered holding company which currently has one sole director and one shareholder, Ms Hui Guo. Ms Guo is a related party of the Company by virtue of being a Director. Accordingly, the Company is seeking Shareholder approval in terms of Chapter 2E of the Corporations Act and Listing Rule 10.1 and 10.11 is required for the grant of the Security Interest and the issues of securities the subject of Resolutions 11 and 12.

10.7 Pro forma capital structure

In the event that Resolutions 11, 12 and 13 are passed, the proforma capital structure of the Company would be as follows:

	Shares[1]	Options	Performance Rights
Securities currently on issue	284,960,540	50,790,482[2]	8,000,000[3]
Other issues of Securities for this approval is sought under this Notice	100,000,000[4]	53,333,334[4,5]	24,000,000[6]
Loan Resolutions			
Initial Placement Shares and Initial Placement Options[7]	10,000,000	80,000,000	-
Facility Fee[8]	1,000,000	-	-
Total	**395,960,540**	**184,123,815**	**32,000,000**

Notes:

1. Fully paid ordinary shares (ASX: DAU).

2. Comprising:

   (a) 6,000,000 Options each exercisable at $0.10 each and expiring 31 July 2021 (ASX: DAUAA)

   (b) 5,357,149 Options each exercisable at $0.06 each and expiring 30 November 2020 (ASX: DAUAA)

   (c) 3,000,000 Options each exercisable at $0.02 each and expiring 31 January 2022 (ASX: DAUAA)

   (d) 13,333,333 Options exercisable at $0.05 each and expiring 31 March 2022 (ASX:DAUAA)

   (e) 8,100,000 Options each exercisable at $0.05 each and expiring 7 April 2022 (ASX: DAUCC)

   (f) 5,000,000 Options each exercisable at $0.05 each and expiring 31 March 2022 (ASX: DAUAA)

   (g) 10,000,000 Options each exercisable at $0.15 each and expiring 1 August 2022 (ASX: DAUAA)

3. Comprising 2,000,000 of each of the Class A, B, C and D Performance Rights on the terms set out in the Notice of Meeting dated 19 November 2019.

4. Placement Shares and 33,333,333 Placement Options the subject of Resolution 10.

5. 20,000,000 Related Party Options the subject of Resolutions 7 and 8

6. Related Party Performance Rights the subject of Resolutions 5 and 6.

7. Shareholder approval for the Initial Placement Shares and Options is sought pursuant to Resolution 11.

8. Shareholder approval for the Facility Fee is sought pursuant to Resolution 12.

10.8 Dilution

Assuming that all Resolutions to be considered under this Notice are approved by Shareholders, existing Shareholders would be diluted as follows:

(a) On an undiluted basis: 28.03%; and

(b) On a fully diluted basis: 43.84%.

Note: Assuming all issues of securities for which approval is sought under this Notice are approved and issued and the Placement the subject of Resolution 10 issued 100,000,000 Shares and 33,333,334 Options.

10.9 Existing and pro forma interests of Auracle Group, Hui Guo and Associates

Hui Guo and Auracle Group currently have a relevant interest in the following securities in the Company:

Entity	Shares	Options	Performance Rights	Voting power (%)[3]
Auracle Group	Nil	Nil	Nil	2.1%
Hui Guo	6,000,000	3,000,000	4,000,000	2.1%
Total	**6,000,000**	**3,000,000**	**4,000,000**	**2.1%**

Assuming all Resolutions in this Notice are passed, Hui Guo and Auracle Group could hold a relevant interest in the securities in the Company as follows:

Entity	Shares[1]	Options	Performance Rights	Voting power (%)[3]
Auracle Group	11,000,000	80,000,000	Nil	4.9%
Hui Guo	6,000,000	13,000,000	16,000,000	4.9%
Total	**17,000,000**	**93,000,000**	**16,000,000**	**4.9%**

Assuming all Resolutions in this Notice are passed and all Options and Performance Rights on issue were to immediately convert or be exercised into Shares, Ms Guo (and Auracle Group) would acquire a relevant interest in 20.5% of the voting rights attaching to Shares in the Company (based on 612,084,355 Shares on issue, being all Shares and convertible securities described in the table in Section 10.7). The Company notes that the Loan Agreement prohibits any issue being made to Ms Guo and/or Auracle Group that would result in those parties acquiring a relevant interest above 20% in the issued voting Shares of the Company (which is prohibited by section 611 item 7 of the Corporations Act) and requires that if such an acquisition were to occur, that Shareholder approval in terms of section 611 item 7 of the Corporations Act would need to be obtained prior to such an issue, conversion or exercise occurring (among any other approvals required under the Corporations Act and Listing Rules).

Notes:

1. Based on the number of Shares (284,960,540 Shares) on issue as at the date of this Notice.
2. Calculated on an undiluted basis.
3. Auracle Group and Hui Guo are deemed to have the same relevant interest in Securities held by one another by virtue of being Associates.
4. Based on the number of Shares (395,960,540 Shares) that will be on issue assuming all Resolutions in this Notice are passed.

11. RESOLUTION 11 – APPROVAL TO ISSUE INITIAL PLACEMENT SECURITIES

11.1 General

As set out in Section 10.3 above, the Company has agreed, subject to Shareholder approval, to issue 10,000,000 Initial Placement Shares and 80,000,000 Initial Placement Options in consideration for the advance of the Loan under the Loan Agreement (**Initial Placement Securities**).

Accordingly, this Resolution seeks Shareholder approval for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 for the issue of the Initial Placement Securities to Auracle Group (or its nominee).

11.2 Chapter 2E of the Corporations Act

A summary of the relevant provisions of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

The issue of the Initial Placement Securities constitutes giving a financial benefit and Auracle Group is a related party of the Company by virtue of being controlled by Ms Hui Guo, a Director.

Shareholder approval for the issue of Initial Placement Securities to Auracle Group is sought in accordance with Chapter 2E of the Corporations Act.

11.3 Independent Expert's Report

The Independent Expert has been asked to prepare a report on the fairness and reasonableness to the non-associated Shareholders of the issue of the Initial Placement Securities (among the other issues of Securities under the Loan Agreement).

The Independent Expert has concluded that the issue of the Initial Placement securities is not fair and not reasonable to non-associated Shareholders.

The Independent Expert's advantages and disadvantages to the issue of the Initial Placement Securities are set out in Section 13.8.

11.4 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 6.3 above.

As the issue of the Initial Placement Securities involves the issue of securities to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

11.5 Technical information required by Listing Rule 14.1A

If this Resolution 11 is not passed, the Initial Placement Securities will not be issued to Auracle Group (or its nominee(s)) and the Company will be unable to satisfy the condition precedent to the Loan Agreement. While this would not necessarily mean the Company could not proceed with the Litigation, it may mean that the Loan Agreement would not proceed.

If this Resolution is passed, and assuming Resolution 13 is passed, the Initial Placement Securities will be excluded from the calculation of the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Initial Placement Securities.

11.6 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolution 11:

(a) the Initial Placement Securities will be issued to Auracle Group (or its nominee);

(b) Auracle Group is an entity associated with a related party of the Company, Hui Guo, a Director (Listing Rule 10.1.4);

(c) a total of 10,000,000 Initial Placement Shares and 80,000,000 Initial Placement Options will be issued;

(d) the Initial Placement Securities will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that this will occur on one date;

(e) the Shares are being issued at a deemed issue price of $0.03 per Share in consideration for the advance of the Initial Placement. No other

consideration will be received by the Company other than the $300,000 which is to be raised and applied toward the Initial Placement amount;

(f) the Options are being issued in consideration for the advance of the Loan;

(g) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(h) the total remuneration package for Ms Guo, who controls Auracle Group, for the previous financial year and the proposed total remuneration package for the current financial year are set out above in Section 6.5(j);

(i) the terms of the Options are set out in Schedule 2;

(j) the funds raised from the Initial Placement shall be applied to the funding of the Litigation costs, consistent with the terms of the Loan Agreement;

(k) the Initial Placement Securities are being issued to Auracle Group under the Loan Agreement. A summary of the material terms of the Loan Agreement is set out in Schedule 4;

(l) the relevant interests of the Ms Guo, who controls Auracle Group, in securities of the Company as at the date of this Notice are set out above in Section 6.5(m);

(m) if the Initial Placement Options issued to Ms Guo are exercised, a total of 80,000,000 Shares would be issued. In addition to the 10,000,000 Initial Placement Shares that are to be issued under this Resolution 11, this will increase the number of Shares on issue from 284,960,540 (being the total number of Shares on issue as at the date of this Notice) to 374,960,540 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an approximately 24%.

The market price for Shares during the term of the Initial Placement Options would normally determine whether or not the Initial Placement Options are exercised. If, at any time any of the Initial Placement Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Initial Placement Options, there may be a perceived cost to the Company;

(n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out above in Section 6.5(o);

(o) notwithstanding the Independent Expert's conclusion that the issue of the Initial Placement Securities is not fair and not reasonable to the non-associated Shareholders, each Director (other than Ms Guo) recommends that Shareholders vote in favour of Resolution 11 for the reasons set out under "Advantages" in Section 13.9;

(p) Ms Guo has a material personal interest in the outcome of Resolution 11 on the basis that she controls Auracle Group, which is to be issued the Initial Placement Securities (subject to Resolution 11). For this reason, Ms Guo does not believe that it is appropriate to make a recommendation on Resolution 11of this Notice;

(q) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 11; and

(r) a voting exclusion statement is included in Resolution 11 of the Notice.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the Initial Placement Securities as approval is being obtained under Listing Rule 10.11. Accordingly, the grant of the Initial Placement Securities will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

12. RESOLUTION 12 – APPROVAL TO ISSUE FACILITY FEE SHARES

12.1 General

As set out in Section 10.3 above, the Company has agreed, subject to Shareholder approval, to pay a facility fee of $30,000 which, at the election of Auracle Group, may be paid by the Company by the issue of Shares (at a deemed issue price of $0.03 per Share).

Accordingly, this Resolution seeks Shareholder approval for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 for the issue of 1,000,000 Shares to Auracle Group (or its nominee) (**Facility Fee Shares**).

12.2 Chapter 2E of the Corporations Act

A summary of the relevant provisions of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

The issue of the Facility Fee Shares constitutes giving a financial benefit and Auracle Group is a related party of the Company by virtue of being controlled by Ms Hui Guo, a Director.

Shareholder approval for the issue of Facility Fee Shares to Auracle Group is sought in accordance with Chapter 2E of the Corporations Act.

12.3 Independent Expert's Report

The Independent Expert has been asked to prepare a report on the fairness and reasonableness to the non-associated Shareholders of the issue of the Facility Fee Shares (among the other issues of Securities under the Loan Agreement).

The Independent Expert has concluded that the issue of the Facility Fee Shares is not fair and not reasonable to non-associated Shareholders.

The Independent Expert's advantages and disadvantages to the issue of the Facility Fee Shares are set out in Section 13.8.

12.4 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 6.3 above.

As the issue of Facility Fee Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

12.5 Technical information required by Listing Rule 14.1A

If this Resolution 12 is not passed, the Facility Fee Shares will not be issued to Auracle Group (or its nominee(s)) and the Company would be unable to satisfy the condition precedent to the Loan Agreement. In the event Shareholder approval is not received for Resolution 12, the Facility Fee would be paid by the Company in cash, in accordance with the terms of the Loan Agreement.

If this Resolution 12 is passed, and assuming the other Loan Resolutions are passed, the Facility Fee Shares will be excluded from the calculation of the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Facility Fee Shares.

12.6 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolution 12:

(a) the Facility Fee Shares will be issued to Auracle Group (or its nominee);

(b) Auracle Group is an entity associated with a related party of the Company, Hui Guo, a Director (Listing Rule 10.1.4);

(c) a total of 1,000,000 Facility Fee Shares will be issued;

(d) the Facility Fee Shares will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that this will occur on one date;

(e) the Facility Fee Shares are being issued at a deemed issue price of $0.03 per Share in part consideration for the advance of the Loan;

(f) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(g) the total remuneration package for Ms Guo, who controls Auracle Group, for the previous financial year and the proposed total remuneration package for the current financial year are set out above in Section 6.5(j);

(h) funds drawn down under the Loan shall be applied to the funding of the Litigation costs, consistent with the terms of the Loan Agreement;

(i) the 1,000,000 Facility Fee Shares are being issued to Auracle Group under the Loan Agreement. A summary of the material terms of the Loan Agreement is set out in Schedule 4;

(j) the relevant interests of the Ms Guo, who controls Auracle Group, in securities of the Company as at the date of this Notice are set out above in Section 6.5(m);

(k) the 1,000,000 Facility Fee Shares that are to be issued under this will increase the number of Shares on issue from 284,960,540 (being the total number of Shares on issue as at the date of this Notice) to 285,960,540 (assuming that no Shares are issued and no convertible securities vest or

are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an approximately 0.35%;

(l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out above in Section 6.5(o);

(m) notwithstanding the Independent Expert's conclusion that the issue of the Facility Fee Shares is not fair and not reasonable to the non-associated Shareholders, each Director (other than Ms Guo) recommends that Shareholders vote in favour of Resolution 12 for the reasons set out under "Advantages" in Section 13.9;

(n) Ms Guo has a material personal interest in the outcome of Resolution 12 on the basis that she controls Auracle Group, which is to be issued the 1,000,000 Facility Fee Shares (subject to Resolution 12). For this reason, Ms Guo does not believe that it is appropriate to make a recommendation on Resolution 12 of this Notice;

(o) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 12; and

(p) a voting exclusion statement is included in Resolution 12 of the Notice.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the Facility Fee Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Facility Fee Shares will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

13. RESOLUTION 13 – GRANT OF SECURITY INTEREST TO AURACLE GROUP UNDER LOAN AGREEMENT

13.1 Background

As set out above, the Company has entered into the Loan Agreement on the terms set out in Schedule 4. The Loan Agreements provides that the Company shall secure its obligations under the Loan Agreement by granting a first ranking security over the assets and an undertaking of the Company in favour of Auracle Group (**Security Interest**).

ASX deems the granting of a security interest over the assets and undertaking of an entity to be a "disposal" of a substantial asset for the purposes of Listing Rule 10.1, and as outlined in Section 13.5 below, Shareholder approval is required for an entity to dispose of a substantial asset to certain persons in a position to influence the entity. Auracle Group is a related party of the Company by virtue of being controlled by Annie Gou, a director of the Company.

13.2 Key terms of Loan Agreement

The terms of the Loan Agreement are summarised in Schedule 4.

13.3 Key terms of General Security Deed

In connection with the Loan Agreement, the Company has entered into a general security deed (**General Security Deed**) pursuant to which it has granted the Security Interest in favour of Auracle Group. The Security Interest secures the Company's obligations to pay amounts to Auracle Group under the Loan Agreement.

The key terms of the General Security Deed will be as follows:

(a) **Grant of Security Interest**

The Company grants a security interest to Auracle Group in all its present and after-acquired property, including:

(i) its assets and undertakings and its unpaid capital;

(ii) anything in respect of which the Company has a sufficient right or interest to grant a security interest under the *Personal Properties Securities Act 2009* (Cth) or any other law; and

(iii) anything else in which the Company has a sufficient right to be able to grant a security interest.

(b) **Priority**

Each security interest granted by the Company under the deed ranks in priority before any other security interest other than those mandatorily preferred by law and any permitted security that ranks in priority to it**.**

(c) **Enforcement**

While an event of default subsists, Auracle or a controller has the power to do anything in respect of the property subject to a security interest that an absolute beneficial legal owner of the property could do. To the extent permitted by law, at any time while an event of default subsists, Auracle may also (among other things) appoint any person or any two or more persons jointly or severally or both to be a receiver or receiver and manager of all or any of the collateral.

(d) **Application of money received**

At any time while an event of default is continuing, all money received by Auracle or its controller or attorney or any other person acting on their behalf may be appropriated and applied towards any amount and in any order that Auracle or its controller or attorney or that other person determines in its absolute discretion, to the extent not prohibited by law.

(e) **Discharge**

At the Company's written request, Auracle Group must discharge the Security Interest created under the General Security Deed if the secured money has been paid in full under the Loan Agreement.

13.4 Independent Expert's Report

The Independent Expert's Report prepared by Elderton Group (a copy of which is attached as an Annexure to this Explanatory Statement) assesses whether the Security Interest under Resolution 13 is fair and reasonable to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

13.5 Listing Rule 10.1

Chapter 10 of the Listing Rules deals with transactions between an entity (or any of its subsidiaries) and persons in a position to influence the entity.

Persons of influence

Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a "substantial asset" from, or dispose of a substantial asset to, any of the following persons without the approval of the entity's security holders:

(a) a related party;

(b) a subsidiary;

(c) a "substantial holder", if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities;

(d) an associate of a person referred to in (a) to (c) above; or

(e) a person whose relationship to the entity is such that, in ASX's opinion, the transaction should be approved by security holders.

Ms Guo is a related party of the Company by virtue of being a Director of the Company.

Ms Guo is also the sole director and controller of Auracle Group. As such, Ms Guo and Auracle Group are deemed to be associates of one another and by extension have a relevant interest in securities held by one another, as a result of the operation of section 608(3)(b) of the Corporations Act and falls within the list of persons specified in Listing Rule 10.1 (and in particular, under paragraphs (c) and (d) above).

What is a substantial asset?

Under Listing Rule 10.2, an asset is "substantial" if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules.

Although the Company has not entered into any agreement to dispose of any of its assets under Loan Agreement, the ASX considers, for the purpose of the Listing Rules, that the grant of a security over the Company's assets amounts to a 'disposal' of its assets, and with the amount secured by the Security Interest, Shareholder approval in accordance with Listing Rule 10.1 is required to enter into the Loan Agreement and General Security Deed.

Other information required in respect of Security Interest

The following information is provided in respect of the specific disclosure requirements under Listing Rule 10.1 (to the extent that they have not already been disclosed in this Resolution):

- Auracle Group is the person to whom the entity is granting the Security Interest, which, for the reasons above, is considered to be a disposal of a substantial asset;

- Auracle Group requires Shareholder approval under Listing Rule 10.1 by virtue of being an associated entity of Annie Guo (Listing Rule 10.1.4);
- The Security Interest is being granted over the assets of the Company and the consideration for the grant of the Security Interest is the grant of the Loan under the Loan Agreement;
- The Loan shall be applied to the funding of the Litigation costs, consistent with the terms of the Loan Agreement; and
- The actions contemplated by this Resolution are expected to occur as follows:

Action	Date
Execution of Loan Agreement	Mid November 2020
Shareholder meeting to approve Loan Resolutions	Mid December 2020
Entry into General Security Deed and registration of Security Interest	Immediately following Shareholder approval at this Meeting

A voting exclusion statement is included at Resolution 13.

13.6 Technical information required by Listing Rule 14.1A

If this Resolution 13 is not passed, the Security Interest will not be granted to Auracle Group (or its nominee(s)) and the Company would be unable to satisfy the condition precedent to the Loan Agreement. In the event Shareholder approval is not received for Resolution 13, the Loan Agreement would not proceed.

If this Resolution 13 is passed, and assuming the other Loan Resolutions are passed, the Loan Agreement and General Security Deed would proceed on the terms disclosed in this Notice and the Security Interest would be granted to Auracle Group.

13.7 Chapter 2E of the Corporations Act

A summary of the relevant provisions of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

The grant of the Security Interest constitutes giving a financial benefit and Auracle Group is a related party of the Company by virtue of being controlled by Ms Hui Guo, a Director.

Shareholder approval for the grant of the Security Interest to Auracle Group is sought in accordance with Chapter 2E of the Corporations Act.

13.8 Independent Expert's Report

The Independent Expert has been asked to prepare a report, for the purpose of Listing Rule 10.10.2 and Chapter 2E of the Corporations Act, on whether:

(a) the issues of Securities pursuant to the Loan Agreement; and

(b) the grant of the Security Interest,

is fair and reasonable to non-associated Shareholders of the Company.

The Independent Expert has concluded that:

(c) the issues of Securities pursuant to the Loan Agreement are not fair and not reasonable; and

(d) the grant of the Security Interest is **FAIR AND REASONABLE**,

to the non-associated Shareholders of the Company.

13.9 Advantages and Disadvantages – Loan Resolutions

The Independent Expert considers the advantages and disadvantages of the issues of the Securities pursuant to the Loan Agreement to be as follows:

- The value of the Initial Placement Securities ($3,525,242) far exceeds to value of the amount to be advanced under the Initial Placement ($300,000).
- The value of the Shares issued in satisfaction of the Facility Fee ($590,000) far exceed the dollar amount which is otherwise payable in satisfaction of the Facility Fee ($30,000).
- The payment of the Success Fee (equal to 35% of any Recovery) is fair and reasonable because it is in line with standard industry practices and only payable should an advantageous outcome result from the Litigation.

13.10 Advantages and Disadvantages – Security Interest

The Independent Expert considers the advantages and disadvantages of the grant of Security Interest to be as follows:

Advantages to Security Interest

- The grant of the Security Interest is fair.
- The COVID-19 pandemic has resulted in significant economic uncertainty. Approving the Security Interest would provide the Company with a guaranteed source of funding to continue on-going litigation against Vango Mining.
- The grant of the Security will satisfy one of the key requirements under the Loan Agreement, which will mean Dampier will have the ability to access the Loan funding without needing recourse to traditional litigation firms, who are, in comparison to Auracle Group, more expensive and may require that any success fee be paid in cash rather than by a combination of cash and equity (as is the case with Auracle Group).

Disadvantages to Security Interest

The key disadvantage of granting the Security is that in an event of a default by Dampier Gold, Auracle Group may enforce the Security, meaning that some of the Company and its subsidiaries assets may be sold or assigned to Auracle Group (to the extent required to enable Auracle Group to recover the Loan funds).

Shareholders are urged to consider the Independent Expert's Report in detail and if in doubt seek advice from their professional advisers prior to voting.

13.11 Technical Information required by section 219 of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to Resolution 13:

(a) the total remuneration package for Ms Guo, who controls Auracle Group, for the previous financial year and the proposed total remuneration package for the current financial year are set out above in Section 6.5(j);

(b) the Security Interest is being granted to Auracle Group under the Loan Agreement. A summary of the material terms of the Loan Agreement is set out in Schedule 4;

(c) the relevant interests of the Ms Guo, who controls Auracle Group, in securities of the Company as at the date of this Notice are set out above in Section 6.5(m);

(d) each Director (other than Ms Guo) recommends that Shareholders vote in favour of Resolution 13 for the reasons set out under "Advantages" in Section 13.10;

(e) Ms Guo has a material personal interest in the outcome of Resolution 13 on the basis that she controls Auracle Group, which is to be issued the Initial Placement Securities (subject to Resolution 13). For this reason, Ms Guo does not believe that it is appropriate to make a recommendation on Resolution 13 of this Notice;

(f) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 13.

14. RESOLUTION 14 – APPROVAL OF 7.1A MANDATE

14.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of $300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 14 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

14.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 14:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

(i) the date that is 12 months after the date of this Meeting;

(ii) the time and date of the Company's next annual general meeting; and

(iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or

(ii) if the Equity Securities are not issued within 10 trading days of the date in Section 14.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for advancement and development of the Copmany's current asset portfolio, general working capital and towards any possible acquisition of new assets or investments.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 7 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		**Shares issued – 10% voting dilution**	**Issue Price**		
			$0.011	**$0.022**	**$0.033**
			50% decrease	**Issue Price**	**50% increase**
			Funds Raised		
Current	284,960,540 Shares	28,496,054 Shares	$313,456	$626,913	$940,370
50% increase	427,440,810 Shares	42,744,081 Shares	$470,184,891	$940,369,782	$1,410,555
100% increase	569,921,080 Shares	56,992,108 Shares	$626,913	$1,253,826	$1,880,740

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 284,960,540 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 7 October 2020.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

(i) the purpose of the issue;

(ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

(v) prevailing market conditions; and

(vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 16 October 2019 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 11 December 2019, the Company has not issued any Equity Securities pursuant to the Previous Approval.

14.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

GLOSSARY

$ means Australian dollars.

7.1A Mandate has the meaning given in Section 7.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Auracle Group means Auracle Group Pty Ltd (ACN 618 359 998).

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependent of the member or the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Dampier Gold Limited (ACN 141 703 399).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Elderton Capital Group means Elderton Capital Group Pty Ltd (ACN 137 309 892) (Australian Financial Services Licence 342143).

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Facility Fee has the meaning given in Section 10.3(c).

Independent Expert Report means the Independent Experts Report prepared by Elderton Capital Group which is attached to this Notice as an Annexure.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Litigation has the meaning given in Section 10.1.

Loan Agreement means the loan agreement entered into between the Company and Auracle Group on the terms described in Schedule 4.

Loan Resolutions means Resolutions 11, 12 and 13.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Rights means a performance right convertible into a Share having the rights and obligations as set out in Schedule 1.

Plan or **Employee Securities Incentive Plan** means the employee incentive scheme for which approval is sought pursuant to Resolution 10 and a summary of which is set out in Schedule 4.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Schedule means a schedule to this Notice.

Section means a section of the Explanatory Statement.

Securities means Shares and Options.

Security Interest has the meaning given in Section 13.1.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

VWAP means volume average weighted price.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights to be issued to the Related Parties:

(a) **Milestones**

The Performance Rights shall have the following milestones attached to them:

(i) **Class A Performance Rights**: the volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days exceeds $0.06 (six cents);

(ii) **Class B Performance Rights**: the volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days exceeds $0.08 (eight cents); and

(iii) **Class C Performance Rights**: the volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days exceeds $0.10 (ten cents),

(each referred to as a **Milestone**).

(b) **Expiry Date**

To the extent that a Performance Right has not been converted into a Share within 3 years of the date of grant of the Performance Right, it shall lapse in accordance with paragraph (o) (**Expiry Date**);

(c) **No voting rights**

A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) **No dividend rights**

A Performance Right does not entitle the Holder to any dividends.

(e) **No rights to return of capital**

A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**

A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**

A Performance Right is not transferable.

(h) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(i) **Application to ASX**

The Performance Rights will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Rights into fully paid ordinary shares (**Shares**), the Company must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX. Any amendment to the terms of these Performance Rights as required by ASX will be deemed to be incorporated in these terms.

(j) **Participation in entitlements and bonus issues**

A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **No other rights**

(l) A Performance Rights gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law **cannot** be excluded by these terms.

(m) **Conversion on achievement of milestone**

Subject to paragraph (m), a Performance Right in the relevant class will convert into one Share upon achievement of the applicable Milestone under paragraph (a).

(n) **Conversion on change of control**

Subject to paragraph 1.1(o) and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

(i) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or

(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Rights shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Performance Rights that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Company Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Rights under paragraph 1.1(m) or 1.1(o) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance

Rights shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

(i) Holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Rights will not result in any person being in contravention of the General Prohibition.

(ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph 1.1(o)(i) within seven days if the Company considers that the conversion of a Performance Rights may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Rights will not result in any person being in contravention of the General Prohibition.

(p) **Lapse of Performance Right**

Each Performance Right shall expire on the date set out in paragraph (b). If the relevant milestone attached to a Performance Right has not been achieved by the Expiry Date, the Company will redeem the relevant Performance Rights in accordance with paragraph 1.1(r) below. For the avoidance of doubt, a Performance Right will not lapse in the event the relevant milestone is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph 1.1(o) above.

(q) **Redemption if Milestone not achieved**

If the relevant milestone is not achieved by the relevant Expiry Date, then each Performance Right in the relevant class will be automatically redeemed by the Company for the sum of $0.00001 within 10 Business Days of that Expiry Date.

(r) **Conversion procedure**

The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 Business Days following the conversion.

(s) **Ranking upon conversion**

The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

(t) **ASX approval**

The terms of these Performance Rights are subject to ASX approval. In the event that ASX does not approve the terms of these Performance Rights, the Milestones will be varied to the extent required to obtain the necessary ASX approval.

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

The material terms of the Options to be issued pursuant to this Notice are summarised below:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be:

(i) **Director Options**: $0.05;

(ii) **Placement Options**: $0.05; and

(iii) **Initial Placement Options**: $0.05,

being each class of Options' respective **Exercise Price**.

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is:

(iv) **Director Options:** three (3) years from the date of issue;

(v) **Placement Options:** 31 December 2022; and

(vi) **Initial Placement Options:** five (5) years from the date of issue,

being each class of Options' respective **Expiry Date**.

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – SUMMARY OF EMPLOYEE SECURITIES INCENTIVE PLAN

A summary of the terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

1. Eligible Participant

Eligible Participant means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.

2. Purpose

The purpose of the Plan is to:

(a) assist in the reward, retention and motivation of Eligible Participants;

(b) link the reward of Eligible Participants to Shareholder value creation; and

(c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

6. Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

(a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

(b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

12. Rights attaching to Plan Shares

All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may

implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

(a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or

(b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Compliance with applicable law

No Security may be offered, grated, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

(a) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or

(b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme, but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

(c) an offer to a person situated at the time of receipt of the offer outside Australia;

(d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or

(e) an offer made under a disclosure document, which would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

17. Maximum number of Securities

The Company will not make an invitation under the Plan if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan, will exceed 15% of the total number of issued Shares at the date of the invitation.

18. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

19. Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

20. Income Tax Assessment Act

The Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act).

SCHEDULE 4 – SUMMARY OF LOAN AGREEMENT

A summary of the terms of the Loan Agreement are as follows:

1. Conditions Precedent

The Loan Agreement is subject to and conditional upon the obtaining of all necessary shareholder or regulatory approvals required by *the Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules or other applicable laws for the entry by the Company into the Loan Agreement, including all required approvals for the issuance of the Initial Placement Shares, Initial Placement Options and the Shares the subject of the Facility Fee (each term having been defined below).

2. Placement

In accordance with ASX Listing Rule 10.11, subject to the receipt of Shareholder approval, 10,000,000 fully paid ordinary shares (**Shares**) are to be issued to Auracle (or its nominee) at an issue price of $0.03 per Share to raise $300,000 (**Initial Placement Shares**).

3. Loan

Pursuant to the Loan Agreement and in addition to the Placement, Auracle has agreed at its sole discretion to provide Dampier with a loan of up to $700,000 (**Loan**), which is to be applied exclusively towards the cost of the Litigation. The Placement and the Loan are together referred to as the **Litigation Fund**.

Terms and conditions of the Loan are as follows:

(a) **Interest** – 8% per annum, which interest shall accrue and be calculated monthly from the date the first advance is provided to the Company.

(b) **Term** – commencing from the date of the Shareholder approval for 5 years.

(c) **Repayment** – amount outstanding is repayable upon Auracle's Repayment Notice being given to the Company. The repayment will be paid wholly in cash. Where any part of the amount outstanding remains owing by the end of the Loan period, the amount outstanding at that time will be repaid in cash on that date.

Subject to Shareholder approval, the Company has also agreed to grant to Auracle or its nominee 80,000,000 options (**Initial Placement Options**). The Initial Placement Options are each exercisable at $0.05 and expire 5 years from their date of issue.

4. Facility Fee

In consideration for the advance of the Loan, the Company has agreed to pay Auracle Group a facility fee of $30,000, which at the election of Auracle Group and subject to the receipt of shareholder approval, may be satisfied by the Company issuing 1,000,000 Shares at an issue price of $0.03 per Share (**Facility Fee Shares**).

5. Success Fee

In the event of the successful completion of the Litigation, if the Litigation Fund covers 100% of the costs of the Litigation then the success fee is equal to 35% of

the Recovery; if the Litigation Fund covers part but not all of the costs of the Litigation then the success fee equals the lower of 35% of the Recovery or an amount equal to 5 multiples of the Litigation Fund.

For the avoidance of doubt, Auracle Group will only be entitled to receive the success fee in the event the Company receives the Recovery from Vango.

In the event of unsuccessful completion of Litigation or a settlement which is not in favour of the Company, then Auracle will not receive payment of a success fee and the Company bears the Litigation costs in excess of the amount of the contributed Litigation Funds.

"Successful completion of Litigation" means the circumstances of successful completion of the Litigation or a settlement in favour of the Company which finds that the Company is entitled to a Recovery related to or arising out of the Litigation.

"Recovery" means all and any amounts received by the Company, or to which the Company is or becomes entitled related to or arising out of the Litigation, including any judgment, settlement sum or compromise, any order, award, capital sum, income or the value of any releases or other consideration or benefits of whatever form received by the Company.

If the Recovery is in the form of a project or other non-cash format, then an independent valuation of the actual value will be used as the base to calculate the success fee.

6. Security

On and from the date of the receipt of Shareholder approval until the date the Company pays the success fee, Auracle Group may register such security as it deems necessary to secure the obligations of the Company under the Loan Agreement including first ranking general security deeds over the Company and its subsidiary entities.

The grant of the security is subject to the receipt of Shareholder approval in accordance with Listing Rule 10.1.

7. Other

Where the Loan Agreement is terminated by Auracle Group by notice or due to breach by the Company, it is no longer required to fund the Litigation, Auracle Group is entitled to receive from the Recovery the actual amount funded for the litigation and under the situation of a breach by the Company plus an amount of 5 times that amount and in all other respects Auracle Group is entitled to receive from the Recovery and its relevant rights and entitlements in the event a success fee is payable as set out above.

If the Loan Agreement is terminated by the Company due to breach by Auracle Group, Auracle Group will be no longer required to provide any additional amount for the Litigation, the Company will repay any amount contributed to the Litigation Fund by Auracle Group and in all other respects Auracle Group is entitled to receive from the Recovery its relevant rights and entitlements in the event a success fee is payable as set out above.

Where the Company abandons, postpones, delays, discontinues or takes similar steps in respect of an action or actions, Auracle Group can elect to keep any

other actions on foot or require the Company to pay Auracle Group the amounts as if there was a breach as set out above.

ANNEXURE – INDEPENDENT EXPERT REPORT

ELDERTON
CAPITAL

DAMPIER GOLD LIMITED

Independent Expert's Report and Financial Services Guide

21 October
2020

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Elderton Capital Pty Ltd
ACN 22 137 309 892
Financial Services Guide

About us

Elderton Capital Pty Ltd (**Elderton Capital** or **we** or **us** or **our**) (Australian Financial Services Licence 342143) has been engaged by Dampier Gold Limited (**Dampier Gold** or the **Company**) to provide general financial product advice in the form of an independent expert's report (**Report**) in connection with the proposed Transaction. Our Report sets out our opinion as to whether the Transaction is fair and reasonable and our reasons for forming those conclusions.

The *Corporations Act 2001 (Cth)* requires us to provide this Financial Services Guide (**FSG**) in connection with the attached Report prepared for Dampier Gold. You are not the party who engaged us to prepare this Report and we are not acting for any person other than Dampier Gold. This FSG provides important information designed to assist Shareholders in forming their views of the Transaction and in understanding any general financial advice provided by Elderton Capital in this Report. Our Report is not intended to comprise personal retail financial product advice to retail investors or market-related advice to retail investors. This FSG contains information about our engagement by the directors of Dampier Gold to prepare this Report in connection with the Transaction (Engagement), the financial services we are authorised to provide, the remuneration we (and any other relevant parties) may receive in connection with the Engagement, and details of our internal and external dispute resolution systems and how these may be accessed.

Financial services we are authorised to provide

Our Australian Financial Services Licence authorises us to carry on a financial services business to provide financial product advice for classes of financial products, including securities and government debentures, stocks and bonds, and to deal in financial products by applying for, acquiring, varying or disposing of financial products on behalf of another person in respect of the abovementioned classes of financial products to retail and wholesale clients.

General financial product advice

We do not provide personal financial product advice to retail clients. This Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. Where the advice relates to the application for or acquisition of a financial product, you should also obtain and read carefully the relevant Transaction document or explanatory memorandum provided by the issuer or seller of the financial product before making a decision regarding the application for or acquisition of the financial product.

Remuneration, commissions and other benefits

Elderton Capital charges fees for its services and will receive a fee of $12,000 (excluding GST) for its work in preparing this Report. These fees have been agreed on, and will be paid solely by Dampier Gold, which has engaged our services for the purpose of providing this Report. Elderton Capital may seek reimbursement of any out of pocket expenses incurred in providing these services. Our advisers are directors and employees of Elderton Capital who are paid salaries and dividends by Elderton Capital and may also receive bonuses and other benefits from Elderton Capital. Our advisers may alternatively be paid by means of commission determined by a percentage of revenue written by the adviser.

Associations and relationships

There are no associations and relationships with Dampier Gold other than acting as an independent expert for the purposes of this report. Prior to accepting this engagement Elderton Capital Pty Ltd has considered its independence with respect to Dampier Gold and any of its respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In Elderton Capital's opinion it is independent of Dampier Gold and the related parties under review in this Report. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at a maximum of $12,000. The fee is payable regardless of the outcome. Elderton Capital, its officers and employees and other related parties have not and will not receive, whether directly or indirectly, any commission, fees, or benefits, except for the fees to be paid to Elderton Capital for services rendered in producing this Report. Elderton Capital, its directors and executives do not have an interest in securities, directly or indirectly, which are the subject of this Report. Elderton Capital may perform paid services in the ordinary course of business for entities, which are the subject of this Report.

Risks associated with our advice

This FSG is provided in connection with the attached Report relating to the Transaction. The Report comprises general product

advice and does not comprise personal financial product advice to retail investors or market-related advice to retail investors. The Report is an expression of Elderton Capital's opinion as to whether the Transaction is fair and reasonable. However, Elderton Capital's opinion should not be construed as a recommendation as to whether or not to approve the Transaction. Approval of the Transaction is a matter for individual shareholders based on their own circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in any doubt as to the action they should take in relation to the Transaction should consult their own independent professional advisers. Further information on the risks, assumptions and qualifications associated with the advice is contained within the Report.

Compensation arrangements

The law requires Elderton Capital to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the *Corporations Act 2001* by Elderton Capital or its representatives. Elderton Capital has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements.

Complaints

As an Australian Financial Services License holder, we are required to have an internal complaints-handling mechanism. All complaints must be addressed to us in writing at Level 2, 267 St Georges Terrace, Perth, WA6000. You may contact us on P: 08 6324 2900, E: info@eldertoncapital.com. If we are not able to resolve your complaint to your satisfaction within 45 days of first lodging it with us, you are entitled to have your matter referred to the Financial Ombudsman Service (FOS). You will not be charged for using the FOS service.

To contact the FOS:

GPO Box 3
MELBOURNE, VIC 3001
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ELDERTON
CAPITAL

20 October 2020

The Directors
Dampier Gold Limited
29 Brookside Place
LOTA QLD 4179

Dear Sirs

1. Introduction

This Independent Expert's Report (the "**Report**" or "**IER**") has been prepared at the request of the Board of Directors of Dampier Gold Limited ("**Dampier Gold**" or the "**Company**"). The Directors of Dampier Gold have requested Elderton Capital Pty Ltd ("**Elderton**"), being independent and qualified for the purpose, prepare an independent experts report to the shareholders of Dampier (**Shareholders**).

The purpose of this Report is to express an opinion as to whether entering into a loan agreement with Auracle Group Pty Ltd (**Auracle**) (**Loan Agreement**) and the grant of a security interest pursuant to the Loan Agreement by a fixed and floating charge over all the assets and undertaking of the Company and its subsidiaries (**Security**) is fair and reasonable to the non-associated Shareholders of Dampier Gold. The purpose of the loan to be provided by Auracle to Dampier Gold is to finance in full, or in part ongoing legal costs which will enable Dampier Gold to continue ongoing legal proceeding against Vango Mining Pty Ltd. Details of the legal dispute are set out in Section 5 of this Report, details of the Loan Agreement and Security are set out in Section 6.

Auracle Group is an Australian registered holding company which has one sole director and one shareholder, Ms Hui Guo. Ms Hui Guo who is also an Executive Director of Dampier. ASX Listing Rule 10.1 states any listed company acquiring or disposing of a substantial asset to a substantial shareholder or a related party of the company must inform shareholders and allow them the opportunity to vote on such transactions. As Ms Hui Guo is a director of both Auracle Group and Dampier Gold the entry into the Loan Agreement and grant of the Security requires Shareholder approval in terms of ASX Listing Rule 10.1.

2. Executive Summary

2.1 Approach

Our Report has been prepared having consideration of ASIC's RG 111 and Regulatory Guide 112 ("**RG 112**") '*Independence of Experts*'.

In arriving at our opinion, we have assessed the terms of the Loan Agreement (and grant of the Security) which sets out the terms by which Auracle Group Pty Ltd will fund ongoing litigation (**Proposed Transaction**). We have considered:

- the total funding of $1,000,000 via the initial issue of 10 million shares (**Initial Placement**) in consideration for the initial advance of $300,000, and a loan of $700,000. In considering this, it is noted that Auracle will be granted a maximum of 80 million options in Dampier at an exercise price of $0.05 which expire five years from the date of issue and Auracle will be entitled to a "Success Fee" as set out below.
- whether the issue of Shares and options and the loan of $700,000 plus the "Success Fee" fully reflect the value of the assets secured via the Security.
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Loan Agreement (and grant of Security) not proceed.

2.2 Opinion

There are four components to the transaction and we will assess each component and conclude whether individually each transaction is fair and reasonable.

Initial Placement

- In our opinion, the granting of 10 million (10,000,000) shares and 80 million options in exchange for the initial placement of $300,000 is not fair or reasonable because the consideration received by Dampier is less than the consideration provided.

Second Placement

- In our opinion, the grant of the security to secure the second placement of $700,000 is fair and reasonable because the terms of the security are such that Auracle will not receive assets in excess of the value of debt owed to it under the Loan Agreement. We consider the security to be fair to the Non-Associated Shareholders of Dampier Gold because the terms of the Security are such that Auracle Group will not receive assets in excess of the value of the Loan Agreement.

Facility Fee

- In our opinion, the payment of a facility fee of $30,000, settled by the issue of 1,000,000 shares at $0.03 is neither fair nor reasonable.
- Given the VWAP of Dampier shares being $0.059 we do not consider the issue of $1,000,000 shares to be fair or reasonable.

Success Fee

- In our opinion, the Success Fee, the details of which are set out in Section 6 of this report, are both fair and reasonable.

2.3 Fairness

In accordance with the guidance set out in ASIC Regulatory Guide 111, Content of Expert's Report ("**RG111**") and in the absence of any other relevant information, for the purpose of ASX Listing Rule 10., in addition, based on comparisons with other listed explorers with third party borrowings, we consider that the interest rate attached to the Loan Agreement is at, or below market rates.

We have reviewed the rates charge by third party litigation funders, and on that basis we consider the Success Fee charged by Auracle Group is at, or below that charged by other litigation funders and therefore is fair.

2.4 Reasonableness

As noted in Section 2.3 we do not consider either the Initial Placement or the Facility Fee to be reasonable to non-related shareholders. We set out in Section 9 of this Report, justification for our opinion:

In our opinion, the position of Shareholders if the Second Placement is executed and the Security is granted is more advantageous than the position if the execution of the Loan Agreement and grant of Security is not approved. Accordingly, in the absence of any other relevant information we believe that the execution of the Loan Agreement and grant of the Security is reasonable to existing Shareholders.

The respective advantages and disadvantages of the grant of the Second Placement are set out below:

Table 2

ADVANTAGES AND DISADVANTAGES			
Section	**Advantages**	**Section**	**Disadvantages**
10.3	Ability to continue to fund litigation in uncertain post COVID environment	9.3	The key disadvantage of issuing the Security is if, in an event of a default by Dampier allowing Auracle to enforce the Security, some of Dampier's assets may be sold or assigned to Auracle (to the extent required to enable Auracle to recover the debt).
10.3	Access to Litigation Funding not available from traditional Litigation Funding Sources		

Based on our analysis of the above, in our opinion

a) After review, the advantages entering into a Loan Agreement and the resulting grant of the Security outweigh the disadvantages of approving it, for Shareholders.
b) In our opinion, the payment of a Success Fee is fair and reasonable.

2.5 Other Matters

Elderton Capital Pty Ltd holds the appropriate Australian Financial Services License to issue this Report.

In forming our opinion and conclusions, we have evaluated the interests of Shareholders as a collective group. Therefore, the advice provided does not consider any individual Shareholder directly: their financial situation, objectives or needs. It is not possible, nor is it practical, to assess the implications of the Proposed Transaction on individual shareholders as their specific financial circumstances are unknown.

The decision as to whether or not to approve the granting of the Security is a matter for each individual Dampier Gold Shareholder to consider based on, their risk appetite, desire for portfolio liquidity, investment strategy, and tax position. Each individual shareholder is therefore advised to consider the appropriateness of our opinion in the context of their circumstances, before making a decision regarding the Proposed Transaction.

As any shareholder's decision to vote for or against this resolution may be affected by their aforementioned personal circumstances, we advise that each individual shareholder seeks their own independent professional advice.

Our report has been prepared in accordance with the *Corporations Act 2001* ("**the Act**") and other relevant Australian

regulatory requirements. This Report has been prepared solely for the purpose of assisting Dampier shareholders in evaluating whether to approve the Proposed Transaction. We do not assume any responsibility or liability to any other party as a result of reliance on this Report for any other purpose.

3 Purpose of this report

The directors of Dampier Gold engaged Elderton Capital to prepare an Independent Experts Report to satisfy the requirements under Chapter 10 of the ASX Listing Rules which state as follows;

- **Listing Rule 10.1**: Any listed company acquiring or disposing of substantial asset to a related party of the Company must inform the shareholders and allow them the opportunity to vote on such transaction.
- **Listing Rule 10.2**: An asset is substantial if its value, or the value of the consideration for it is 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX.
- **Listing Rule 10.10**: Independent Expert Report (IER) is prepared to provide an opinion on whether the transaction per listing rule 10.1 above is fair and reasonable to the shareholders.

Given that the Proposed Transaction falls within the definition of both Listing Rules 10.1 and 10.2, then Listing Rule 10.11.2 also applies in that a Notice of Meeting seeking shareholders approval in accordance with Listing Rule 10.1 must be accompanied by an Independent Experts Report. Dampier Gold have engaged Elderton Capital to fulfill this requirement. In our capacity as Independent Expert, we are required to express an opinion as to whether the Proposed Transaction is fair and reasonable to the non-associated Shareholders of Dampier Gold.

The meaning of 'fair' and 'reasonable' is not defined by either the Listing Rules or the Corporations Act. In order to gain some clarity, we have referred to the guidance set out by ASIC in RG 111 "Content of Experts Reports" in order to determine whether the Transaction is fair and reasonable.

RG111 provides guidance as to what matters an independent expert should consider when assisting security holders to make informed decisions about transactions. This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable'. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal. We do not consider the Proposed Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

RG 111 states that a transaction is fair if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. In the case of Dampier Gold, the financial benefit to be provided by the entity relates to the value of the security being offered by the Company, and the value of the consideration relates to the value of the funds being provided by way of the Loan Agreement.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are enough reasons for security holders to accept the offer in the absence of any viable alternative.

Based on the above it is necessary to consider two distinct scenarios, the first being whether the Proposed Transaction is "fair" and secondly whether the Proposed Transaction is "reasonable."

- In order to assess the fairness of the Proposed Transaction it is necessary to perform a comparison between the value of the security being offered to Auracle Group under the terms of the Loan Agreement and the value of the funds to be advanced by Auracle Group; and secondly
- To consider what other significant factors Shareholders might consider, prior to approving the Security resolution, after considering the value derived from the Security and the advance of the Loan.

In order for the expert to comment on the fair and reasonableness of the transaction it is necessary to establish the value of the consideration provided by both parties. Guidance for such valuation is set out in APES 225 Valuation services which sets out the mandatory requirement for experts providing valuation services.

4 Profile of Dampier Gold Limited

Dampier Gold Limited is a gold exploration and mining company with one mine development program and four major exploration projects. The Company was admitted to the Official List of ASX on 23 August 2010 under the ASX ticker code, DAU.

In 2019, Dampier secured rights to 600 km² of tenements in the 200-million-ounce gold region. Dampier now has a presence in the gold-rich Kalgoorlie region and is about to commence exploration on this relatively under-explored ground in this world class gold region.

The K2 Mine lies on ML52/183 and is part of the tenement package originally secured by Dampier from Barrick Gold in 2010, referred to as the Plutonic Dome Gold Project (PGDP) or Marymia.

Following the sale of PDGP, Dampier and Vango agreed to a Farm-in Joint Venture executed on 12th May 2017 whereby Dampier was granted the right to earn 50% of the K2 Project M52/183 for the capped expenditure of up to $3M. The mine has relatively shallow indicated and inferred resources of 103,000 ounces at 7.7 grams/t and mining inventory of 54,000 ounces at 6.9 grams/t. The mine has a 1.4km decline developed to the ore blocks and to bring into production only requires dewatering, refurbishment and exploration drilling to tighten up on the mineable blocks and drill out extensions. It is estimated that the mine can be brought into production in ~9 months for an upfront cost of ~$6 million (100%) with the ore trucked to the Plutonic Mine processing plant operated by Superior Gold Inc. (Toronto). At current prices the project has scope from the first 50,000 ounces of gold recovered to return net circa $30 million to Dampier over 36 months from start-up.

Exploration to enhance reserves and resources and complete geotechnical metallurgical studies are underway at the K2 Mine.

In January 2019, Dampier acquired the rights to earn up to 80% in two tenements north of the gold mining centre of Kalgoorlie at Menzies and Goongarrie. north of the gold mining centre of Kalgoorlie at Menzies and Goongarrie.

In October 2019, Dampier entered into two joint ventures being Zuleika Shear (220 km²) and at Credo Well (12 km²) which historically has generated extraordinary high-grade drill intersections. Zuleika and Credo areas have generated ~20 million ounces of gold and contain a number of producing gold mines operated by Norther Star, Evolution and Zijin.

In 2018, Dampier purchased the Ruby Plains Gold Project from private vendors. The project is located in the Kimberley region of Western Australia, 70km SSE of the township and historical goldfield at Halls Creek.

The 4 tenements of ~1,000 km² acquired by the Company cover paleo-placer deposits which have characteristics similar in terms of age and genesis to the paleo-sedimentary deposits in the rich Californian Goldfields which had multi-million ounce gold deposits.

Other significant events over the last 18 months include the following:

- On 7 August 2019, the company issued 11,585,711 fully paid ordinary shares at an issue price of $0.028 pers share to raise $324,400 in working capital and 2,260,143 fully paid ordinary shares at an issue price of $0.028 per share to extinguish $63,284 in liabilities;
- 24 September 2019 the shares of the company were suspended from quotation;
- 4 October 2019 the shares of the company were reinstated for quotation;

- 15 November 2019 the shares of the company were temporarily paused for quotation;
- 15 November 2019 the shares of the company were placed in a trading holt, pending release of an announcement;
- 19 November 2019 the company advises shareholders of the dispute with Vango Mining Ltd ('Vango"). Full details of this dispute are set out in Section 5 of this report;
- shares of the company were placed in a trading holt, pending release of an announcement;
- 12 February 2020 the company appointed Mr Gavin Solomon as Special Advisor to the Board of directors of Dampier and also appointed Primary Markets Pty Ltd as its Equity markets Advisor;
- 12 February 2020 Dampier seeks compensation from Vango Mining Limited;
- 10 March 2020 the company completes $1million capital raising through a share placement to sophisticated investors at $0.025 per share with a 1:3 free attaching option each exercisable at $0.05
- 12 March 2020 the company announced it is to commence a major new expansionary drilling program at Credo Well Gold Project;
- 15 April 2020 the company completes Phase 1 drilling at Credo Project achieving gold structure confirmation;
- 27 April 2020 the company commences the Zuleika farm-in joint venture in the Kalgoorlie gold district;
- 26 May 2020 shares placed in a trading halt pending a further announcement;
- 26 May 2020 company commences litigation against Vango;
- 26 May 2020 Vango respond
- 2 June 2020 shares placed in a trading halt pending a further announcement;
- 2 June 2020 first drill results at Credo delivers JORC Resource;
- 16 June 2020 pause in trading;
- 16 June 2020 shares placed in trading halt pending a further announcement;
- 18 June 2020 $1m capital raising to accelerate drilling program;
- 18 June 2020 proposed issue of securities;
- 23 June 2020 update on litigation against Vango Mining;
- 26 June 2020 notice of General Meeting;
- 29 June 2020 continued exploration at Goongarrie.
- 15 July 2020 major drilling program at Flagship Zuleika Gold Project
- 17 July 2020 change in substantial shareholding
- 24 July 2020 change in substantial shareholding
- 30 July 2020 results of meeting
- 31 July 2020 Quarterly Cashflow Report
- 31 July 2020 Quarterly Activity Report
- 3 August 2020 update on Dampier's substantive litigation against Vango
- 3 August 2020 proposed issue of securities
- 3August 20202 proposed issue of securities
- 3 August 2020 issue of shares and options

- 3 August 2020 proposed issue of securities
- 5 August 2020 change in substantial shareholding
- 12 August 2020 change in substantial holding from VAN
- 13 August 2020 proposed issue of securities
- 21 August 2020 change of directors interest notice
- 10 September 2020 details of company address
- 15 September 2020 Dampier achieves significant gold results at Paradigm East
- 29 September 2020 follow up drilling commenced at Paradigm East on Zuleika
- 30 September 2020 Annual Report to shareholders
- 30 September 2020 corporate governance statement7 October 2020 high grade soil results confirm new gold structures

5 Dispute with Vango Mining Limited ("Vango")

As announced on 12 February 2020, Dampier Gold is currently pursuing legal action against Vango Mining Limited (ASX: VAN) (on its own behalf and on behalf of its wholly owned subsidiary Dampier (Plutonic) Pty Limited (Vango) with respect to the Company's interests in the K2 Joint Venture tenement (K2 Project) (Mining Lease 52/183) which forms part of what Vango describes as its Marymia Gold Project (K2 Project Tenement) and rights to earn further equity in the K2 Project Tenement pursuant to the binding term sheet (BTS) entered into between the Company and Vango dated 12 May 2017 (Joint Venture).

The Company has engaged the services of a legal firm who, on 12 February 2020, issued a letter of demand to Vango in relation to Vango's repudiation and termination of the Joint Venture (Letter of Demand).

The salient points of Dampier Gold's claim are as follows:

- demands payment within 30 days by Vango to Dampier of AU$21,573,813, being the estimated losses incurred to date by Dampier. This loss is calculated by references to:
    - Vango's announcement to the ASX dated 8 October 2014, where it estimated that the K2 Mine could recover 54,000 ounces at an All In Sustaining Cost (AISC) of AU$1,030 per ounce; and
    - the gold price at the relevant times.
- identifies further significant losses as a result of Vango's repudiation, estimated by references to Vango's 2019 Annual Report, where it reported 104,000 ounces as Indicated and Inferred Resources for the K2 Tenement, i.e. potentially up to a further 50,000 ounces, and the current gold price.
- alleges that Vango has repeatedly breaches the BTS and Joint Venture.
- alleges that, for reasons including but not limited to Vango's continued refusal from commencement of the Joint Venture in May 2017 to take steps to progress the Joint Venture and/or allowed Dampier to earn up to its full 50% interest in the K2 Tenement, together with its letter to Dampier dated 14 November 2019, Vango has repudiated the BTS and the Joint Venture.
- alleges that Dampier has suffered and continues to suffer significant loss and damage as a result of Vango's failure to perform the Joint Venture and its repudiation of the BTS and Joint Venture, including without limitation, in respect of Dampier's right to earn up to a full 50% interest in the K2 Tenement and the anticipated profits associated with that right.
- states that if Vango does not make payment as demanded by Dampier, Dampier reserves it right to pursue Vango for all losses that have been and will be incurred in relation to Vango's repudiation (including in respect of future net revenue), including by way of commencement of court proceedings.

- seeks written confirmation from Vango within 7 days that:
    - Dampier owns at a minimum its 4.1% interest in the K2 Tenement already earned as at 12 May 2017 and confirmed in clause 3(a) of the BTS; and
    - Vango will honour each of the Milestone Payments and Royalty Payments (totalling AU$6 million) pursuant to the provisions of the Plutonic Dome Purchase and Sale Agreement between Vango and Dampier dated 16 August 2016 which agreement is separate and apart from the BTS and Joint Venture.

As announced on ASX on 14 February 2020, Vango has denied each of the matters set out in the Letter of Demand.

Accordingly, the Company intends to continue to engage lawyers to pursue the matters set out in the Letter of Demand, including by way of commencement of court proceedings.

6 Loan Agreement

To enable the Company to pursue the action and to fund the costs associated with the commencement of legal proceedings against Vango, the Company has entered into a conditional Loan Agreement with Auracle Group Pty Limited (Auracle Group). Auracle Group has agreed to provide financial assistance to the Company by way of a Loan Agreement, with funds to be applied toward the associated costs of the K2 Project litigation.

The Loan Agreement is structured as follows:

(i) An initial advance by Auracle Group to the Company of $300,000. The advance is to be satisfied by the issue of the 10 million (10,000,000) Shares and 80,000 million Options. Details of the issue of shares are set out in Resolution 11 included in the Notice of Meeting dated on or about 21 October 2020 ("Notice of Meeting") titled "Issue of Initial Placement Securities."

(ii) A loan facility of up to $700,000 which may be drawn down by the Company and at the Auracle Group's discretion over a 5 year period starting from the date the Loan Agreement resolutions are approved by Shareholders with a maximum aggregate face value of up to $700,000 which is to be drawn down on an as needs basis depending on the litigation funding requirements. The material terms of the Loan Agreement are set out in further detail in the Notice of Meeting section titled "Background to Loan Agreement with Auracle Group".

(iii) The Company to pay Auracle Group a facility fee equal to $30,000 ("Facility Fee") which at the election of Auracle Group is to be satisfied by the issue of Shares at a deemed price of $0.03 per Share. The issue of these Facility Fee Shares is the subject of Resolution 12 in the Notice of Meeting.

On successful completion of court proceedings with Vango Mining or a settlement in favour of the Company ("Settlement"), Auracle Group is entitled to receive special consideration in consideration for providing the Loan as calculated below ("Special Consideration").

If the amount provided by Auracle under the Loan Agreement covers 100% of the Action Costs, the Special Consideration is:

- 35% of the amount recovered either through the ultimate judgment or a settlement ("Recovery");
- repayment of the Loan Agreement plus accrued interest.

All of the Special Consideration is paid in cash.

If the amount provided by Auracle Group under the Loan Agreement covers part but not all of the Action Costs, the Special Consideration is calculated based on:

(A) the lower of:

  (I) 35% of the Recovery; or

(B) an amount equal to 5 multiples of the total Litigation Funds plus accrued interest;

(C) repayment in full of the total drawn down amount under the Loan Agreement plus accrued interest.

In the event of an unsuccessful completion of litigation or settlement which is not in favour of the Company:

- Auracle Group is not entitled to receive a payment of any Special Consideration; and
- the Company bears any costs related to the litigation in excess of the Loan Agreement.

6.1 Loan Agreement Terms and Conditions

The terms and conditions of the Loan Agreement are set out below:

Key term	Description
Face Value	The Loan Agreement consists of two tranches, the first tranche being an initial draw down of $300,000 on or before completion with the remaining $700,000 being available for draw down at the Lenders discretion.
Term	5 years.
Repayment	The Lender in its absolute discretion can elect to give written notice to the Claimant and request for the repayment of Amount Outstanding plus accrued interest (**Repayment**) from time to time during the Loan Period (**Lender's Repayment Notice**). After the Lender's Repayment Notice is given to the Claimant the Claimant must pay any Amount Outstanding including accrued interest within 15 business days from the date the Lender's Repayment Notice is given. The Repayment will be paid wholly in cash. Where any part of the Amount Outstanding remains not repaid by the end of the Loan Period, the Amount Outstanding including accrued interest at that time will be repaid in cash on that date.
Interest	The Company must pay interest on the aggregate of the Amount Outstanding from time to time at a rate of 8% per annum, which interest shall accrue daily, from the date on which the first tranche is provided to the Company until the Company discharges the Amount Outstanding in full.
Event of default	It is an event of default, whether or not it is within the control of the Claimant, where: (a) Non-remediable failure: the Claimant fails to perform or observe any material undertaking, obligation or agreement expressed in the Funding Agreement and the Claimant does not remedy such failure within 14 days, or a longer period determined by the Lender, after receipt by the Claimant of a notice from the Lender specifying the failure; (b) Receiver: a receiver, manager, official manager, trustee, administrator or similar official is appointed, or steps taken for such appointment, over any of the assets or undertaking of the Claimant; (c) Insolvency: the Claimant is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act; (d) Administrator: an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to the Claimant; (e) Winding up: an application or order is made for the winding-up or dissolution of the Claimant, which application is not dismissed or withdrawn within 21 days or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the Claimant otherwise than for the purpose of an amalgamation or reconstruction; and (f) Suspends payment: the Claimant suspends payment of its debts generally, (together, Events of Default). Where an Event of Default occurs, the Lender may issue a notice setting out the default (Default Notice) and the Claimant will be required to redeem the Loan for the Amount Outstanding then outstanding in readily available funds within 5 business days of receipt of the Default Notice. On issue of a Default Notice, interest will accrue at the rate of 10% per annum on the amount of the Principal Amount then outstanding.

Facility Fee	On the Completion Date, the Claimant shall pay the Lender a facility fee of an amount equal to $30,000, which will be satisfied by the Claimant issuing to the Lender (or its nominee(s)) 1,000,000 Shares at a deemed issue price of $0.03 per Share. The Claimant shall seek Shareholder approval for the satisfaction of the Facility Fee by the issue of Shares.
Security	(a) The Claimant agrees that the Amount Outstanding, the Special Consideration and any amount owing to the Lender pursuant to the Loan Agreement, will, subject to Shareholder approval, be secured as a first ranking security by the grant of the Security on Completion. (b) The Claimant will sign all documents and do all acts matters and things to give effect to and register the Security. (c) The Claimant must procure that each of its Subsidiaries executes the Security such that it is valid and binding upon the Subsidiary.

Key Terms of the Security

6.2 The Security incorporates the following key components:

Title	Description
General Security Deed	A general security deed ("GSD") pursuant to which Dampier Gold grants a first priority fixed and floating charge to Auracle Group over all of its assets and the assets of its wholly owned operating subsidiary, Quarry Master Mining Pty Ltd (ACN 616 238 576) ("Security"). The GSD will be on terms and conditions that are customary for security of this nature.

The Security is granted over all the assets and property of Dampier Gold and its wholly owned subsidiary, Quarry Master Mining Pty Ltd (ACN 616 238 576). Unless preferred by law, the Security will take priority over all the other Securities granted by Dampier Gold.

The Security can be discharged when all secured money has been paid in full and the obligations under the GSD and Secured Loan Agreement and all other transaction documents have been observed and performed.

Secured Money will all debts and monetary liabilities of Dampier Gold to Auracle Group under or in relation to any finance document on any account and in any capacity, irrespective of whether the debts or liabilities:

- Are present or future;
- Are actual, prospective, contingent or otherwise;
- Are at any time ascertained or unascertained;
- Are owed to or incurred by or on an account of the Company alone, or severally or jointly with any other person;
- Are owed to or incurred for the account of Auracle Group alone, or severally or jointly with any other person;
- Are owed to any other person as agent (whether disclosed or not) for or on behalf of Auracle Group;
- Are owned or incurred as principal, interest, fees, charges, taxed, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs of expenses, of on any other account;
- Are owed to or incurred for the account of Auracle Group directly or as a result of:
  I. The assignment or transfer to Auracle Group of any debt or liability of Dampier Gold (whether by way of assignment, transfer or otherwise); or
  II. Any other dealing with any such debt or liability;
- Are owed to or incurred by the account of Auracle Group before the date of GSD to Auracle Group by any other person or otherwise; or
- Comprise any combination of the above.

The Security Assets are subject to, inter alia, the following restrictions:

- The Company may not create or allow to exist any security over the Security Assets;
- The Company may not sell, assign, part with, transfer or otherwise dispose of the Security Assets; and
- The Company may not give control of the Security Assets to another person.

Dampier Gold agrees to ensure that no event of default occurs.

Where an event of default occurs, Auracle Group may do one or more of the following in addition to anything else the law allows Auracle Group to do as the secured party:

- Enforce the security
- Sue Dampier Gold for the Secured Money
- Appoint one or more receivers: and
- Do anything that a receiver could under the GSD ("Receiver's Powers")

6.3 **Who is Auracle Group?**

Auracle Group Pty Ltd is an Australian registered holding company which has one sole director and one shareholder, Ms Hui Guo. Ms Guo is a related party of the Company by virtue of being a Director. Accordingly, the Company is seeking Shareholder approval in terms of Chapter 2E of the Corporations Act and Listing Rule 10.1 for the grant of the Security to Auracle Group, in addition to the issues of securities to Auracle Group contemplated by the Loan Agreement.

7. Financial Information Dampier Gold

7.1 Company's Capital Structure

The top 20 shareholders of Dampier Gold as at 9th April 2020 are as set out below:

Top 20 Shareholders as disclosed in Dampiers share registry at 9th April 2020

Rank	Name	Number held	%
1	Vango Mining	37,738,568	15.86
2	Huang Qian	16,567,247	6.96
3	Gleneagle Sec	13,600,000	5.71
4	Qiu Deshi	12,487,844	5.25
5	Bnp Paribas	11,665,007	4.90
6	Enterprise No	10,000,000	4.20
7	Spinite Pty Ltd	9,571,429	4.02
8	Fung Lin Wah	8,400,000	3.53
9	Columbus Mine	8,321,982	3.50
10	Lin Yao	8,000,000	3.36
11	Lee Thomas	6,840,000	2.87
12 *	Guo Hui	6,000,000	2.52
13	Mineral Resou	6,000,000	2.52
14	Newmek Invest	4,712,303	1.98
15	Columbus Mine	4,308,867	1.81
16	Northern Star	3,400,000	1.43
17	HSBC Custody	3,223,448	1.35
18	Discovery Cap	3,125,000	1.31
19	Magnum Mining	3,125,000	1.31
20	Sahar Minera	2,730,001	1.15
		179,816,696	75.56%
		58,169,299	24.44%
		237,985,995	100.00%

*Related Party

7.2 Directors & Key Management

As at the date of this Report, the Directors and Key Management of Dampier Gold comprise the following:

- Mr Malcolm Carson (Executive Chairman)
- Ms Hui Guo – (Non-Executive Director)
- Mr Peiqi Zhang – (Executive Director)

7.3 Dampier Gold's Financial Performance

The table below sets out the financial performance for the years ended 30 June 2020, 30 June 2019 and 30 June 2018 (audited numbers).

	Note	30 June 2020 $	30 June 2019 $	30 June 2018 $
Continuing Operations				
Revenue		14,950	37,066	48,733
Administration expenses		(1,241,133)	(967,423)	(1,363,456)
Exploration expenditure		802,667)	(583,631)	(215,048)
Share-based payments		(176,173)	(222,000)	-
Loss from continuing operations before income tax benefit		(2,205,023)	(1,735,988)	(1,529,771)
Income tax expense		-	-	-
Loss from continuing operations		(2,205,023)	(1,735,988)	(1,529,771)
Discontinued Operations				
Profit from discontinued operations after tax – Aurigin Foods Pty Ltd		-	-	109,916
Loss for the year		(2,025,023)	(1,735,988)	(1,419,855)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss		-	-	-
Items that may be reclassified subsequently to profit or loss		-	-	-
Total comprehensive loss for the year		(2,025,023)	(1,735,988)	(1,419,855)
Loss attributable to owners of the Company		(2,025,023)	(1,735,988)	(1,419,855)
Total comprehensive loss attributable to owners of the Company		(2,025,023)	(1,735,988)	(1,419,855)

7.4 Financial Position

The table below summarizes the audited financial position for the year ended 30 June 2020, 30 June 2019 and 30 June 2018:

	Note	30 June 2020 $	30 June 2019 $	30 June 2018 $
Current assets				
Cash and cash equivalents		2,178,953	1,530,152	1,949,879
Trade and other receivables		74,916	23,690	35,477
Prepayments		1,916	1,785	2,915
Other financial assets		-	-	-
Total current assets		2,255,785	1,555,627	1,988,271
Non-current assets				
Property, plant and equipment		44,378	3,130	8,669
Capitalised mineral exploration and evaluation expenditure		872,370	836,500	446,500
Total non-current assets		916,748	839,630	455,169
TOTAL ASSETS		3,172,533	2,395,257	2,443,440
Current liabilities				
Trade and other payables		462,108	146,756	79,080
Provisions		78,600	-	-
Lease liability		42,144	-	-
Total current liabilities		582,852	146,756	79,080
Non-current liabilities				
Lease liability		-	-	-
TOTAL LIABILITIES		582,852	146,756	79,080
NET ASSETS		2,589,681	2,248,501	2,364,360
Equity				
Issued capital		28,380,420	25,994,122	24,373,993
Reserves		396,105	236,200	236,200
Accumulated losses		(26,126,844)	(23,981,821)	(22,245,833)
Total equity		2,589,681	2,248,501	2,364,360

7.5 Share Price Performance

The table below sets out a summary of Dampier Gold's closing share prices and traded volumes for the period 3 August 2020 to 2 November 2020.

8 Is the Initial Placement fair to Dampier shareholders?

Based on Dampier's VWAP the value of consideration received by Dampier's shareholders being $300,000 is significantly less than the consideration provided by Dampier being:

	$
10,000,000 shares at 0.059	590,000
80,000,000 options	2,935,242
	3,525,242

8.1 Is the Facility Fee fair to Dampier Shareholders?

Again, based on Dampier's VWAP of $0.059 the issue of 1,000,000 shares at $0.059, amounting to $590,000 far exceeds the benefit received of $30,000.

8.2 Is the Second Placement fair to Dampier Gold Shareholders?

In accordance with the guidance set out in RG 111, and in the absence of any other relevant information, for the purposes ASX Listing Rule 10.1, we consider the Security to be fair to the non-associated Shareholders of Dampier Gold because the terms of the Security are such that Auracle Group will not receive assets in excess of the value of the Loan Agreement, should the Security (or any part of it) be enforced. Also, we consider the interest rate attaching to the Loan provided under the Loan Agreement is at, or below, market rates.

Our opinion has been based on the following analysis:

- whether the value of the assets that can be called as security can exceed the value of the Secured Loan Agreement; and
- whether the interest rate attached to the Secured Loan Agreement is at or below, market rates.

Can the asset value exceed value of Loan Agreement?

As set out in Section 7.4, Dampier Gold disclosed total consolidated assets of $3.1 million at 30 June 2020. In accordance with the GSD, Auracle Group will have a first priority fixed and floating charge over the Security Assets for the purpose of satisfying amounts due under the Loan Agreement. As such, Auracle Group will not receive any value from the Security that is greater than the debt owing to them under the Loan Agreement.

The key assets that Dampier Gold and its subsidiaries held at 30 June 2020 comprised:

- Capitalised mineral exploration costs ($0.87 million),
- cash and cash equivalents of $2,2 million.

The terms of the Security are such that Auracle Group may not recover assets with a value in excess of the amounts owing to it.

8.3 Are interest rates at, or below, market rates?

The funds being advanced by Auracle Group under the Loan are to fund ongoing litigation against Vango Mining.

We have considered the terms of the Loan and considered the interest rate of 8% and have compared it to other ASX listed companies in the similar sector.

Set out below are interest rates being charged to other ASX Junior Mining Companies:

Company	Interest Rate Charged
Bass Metals Limited	15%
Sarah Resources Ltd	8%
AuKing Mining Ltd	10%

The above companies have borrowed to fund further exploration rather than funding litigation. It does not appear unreasonable for Auracle Group to charge interest at 8%

8.4 Is the proposed success fee payable to Auracle Group Reasonable?

The majority of Litigation Funding is based on a success fee. Standard industry practices indicate that a litigation funder will receive between 30-50% of successful claims.

On that basis it would appear reasonable for Auracle Group to receive 35% of any successful litigation.

9 Is the Security Reasonable to Non-Associated Shareholders?

RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Security, we have considered:

- the future prospects of Dampier Gold if the Security does not proceed; and
- other commercial advantages and disadvantages to the non-associated Shareholders as a consequence of the Security being approved.

9.1 Initial Placement

Issuing securities well in excess of the value gained by Dampier Shareholders is clearly not reasonable.

9.2 Facility Fee

As above, issuing securities well in excess of the benefits received again is not reasonable to Dampier Shareholders.

9.3 Second Placement

The grant of the Security is a condition of drawing down the funds under the Loan Agreement.

Whilst the Company currently has funds to fund development of the mining programmes and working capital requirements in the short term, if the grant of the Security is not approved, the Company will not be in a position to fund continued litigation with Vango Mining.

9.4 Advantages and disadvantages

In assessing whether the non-associated Shareholders are likely to be better off if the Security is approved than if it is not, we have also considered various advantages and disadvantages that are likely to accrue to the non-associated Shareholders.

9.5 Advantages of approving the Security

We consider the key advantages of issuing the Security are:

- the issue of the Security is fair;
- at the date of this Report, the COVID-19 pandemic has resulted in significant economic uncertainty. Approving the Security would provide the Company with a guaranteed source of funding to continue on-going litigation against Vango Mining; and
- the grant of the Security will satisfy one of the key requirements under the Loan Agreement, which will mean Dampier Gold will have the ability to access the Loan funding without needing recourse to traditional litigation firms, who are, in comparison to Auracle Group, more expensive and may require that any success fee be paid in cash rather than by a combination of cash and equity (as is the case with Auracle Group).

9.6 Disadvantages of approving the Security

The key disadvantage of granting the Security is that in an event of a default by Dampier Gold, Auracle Group may enforce the Security, meaning that some of Dampier Gold and its subsidiaries assets may be sold or assigned to Auracle Group (to the extent required to enable Auracle Group to recover the Loan funds).

9.7 Conclusion on Reasonableness

In our opinion, the position of the non-associated Shareholders if the Security is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior transaction, we consider that the grant of the Security and the entry into the GSD is reasonable for the non-associated Shareholders of Dampier Gold.

An individual Shareholder's decision in relation to how to vote on the Security may be influenced by his or her individual circumstances. If in doubt, Shareholders should consult an independent advisor.

10 Conclusion

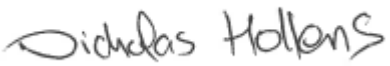
We have considered the terms of the Proposed Transaction, as outlined in the body of this Report and have concluded as follows:

- The issue of the Initial Placement (the subject of Resolution 11) is **NOT FAIR AND NOT REASONABLE** to the non-associated Shareholders of Dampier Gold;
- In the event it is required to be paid by the company, the payment in cash of the Success Fee would be **FAIR AND REASONABLE** to the non-associated Shareholders of Dampier Gold;
- The issue of the Facility Fee (the subject of Resolution 13) is **NOT FAIR AND NOT REASONABLE** to the non-associated Shareholders of Dampier Gold; and
- The grant of the Security (the subject of Resolution 13) is **FAIR AND REASONABLE** to the non-associated Shareholders of Dampier Gold.

Our Report includes Appendices 1 to 5 and our Financial Services Guide.

Yours faithfully

ELDERTON CAPITAL PTY LTD



Nick Hollens
Director

Rafay Nabeel
Director

Appendix 1 – Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Dampier Gold for the years ended 30 June 2018, 2019 and 2020;
- Share registry information;
- Historical share trading of Dampier Gold as recorded by ASX to 30 September 2020;
- Information in the public domain; and
- Discussions with Directors and Management of Dampier Gold.
- Ibis World

Appendix 2 – Declarations and Disclosures

Independence

There are no associations and relationships with Dampier Gold other than acting as independent expert for the purposes of this report. Elderton Capital Pty Ltd is entitled to receive a fee of $12,000 (excluding GST and reimbursement of out of pocket expenses). The fee is payable regardless of the outcome. Except for this fee, Elderton Capital Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

Elderton Capital Pty Ltd has been indemnified by Dampier Gold in respect of any claim arising from Elderton Capital Pty Ltd's reliance on information provided by the Dampier Gold, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement Elderton Capital Pty Ltd Pty Ltd has considered its independence with respect to Dampier Gold and any of its respective associates with reference to ASIC Regulatory Guide 112 "*Independence of Experts*". In Elderton Capital Pty Ltd's opinion it is independent of Dampier Gold and the related parties under review in this Report.

A draft of this report was provided to Dampier Gold and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

Qualifications

Elderton Capital Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

Elderton Capital Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the *Corporations Act 2001*.

The people specifically involved in preparing and reviewing this report were Nick Hollens and Rafay Nabeel of Elderton Capital Pty Ltd.

Both Mr Hollens and Mr Nabeel have significant experience in the preparation of independent expert reports and valuations, as well as the provision of mergers and acquisitions advice across a wide range of industries in Australia and they were supported by other Elderton Capital Pty Ltd staff.

Disclaimers and consents

This report has been prepared at the request of Dampier Gold Management. Dampier Gold engaged Elderton Capital Pty Ltd to prepare an independent expert's report to include in the Notice of Meeting for the approval of the proposed transaction.

Elderton Capital Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or review of Dampier Gold in accordance with standards issued by the Auditing and Assurance Standards Board. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of Elderton Capital Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. Elderton Capital Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of Elderton Capital Pty Ltd Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the transactions, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Dampier Gold, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that Elderton Capital Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Appendix 3 – Glossary of Terms

Reference	Definition
APES 225	Accounting Professional 7 Ethical Standards Board professional standards APES 225 "Valuation Services'
ASIC	Australian Securities and Investments Commission
AUASB	Australian Auditing and Assurance Standards Board
Auracle Group	means Auracle Group Pty Ltd
ASX	Australian Securities Exchange
Control	The power to alter the strategic and operational direction of a business
Dampier Gold	Dampier Gold Limited
DCF	Discounted Future Cash Flows
Elderton	Elderton Capital Pty Ltd
EBITDA	Earnings before interest, tax, depreciation & amortisation
FME	Future Maintainable Earnings
FOS	Financial Ombudsmen Service
FSG	Financial Services Guide
Going concern	A continuing business operation
GSD	means the General Security Deed, more particularly described in section 6.2 of this Report
NAV	Net Asset Value
NOM	Notice of Meeting
Report	This Independent Expert's Report prepared by Elderton Capital
RG111	Content of expert reports (March 2011)
RG112	Independence of experts (March 2011)
Security	means the security to be granted by Dampier Gold to Auracle Group pursuant to the Loan Agreement and GSD, more particularly described in section 6.2 of this Report
Shareholders	Shareholders of Dampier Gold
The Act	The *Corporations Act 2001*
The Company	Dampier Gold Limited

PROXY FORM

DAMPIER GOLD LIMITED
ACN 141 703 399
ANNUAL GENERAL MEETING

I/We _____

of: _____

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name: _____

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.30am (WST), on 11 December 2020 at Level 2, 1 Walker Avenue, Perth WA 6000, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 5, 6, 7, 8, 11 - 13 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6, 7, 8, 11 - 13 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		**FOR**	**AGAINST**	**ABSTAIN**
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-Election of Director – Malcolm Carson	☐	☐	☐
Resolution 3	Replacement of Constitution	☐	☐	☐
Resolution 4	Ratification of Previous Issue of Settlement Shares	☐	☐	☐
Resolution 5	Approval of Issue of Performance Rights to Ms Hui Guo	☐	☐	☐
Resolution 6	Approval of Issue of Performance Rights to Mr Malcolm Carson	☐	☐	☐
Resolution 7	Approval of Issue of Director Options to Ms Hui Guo	☐	☐	☐
Resolution 8	Approval of Issue of Director Options to Mr Malcolm Carson	☐	☐	☐
Resolution 9	Approval to issue Shares and Options	☐	☐	☐
Resolution 10	Adoption of Employee Incentive Plan	☐	☐	☐
Resolution 11	Approval to issue Initial Placement Securities	☐	☐	☐
Resolution 12	Approval to issue Facility Fee Shares	☐	☐	☐
Resolution 13	Grant of Security Interest in favour of Auracle Group	☐	☐	☐
Resolution 14	Approval of 7.1A Mandate	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1	**Shareholder 2**	**Shareholder 3**
Sole Director/Company Secretary	Director	Director/Company Secretary

Date:

Contact name: **Contact ph (daytime):**

E-mail address: **Consent for contact by e-mail in relation to this Proxy Form:** **YES** ☐ **NO** ☐

Instructions for completing Proxy Form

1. **Appointing a proxy**

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2. **Direction to vote**

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. **Compliance with Listing Rule 14.11**

In accordance to Listing Rule 14.11, if you hold Shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the Shares, you are required to ensure that the person(s) or entity/entities for which you hold the Shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the Company that you are in compliance with Listing Rule 14.11.

4. **Signing instructions**:

- **Individual**: Where the holding is in one name, the Shareholder must sign.
- **Joint holding**: Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney**: If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies**: Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

5. **Attending the Meeting**

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

6. **Lodgement of Proxy Form**

Proxy forms can be lodged by completing and signing the enclosed Proxy Form and returning by:

(a) post to Dampier Gold Limited, 36 Prestwick Drive, Twin Waters, Qld 4564;

(b) facsimile to the Company on facsimile number +61 7 5457 0557;

(c) in person to Dampier Gold Limited, 36 Prestwick Drive, Twin Waters, Qld 4564; or

(d) email to the Company at admin@dampiergold.com,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.