

ASX RELEASE

4 October 2019

DAMPIER GOLD ENTERS INTO ZULEIKA & CREDO WELL FARM-IN JOINT VENTURES SITUATED WITHIN THE WORLD CLASS MINERALISED ZULEIKA SHEAR IN THE KALGOORLIE GOLD DISTRICT

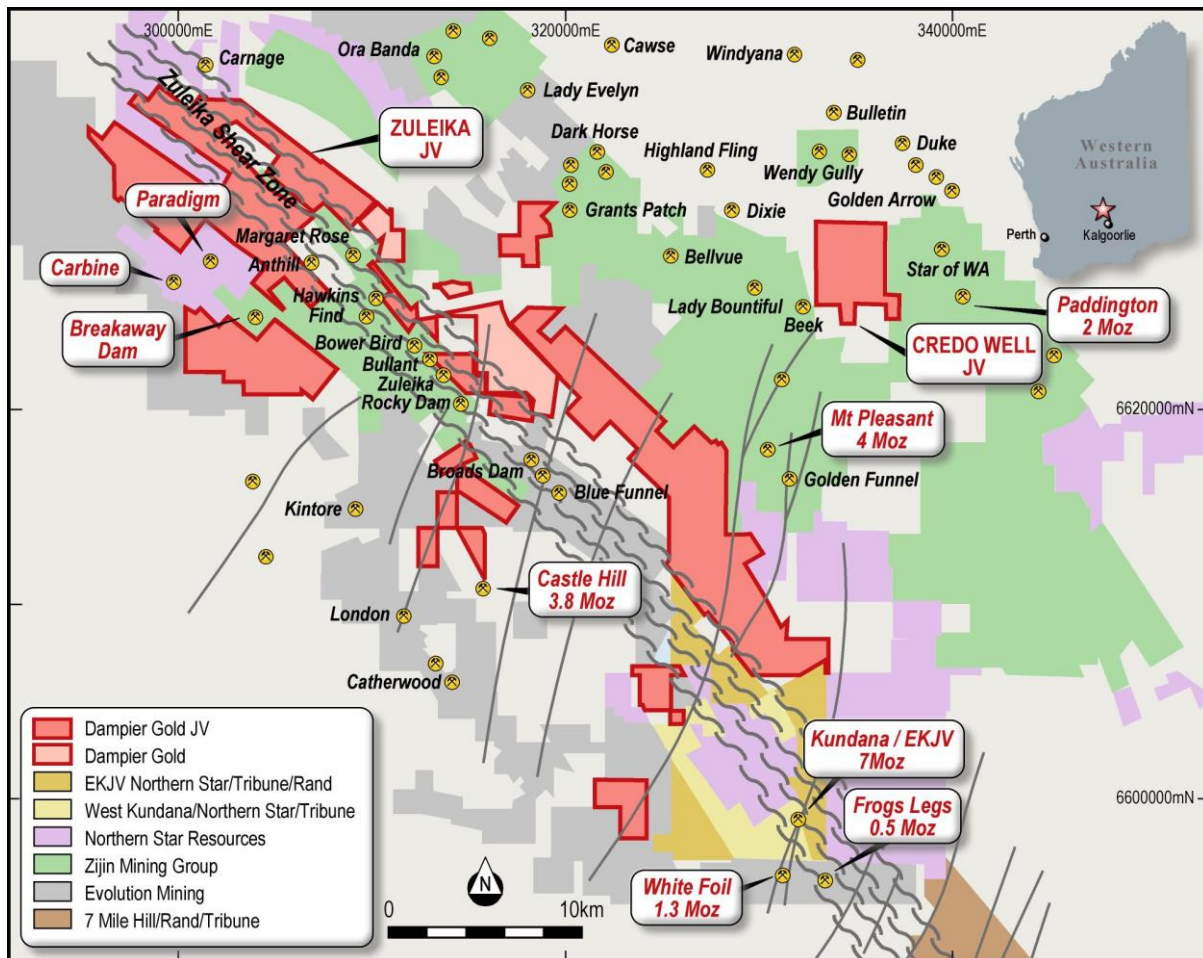
Highlights:

- Dampier Gold Limited (ASX: DAU) (Dampier) has entered into binding Joint Venture Term Sheets with Torian Resources Limited (ASX: TNR) (Torian) on the Zuleika Gold Project (Zuleika Project) and the Credo Well Gold Project (Credo Well Project).
- The Zuleika Project and Credo Well Project lie within the same world class gold mining district of several major gold deposits including Northern Star's, Tribune Resources' and Rand Mining's EKJV at Kundana mine (~7M oz) and Evolution's Frog Legs and White Foil mines (~3M oz) and numerous deposits.
- Both projects have already defined high potential drill targets which Dampier plans to prioritise and test within the near term.
- Dampier has the right to earn up to a 75% interest in the Zuleika Project by spending a total of \$4.0m over 4 years, and earn up to a 50% interest in the Credo Well Project by spending a total of \$2.0m over 4 years.
- The proposal is subject to certain conditions, including obtaining shareholder approval under ASX Listing Rule 11.1.2.

The Directors of Dampier are very pleased to advise that Dampier has entered into landmark farm-in joint ventures with Torian whereby Dampier can earn a up to a 75% interest in the Zuleika Project and up to a 50% interest in the Credo Well Project by expending \$4m and \$2m respectively over a 4 year period (**Agreements**).

The Agreements significantly enhance Dampier's existing tenement holdings in the Kalgoorlie region, which includes applications along the Zuleika Shear and the Goongarrie and Menzies tenement areas.

Mr Malcolm Carson, Executive Chairman of Dampier said today, "We are very pleased with these two strategically important Farm-in Joint Ventures. Our technical team has targeted this ground for quite some time. The execution of both Farm-in Joint Ventures fulfils the Board's decision to proactively secure exploration areas in the highly mineralised Kalgoorlie region. This transaction enables Dampier to secure equity in tenements along the world class Zuleika Shear area, which hosts many multi-million ounce deposits. Dampier will use advanced database interrogation techniques to expand on already defined targets, to generate new targets and to plan and undertake exploration activities for both the Zuleika and Credo Well Projects."



Key Terms of the Agreements

- Dampier to acquire up to a **75% interest in the Zuleika Project** by expenditure of **\$4 million over a four year period** in the following stages:
 - An initial 30% interest in the Zuleika Project by incurring expenditure of \$1 million no later than fifteen months from the commencement date;
 - Dampier can acquire an additional 15% interest in the Zuleika Project by incurring additional expenditure of \$1 million no later than twelve months following the initial stage farm-in;
 - Dampier can acquire an additional 15% interest in the Zuleika Project by incurring additional expenditure of \$1 million no later than twelve months following the second stage farm-in;
 - Dampier can acquire an additional 15% interest in the Zuleika Project by incurring additional expenditure of \$1 million no later than twelve months following the third stage farm-in; and
 - After Dampier has earned a 75% interest, Torian is granted a clawback right to buyback 25% out of Dampier's 75% interest in the Zuleika Project on a multiple of seven times project expenditure during the farm-in period (by payment of \$7 million based on the 25% acquisition). If this right is exercised, the joint venture interests of each party would be 50%. Any clawback will be subject to any required approvals, depending on the relationship at that time between Dampier and Torian (including if ASX Listing Rule 10.1 was to then apply).



- Dampier to acquire up to a **50% interest in the Credo Well Project** by expenditure of **\$2 million over a four year period** in the following stages:
 - An initial 25% interest in the Credo Well Project by incurring expenditure of \$0.5 million no later than fifteen months from the commencement date;
 - Dampier can acquire an additional 10% interest in the Credo Well Project by incurring additional expenditure of \$0.5 million no later than twelve months following the initial stage farm-in;
 - Dampier can acquire an additional 10% interest in the Credo Well Project by incurring additional expenditure of \$0.5 million no later than twelve months following the second stage farm-in; and
 - Dampier can acquire an additional 5% interest in the Zuleika Project by incurring additional expenditure of \$0.5 million no later than twelve months following the third stage farm-in.

- Subject to receiving Dampier shareholder approval, Dampier to grant Torian **10,000,000 options each exercisable at \$0.15** and expiring two years from their date of issue.

- Dampier to provide Torian an unsecured loan of **\$500,000** that, subject to receiving Torian shareholder approval, will convert into Torian equity at an issue price of \$0.01 per share together with 2 for 3 attaching free options, each exercisable at \$0.02 and expiring two years from their date of issue.

- The Zuleika Agreement is subject to Dampier successfully completing its due diligence within a 90 day due diligence period and the grant of extensions of terms over certain of Torian's prospecting licences within six months of execution of the Agreement. If the extensions are not granted within the 6 month period, then unless otherwise agreed, the terms sheet is terminated. Dampier is entitled to access the tenements during the due diligence period however until the conditions are satisfied or waived, the farm-in will not commence.

- The Credo Well Agreement is subject to Dampier successfully completing its due diligence within a 60 day due diligence period.

- The Agreements are subject to Dampier obtaining shareholder approval under ASX Listing Rule 11.1.2.

Zuleika Project Joint Venture

Subject to Dampier earning an interest in the Zuleika Project, Torian and Dampier will form the Zuleika Joint Venture (**Zuleika JV**). The Zuleika Project consists of 101 tenements (including applications) covering approximately 120km² north and partly along strike of several major gold deposits including Northern Star (ASX:NST), Tribune Resources (ASX:TBR) and Rand Mining's (ASX:RND) 7M oz East Kundana Joint Venture (EKJV) near Kalgoorlie, Western Australia.

Geological Overview of the Zuleika Project

Regional Geology and Mineralisation

The Zuleika Project is located in the central part of the Archaean Norseman-Wiluna greenstone belt in Western Australia. The greenstone belt is approximately 600 kilometres in length and is characterised by thick sequences of ultramafic, mafic, and felsic volcanics, as well as various

intrusive and sedimentary rocks. Generally the mafic and ultramafic occur at the base of the sequence, with the felsic volcanic to volcanoclastic rocks overlying. Mineralisation along and adjacent to the Zuleika Shear is typically associated with mafic rocks and is structurally controlled being located in parallel shears (eg K2 and Strzelecki at the EKJV) and along NNE trending splays.

There are numerous gold mines developed along the shear including a number of multi-million ounce deposits such as the Kundana /EKJV operations.

The area is proven to be highly prospective, with gold mineralisation along the Zuleika Shear occurs in all rock types, although historical and recent production is dominated by two predominant styles:

- Laminated quartz veins containing high grade gold (5-30g/t Au) and associated base metal sulphides (galena, sphalerite, chalcopyrite, scheelite). Examples of this are the high grade deposits found along the K2 structure (Hornet, Rubicon, Pegasus, Drake, Centenary and North deposits) at Kundana/EKJV mines; and
- Quartz vein stockworks developed within granophyric gabbro within the Powder Sill and other intrusives. An example is the very high grade EKJV Raleigh Deposit (5-100g/t Au).

Mineralisation styles vary slightly from mine to mine along the Zuleika Shear, indicating localised differences due to various rocks and associated minerals. Historically, the previous mines have been of a medium to high grade (3-30g/t Au) and occur in clusters, for example the Hornet/Rubicon/Pegasus/Drake/Centenary/North Pit along the K2 structure at Kundana which has produced more than 5 million ounces to date.

Historical Exploration

Dampier's exploration team is compiling a significant digital database. The database currently contains the data from approximately 35,000 drill holes drilled by various exploration groups over the last 30 years. These holes cover a large area and include many holes outside the current project area. The preliminary assessment is very encouraging and has so far defined a number of potential targets. This work is ongoing and Dampier will make further announcements as the results are finalised.

Credo Well Project Joint Venture

Subject to Dampier earning an interest in the Credo Well Project, Torian and Dampier will form the Credo Well Joint Venture (**Credo JV**) covering 13 prospecting totalling approximately 16 Km². A mining lease application, M24/975 has been lodged over the prospecting licenses the subject of the Joint Venture.

The Credo Well Project is located near to a number of mining centres north of the Mt Pleasant Mining area and west of the Paddington Mine, approximately 35km northwest of Kalgoorlie.

Credo has several old underground workings and Dampier is reviewing the historical geological and drilling data. Torian has undertaken Reverse Circulation drilling programs which have encouraging results generating drill-ready targets which require follow-up drilling to test down dip and strike extensions.

Geological Overview of the Project

Regional Geology and Mineralisation

Credo Well Project lies within the Kalgoorlie Terrane of the Norseman-Wiluna greenstone belt, forming the southern portion of the Ora Banda domain, a highly prospective shallow-drilled and under-explored area in the heart of the highly mineralised world class goldfields region of Western Australia.

In the Mt Pleasant district, gold deposits are hosted in a variety of rock types, including mafic layered sills (Mt Pleasant Sill), tholeiitic basalt and granitoid (Liberty Granodiorite). The Mt Pleasant district forms the southern portion of the Ora Banda Domain. The supracrustal succession of the domain is dominated by mafic and ultramafic rocks and high level intrusive equivalents of the mafic lavas. The sequence is approximately 10km thick.

Historical Exploration

Dampier has access to historical geological, geophysical and drilling data covering the Credo Well project area which has been amalgamated, verified and validated to generate a database suitable for resource estimation.

The Credo Well Project has undergone limited historical exploration, spanning several generations, which has resulted in the definition of a number of prospective gold targets including Credo Well, Fortis and Fidelitas, demonstrating the potential for both supergene and primary gold mineralisation across the project.

Previous exploration drilling by a number of mining companies have defined significant gold intersections at Credo Well which Dampier will use its comprehensive historical data base and interpretation to define drill targets and to do follow up drill testing.

Strategic Investment in Torian

In addition to the Zuleika and Credo farm-in joint ventures, Dampier has agreed to provide an unsecured loan of \$500,000 to Torian that, subject to Torian shareholder approval will convert into equity representing approximately 13.67% of Torian following conversion (**Loan**). The Loan will be provided to Torian within 7 days of the later of Dampier advising Torian that it has successfully completed its due diligence and Dampier shareholder approval for the Loan and Torian receiving shareholder approval for the conversion of the Loan.

The Loan will have an interest rate of 8% per annum and upon conversion the Loan will convert into Torian equity at an issue price of \$0.01 per share together with 2 for 3 attaching free options, each exercisable at \$0.02 and expiring two years from their date of issue.

Funding

The Company currently has cash reserves of approximately \$1.5 million and intends to undertake a capital raising in an amount of up to \$2.5 million to provide funds for the farm-in, the balance of the convertible note investment in Torian, its ongoing exploration work at Ruby Plains and the Menzies and Goongarrie Projects, the matters relating to the K2 joint venture and for ongoing working capital.

Dampier's principal use of the exploration funds will be to meet its first year earn in commitments on the Zuleika and Credo tenement packages (\$1 million and \$500,000 respectively).

Dampier's first priority exploration in these areas will be focussed on immediate drill ready targets and will comprise follow-up drilling to test down dip and on strike extensions of open mineralisation identified in both Torian and historical drilling. Second priority exploration will be focussed on further testing the multiple targets on the tenements identified from shallow drilling by Torian and historical explorers and geological and geophysical concepts.

The balance of the exploration funds will be used to advance exploration on Dampier's Ruby Plains, Goongarrie and Menzies tenements.

Dampier is seeking shareholder approval at its Annual General Meeting (AGM) to be held on 16 October 2019 to place up to 60 million shares (Resolution 10). In addition, and assuming Resolutions 6-8 (inclusive) at the AGM are passed, 100% of DAU's 7.1 placement capacity will be re-instated. Should Resolution 2 be approved, then DAU will also have its 7.1A 10% placement capacity. That approval specifies a use of funds that does not include the farm-ins.

As a result, Dampier will seek a separate shareholder approval for the additional capital raising. At an assumed price of 2.8 cents per Share, the placement would result in the issue of a total of 89 million shares to raise the necessary capital, which would increase the current capital of the Company from 190,485,995 shares to 279,485,995 shares.

Board and Management

The proposed transaction will not result in any changes to the current Board of Dampier or to management personnel.

Proforma Balance Sheet

The audited balance sheet and unaudited proforma balance sheet of Dampier as at 30 June 2019 are set out at the end of this announcement.

The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements but is prepared on the basis of the accounting policies normally adopted by Dampier and reflect the changes to its financial position.

The proforma has been prepared assuming a capital raising of \$2.5 million and no existing options are exercised.

Indicative Timetable

As the proposed farm-ins are subject to shareholder approval under ASX Listing Rule 11.1.2, a detailed notice of meeting will be sent to Shareholders to seek that approval.

The indicative timetable for completion of the proposed transaction and receipt of shareholder approval is outlined below:

Event	Date
Announcement of Farm-ins	4 October 2019
Annual General Meeting of Dampier	16 October 2019
Dispatch Notice of Meeting seeking approval for the Farm-ins and placement	28 October 2019
General Meeting to approve the Farm-ins and placement	28 November 2019
Announce results of General Meeting and status of Farm-ins	28 November 2019

The above table is an indication only and is subject to change. The proposed placement of Shares is subject to receipt of approval from Shareholders at the Annual General Meeting and timing and the quantum of the placement will be announced after that meeting.

Malcolm Carson
CHAIRMAN

Competent Persons Statement

Mr Malcolm Carson has compiled information in this release from information and exploration results supplied to Dampier Gold Limited. Malcolm Carson has sufficient experience that is relevant to the style of mineralisation, the types of deposits under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Mr Carson is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Geoscientists (AIG) and is a Director of Dampier Gold Limited and Allegiance Coal Limited. Mr Carson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.



DAMPIER GOLD LIMITED
PROFORMA BALANCE SHEET as at 30 JUNE 2019

	Notes	Company 2019 \$	Adjustment	Proforma 2019 \$
Current assets				
Cash and cash equivalents	1, 2, 3 & 4	1,530,152	(400,000)	1,130,152
Trade and other receivables		23,690		23,690
Prepayments		1,785		1,785
Convertible note	2	-	500,000	500,000
Total current assets		<u>1,555,627</u>		<u>1,655,627</u>
Non-current assets				
Property, plant and equipment		3,130		3,130
Capitalised mineral exploration and evaluation expenditure	3	<u>836,500</u>	1,900,000	<u>2,736,500</u>
Total non-current assets		<u>839,630</u>		<u>2,739,630</u>
TOTAL ASSETS		<u>2,395,257</u>		<u>4,395,257</u>
Current liabilities				
Trade and other payables		<u>146,756</u>		<u>146,756</u>
Total current liabilities		<u>146,756</u>		<u>146,756</u>
TOTAL LIABILITIES		<u>146,756</u>		<u>146,756</u>
NET ASSETS		<u>2,248,501</u>		<u>4,248,501</u>
Equity				
Issued capital	1	25,994,122	2,500,000	28,494,122
Reserves		236,200		236,200
Accumulated losses	4	(23,981,821)	(500,000)	(24,481,821)
Total equity		2,248,501		4,248,501

Notes

1. \$2,500,000 capital raising at \$0.028 per share
2. \$500,000 convertible note in Torian
3. \$1,500,000 exploration expenditure on new projects and \$400,000 exploration expenditure on existing projects
4. \$500,000 corporate and administration costs