

ASX ANNOUNCEMENT

2 August 2018

Status of the K2 Gold Mine Project Joint Venture

Shareholders of Dampier Gold Limited (ASX: DAU) (**Company**) have sought clarification regarding the status of the K2 Gold Mine Project Joint Venture with Vango Mining Limited (ASX: VAN) (**Vango**).

A Binding Terms Sheet (**Terms Sheet**) was executed by the Company and Vango on 12 May 2017 and in accordance with that Terms Sheet the Joint Venture commenced on that date.

The Joint Venture is governed by the terms of the Binding Terms Sheet which provided for, amongst other things, the establishment of a Joint Venture Committee as noted in the Company's announcement dated 16 May 2017.

In addition, the Terms Sheet provides that the parties may enter into a formal joint venture agreement to replace the Terms Sheet. Such formal joint venture would embody the terms and conditions contained in the Terms Sheet.

Accordingly, the Joint Venture is not conditional upon the parties entering into a formal joint venture agreement. The Terms Sheet clearly establishes the binding nature of the Terms Sheet and provides that, subject to both parties executing a formal joint venture agreement, the Terms Sheet can be replaced with a formal joint venture agreement. Until the Terms Sheet is replaced by a formal joint venture agreement, the Joint Venture is governed by the Terms Sheet. As stated by the Company in its announcement made on 16 May 2017, the operations of the Joint Venture are governed by the Joint Venture Committee established pursuant to the Terms Sheet.

The terms of a proposed formal joint venture agreement are subject to ongoing negotiations between the parties and in that regard, the Company will not agree to reduce its rights to earn less than a 50% interest in the K2 Gold Mine Project.

The Company is continuing to pursue the aims of the Joint Venture in accordance with the terms and conditions of the Terms Sheet.

Malcolm Carson
Chairman