



JUNE 2018 QUARTERLY REPORT

ASX : DAU

ISSUED CAPITAL

Ordinary shares:

119,640,141

Undiluted Market

Capitalisation:

\$3.5M

Cash: \$1.95M

DIRECTORS

Mr Malcolm Carson

Executive Chairman

Ms Hui Guo

Executive Director

Mr Peiqi Zhang

Non-Executive Director

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Highlights

- Acquisition of 100% of 820sqkm the Ruby Plains Placer Gold Project, Kimberley Region of Western Australia - provides Dampier with exposure to potential large scale previously untested gold mineralisation with gold occurrences identified in historical water bores.
- Analytical work has commenced on the extensive data base acquired by Dampier from the Vendors which includes geophysical images and interpretations.
- Dampier is planning an exploration program to implement in the September quarter which includes further detailed ground geophysics over prospective palaeo-river drainages with the aim to confirm targets to drill test.
- Share placement completed raising \$238,500 to fund initial work programs.
- Drilling commenced on K2 Deposit ore block extensions and untested shallow mineralised zones; together with planning the for the development of the K2 Mine.
- K2 Joint Venture meetings during the quarter to further advance planning exploration and development of the project and to review Dampier's schedule of \$3M expenditure to earn its 50% equity interest.

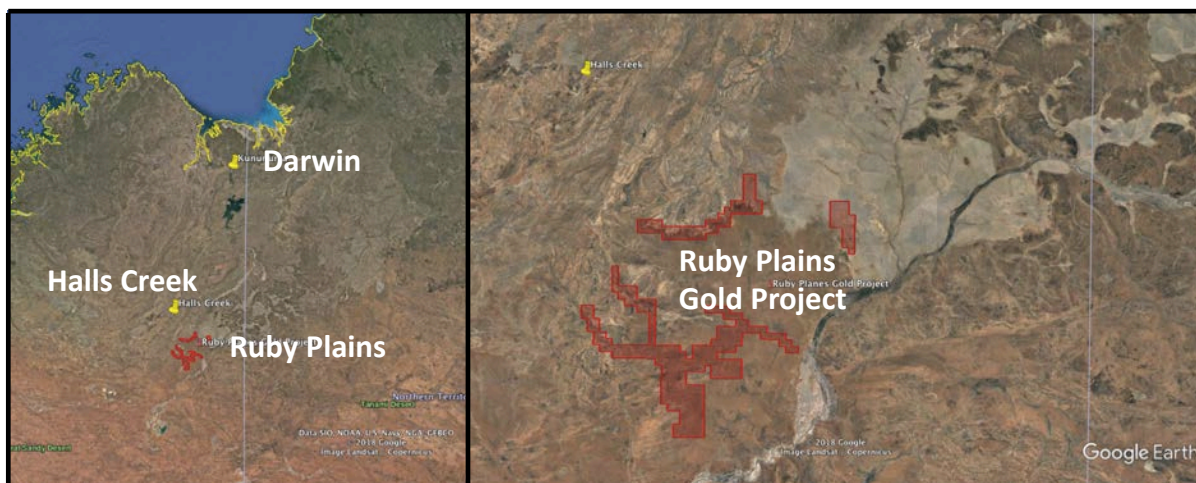
The Directors of Dampier Gold Limited are pleased to report the activities for the June 2018 Quarter which saw the acquisition of the Ruby Plains Gold Project, progress on the K2 Joint Venture drilling and a capital raising to fund exploration at Ruby Plains- work underway.





Ruby Plains Placer Gold Project (DAU: 100%)

The Ruby Plains Gold Project covering more than 800sqkm of tenements, is located approximately 340km SSW of the regional town of Kununurra and 70km SSE of the historic gold mining town of Halls Creek, in the East Kimberley region of Western Australia.



The Ruby Plains are relatively flat and featureless with little to no surface outcrop, with the paleo-channels covered in transported soils. Therefore, geophysical exploration techniques are the best method for identify and refine drill targets.

Typical view of Ruby Plains

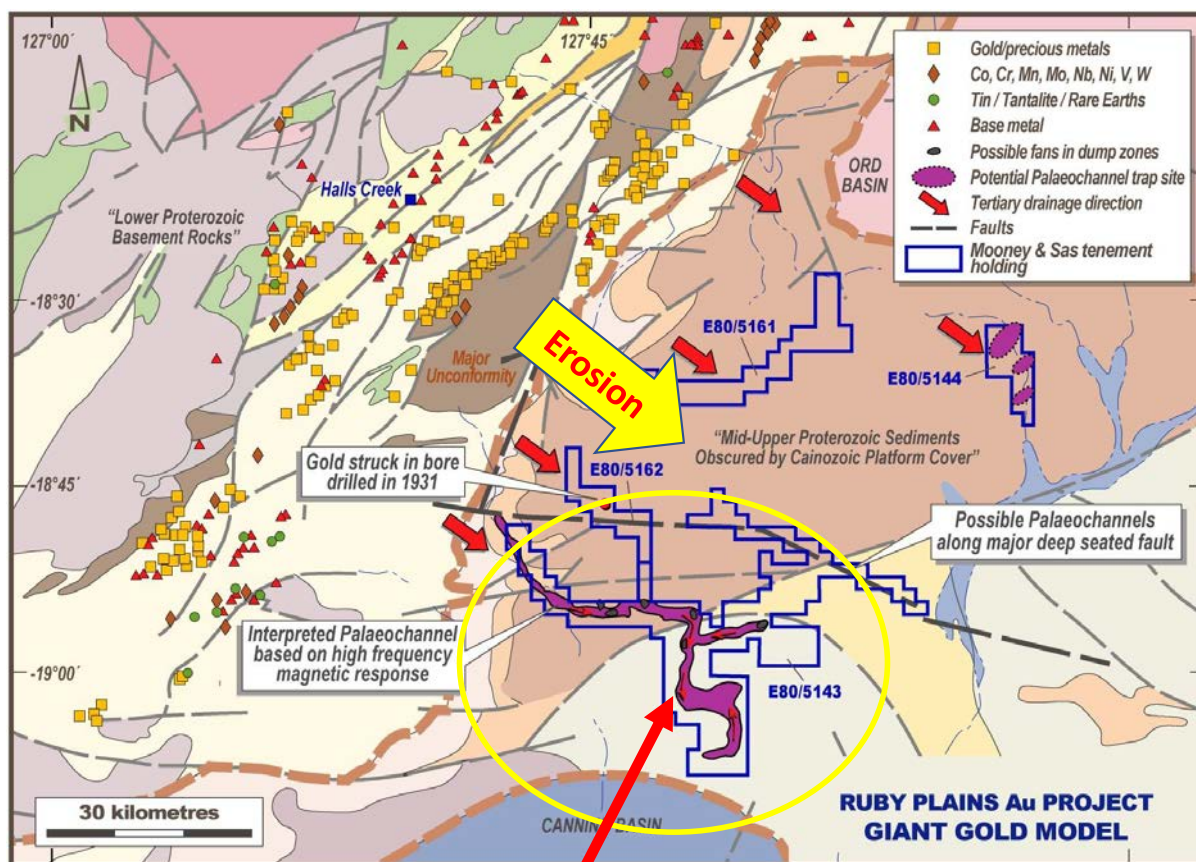


The strategic ground position acquired by Dampier covers prospective palaeo-river channels which potentially contain placer gold that has originated from the physical and chemical weathering of the auriferous Halls Creek Group during the late Cretaceous-early Tertiary period. Halls Creek is where the first discovery of gold in WA occurred in 1885, spawning a gold rush and commencement of numerous gold operations in the area. Following discoveries in Kalgoorlie in 1892, the goldfield was largely abandoned and has since only been subject to intermittent exploration and mine development.

The project area covers extensive palaeo-river channels containing alluvial (sand) / gravel beds which have the potential for young Quaternary (circa 3Mya) physical concentrations of gold; together with older (Tertiary) secondary bio-geochemical concentrations in supergene gold deposits.

The main palaeo-river channels lie immediately to the south east of the mineralised Halls Creek mobile zone and the Halls Creek Goldfield. Technical studies undertaken in the 1990's concluded Ruby Plains is potentially a world scale auriferous channel and gravel plain placer. Ruby Plains has generic similarities to the Californian dredging fields, Hammonton and Folsom, which produced in excess of 8Mozs of gold. Total placer gold recovered in California between 1848 – 1965 was 68Moz mainly from Tertiary (circa 65Mya) & Quaternary (circa 3Mya) gravels.

The following figure shows the location of the Ruby Plains Exploration Licenses and the paleo-channel identified through geophysical surveys.



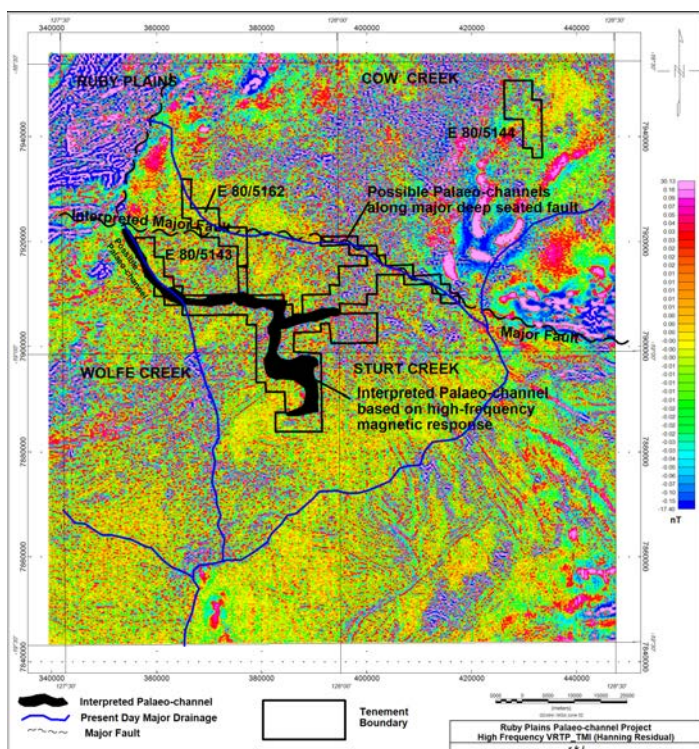
TARGETS
Gold Trapped in Alluvial, Placer
(Sand & Gravel) Channels

Granted Tenements and
Applications for
821sqkm tenements

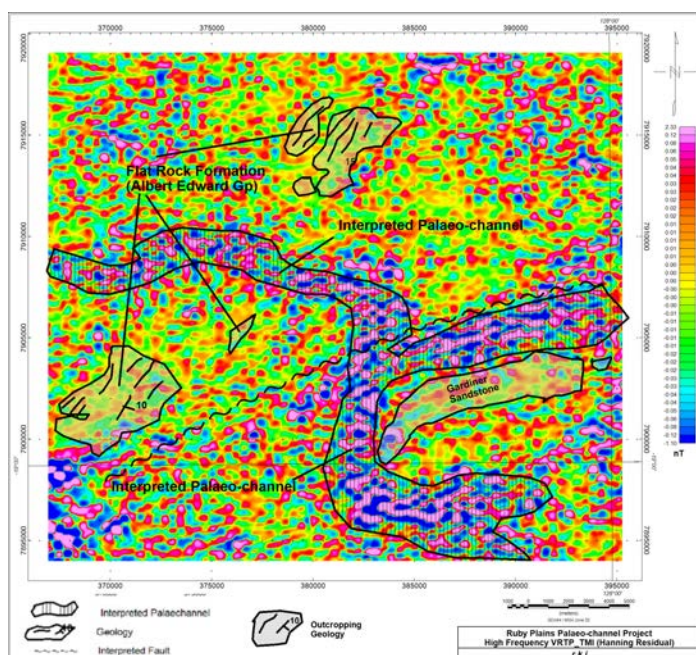
In the Californian gold rush, the Tertiary gravel deposits were very rich and mined extensively followed by the younger, reworked, usually more diluted Quaternary gravels.

Similarly, paleo-channel alluvials in the Victorian Goldfields were exceptionally rich in the early days of mining with the Victorian producing ~2,500t of gold by 1900 which represents ~20% of all the gold produced in Australia since the late 1800's. Ballarat was recognised as probably the richest alluvial goldfield in the world at its peak between 1852 and 1853 with the deep lead field producing more than 88 tonnes of gold (~3M ounces) and with some deep lead deposits grading up to 40gm/m³ (~3oz/t) gold.

Preliminary interpretation and modelling of the Ruby Plains Project area has been completed using palaeo-geomorphological modelling and geophysical testing and interpretation. The initial work indicates there could be at least 50km of unexplored palaeo-river channels. Further low cost geophysical work is required to better define the channels and targets for drilling.



Geophysical image showing outline of the large palaeo-river channel in E80/5143.



Detailed interpretation (2012) of the channel in E80/5143.

This initial geophysical modelling is to be refined using low-cost geophysical techniques, followed by ground-truthing drilling.

Regional Geology, Bio-geochemical (Cretaceous/Tertiary) and Physical (Quaternary) Gold

The tenements cover the channels and unconsolidated sections of a ‘gravel plain’ giant placer generated by the ancient palaeo-drainages following deep chemical weathering and Tertiary lateritisation of the auriferous Halls Creek Group.



Deep chemical weathering in the Kimberley region of gold-bearing rocks within the Halls Creek Mobile Zone during the humid greenhouse conditions of the Late Cretaceous-Early Tertiary followed by the subsequent physical weathering in the Quaternary, leached and eroded host rocks and liberated substantial tonnages of gold and heavy minerals for 50 million years.

Palaeo-river systems transported the gold in a south-east direction to the Canning Plains area until the late Tertiary where they were deposited as a 'gravel plain' giant placer (in blanket form) and within palaeo-channel trap sites. It is interpreted that, within a part of the Ruby Plains project area, with the potential for placer gold are concealed under a veneer of 'black soil', laterite, sand dunes and aeolian soils.

Very little modern-day exploration has been completed to test the targets. However, traces of gold from soil and drainage samples taken within the region by a previous diamond explorer highlight the targets' potential. In 1931, a water bore drilled over one of the palaeo-channel gravel targets at Ruby Plains struck gold confirming the potential.

Preliminary field examination of the Ruby Plains area also suggests that the area hosts large expansive areas of gravels similar to that seen in the Pilbara where conglomerate gold mineralisation is now the target of extensive exploration efforts. The occurrences of blue quartz within these gravel blankets and identified by a previous explorer inspecting dam excavations in the Ruby Plains area provides Dampier Gold with a further geological model to pursue for shallow hosted mobilised gold mineralisation.

In 2007, a previous exploration company pegged several exploration licenses over a large area at Ruby Plains based on the Placer Gold model. The company completed a gravity geophysical survey in the N-E area of Ruby Plains and generated several targets ready for drilling. The 2008 stock market crash prevented the company to raise further exploration funds and the tenements were eventually dropped without any drilling being completed. In 2012, a previous explorer tested a small portion of the palaeo-channel system at Ruby Plains by scout drilling without success. Detailed geophysics was not used to position drill targets and accessibility was confined to station tracks and as a result the results were inconclusive.

Planned Exploration Initiatives

Dampier Gold has commenced work on reprocessing and interpretation of historical geophysical data. It is intended that in-field mapping and drilling will follow as per the following steps:

- Reinterpretation of historical geophysical data sets (underway);
- Analysis of ASTER imagery to confirm definition of palaeo-river channels, identify possible traps (commencing current quarter);
- Mapping, ground geophysical surveys over existing tracks and roads to cover selected palaeo-channel locations (commencing current quarter). Modelling of geophysical data to define the channel profiles and targets for drilling (commencing current quarter). In addition to the above, Dampier will undertake discussions with traditional owners regarding access agreements prior to ground disturbance activities being undertaken.

K2 Gold Project, Plutonic Dome, Western Australia (DAU earning 50%)

Dampier notes the announcement by Vango Mining Limited (ASX:VAN) dated, 4th July 2018 with respect to securing funding to support the development of K2 and, in its presentation of the same date, the status of the exploration drilling on the project.

Pursuant to the binding terms sheet executed on 12th May 2017, Dampier has the right to earn a 50% Joint Venture Interest for the expenditure of \$3M on the project. Currently, Dampier has contributed 8% of the expenditure, namely \$245,240 and has secured a 4.1% Joint Venture Interest in the project. A Joint Venture Interest includes the beneficial ownership as a tenant in common of the Tenement (M52/183), and if applicable, the K2 Area (being any contiguous tenements incorporating the K2 ore-body or mineralised zones).

Under the binding terms sheet, Dampier is the nominated exploration manager.

Dampier is currently the beneficial owner of 4.1% of the project and is reviewing various debt and equity funding options to fund the first \$3M of its share of the exploration and development of the K2 Mine in order to secure the agreed 50% interest pursuant to the terms of the binding term sheet.

Corporate

During the Quarter, the Company completed a share placement raising \$238,500 following the issue of 9,540,000 shares at an issue price of 2.5 cents per share. Funds raised from the issue of shares will be applied towards exploration efforts at the Ruby Plains Placer Gold Project.

Malcolm Carson Chairman

Competent Persons Statement

Mr Malcolm Carson has compiled information in this report 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 the report the matters based on the information in which it appears.

Exploration Tenement Information

Project	Tenement Number	Blocks	Area km ²	Status
Ruby Plains	E80/5143	170	537	Granted
	E80/5144	21	66	Granted
	E80/5161	49	155	Application
	E80/5162	20	63	Application
TOTAL		260	821	