

ASX RELEASE

23rd October 2018

CONFIRMATION OF ANCIENT PALEO-CHANNELS & PISOLITIC CONGLOMERATES – AN EXCITING NEW DISCOVERY IN RUBY PLAINS GOLD PROJECT

Dampier is pleased to report the confirmation of paleo-channels at Ruby Plains following the completion of the interpretation of ground geophysical surveys undertaken by Core Geophysics.

The deployment of targeted ground Magnetic (Mag) and the geophysical survey techniques comprising Ultra Ground Penetration Rada (GPR), Electromagnetic (EM), represents a first for the vast Ruby Plains area.

The program consisted of applying three simultaneous ground geophysical methods with the aim to confirm the linear magnetic anomalies defined in wide spaced aerial magnetic surveys and the interpreted presence of paleo-channels in the vast Ruby Plains area, as potential sources of gold and other minerals shed from the Halls Creek Goldfield.

The choice of techniques was based on the need for portable, rapid reconnaissance methods to test a large geographical spread of target areas and the need to operate close to station tracks.

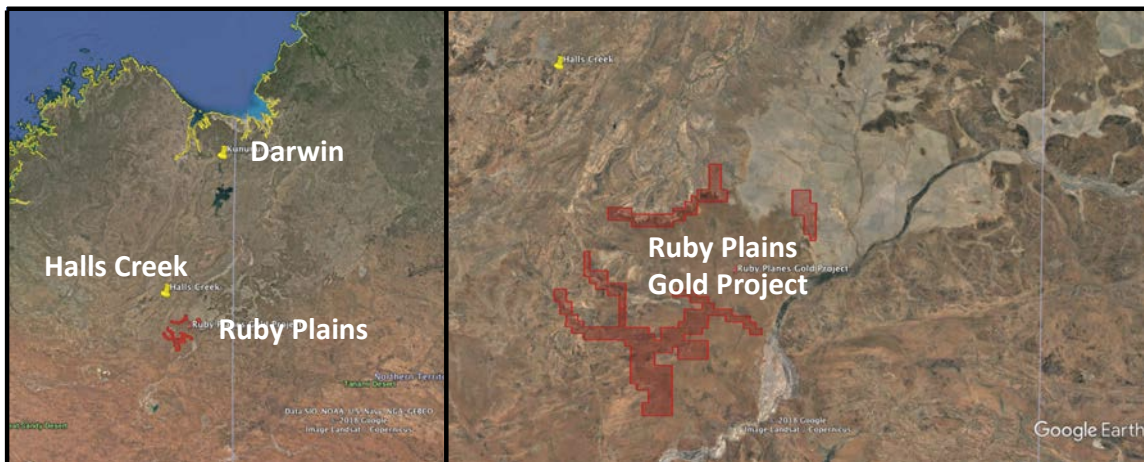
Dampier is greatly encouraged by the results which are summarised in this announcement.

Key Points are:

- The ground magnetics successfully confirmed the magnetic signatures interpreted from wide-spaced aeromagnetic data which coincides with a **ferruginised (Maghemite), pisolitic, pebble conglomerate**
- The work and interpretations are consistent with previous interpretations which had proposed that there was an older deep and shallow paleo-channels
- The area has considerable exploration upside, and is significantly underexplored having been only mapped in detail by Government agencies in 1996 (100,000) and in 1977 (250,000)
- Dampier is the first to test these ground geophysical exploration methods on the Ruby Plains and is encouraged by the results to date
- The ground magnetic data indicated a possible deeper magnetic source which may reflect an older paleo-surface within the deeper paleo-channel
- The survey techniques confirmed the suitability of these methods in the Kimberly Region as experienced by other explorers, such as Pos Minerals Limited (ASX:POS)
- Dampier is now in a better position to determine the most suitable exploration methods to advance target definition and drilling
- Dampier will continue to review the detailed interpretations in the report as it designs in detail the next phases of exploration

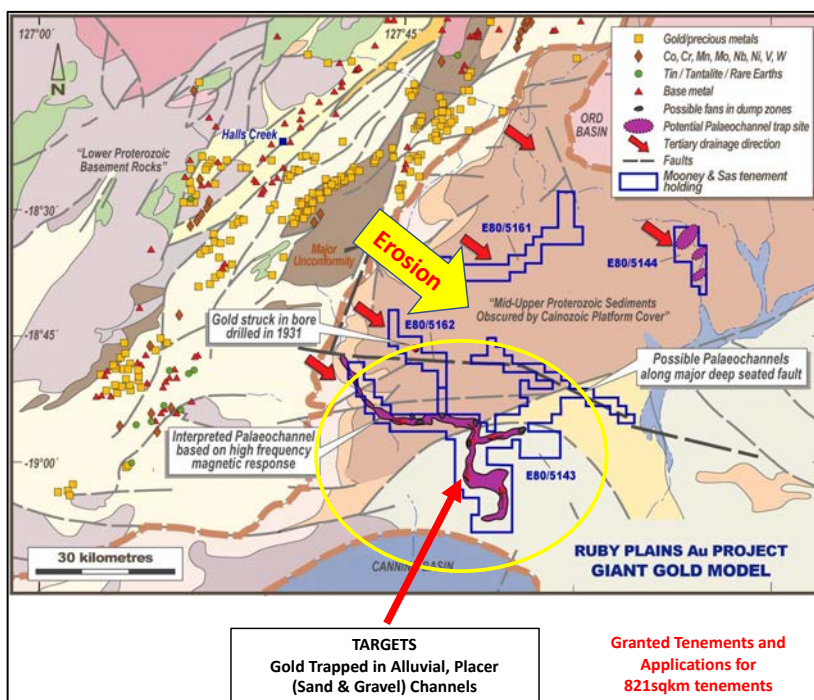
Location of Dampier’s Ruby Plains Tenements

The Ruby Plains Gold Project covering ~800 square kilometres 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.

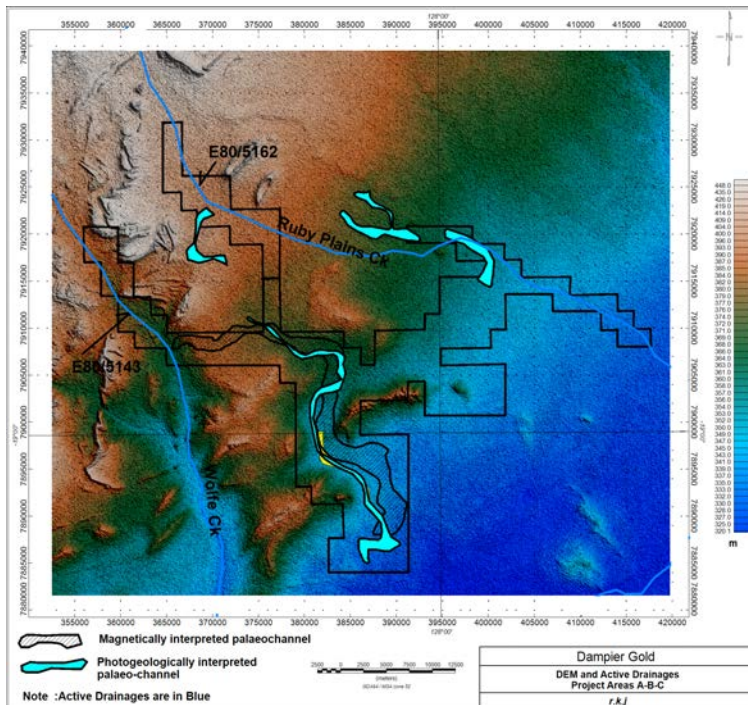


The strategic ground position covers an area with the potential to contain placer gold deposits within ancient palaeo-river channels. The proposed source of gold is from the physical and chemical weathering of the auriferous Halls Creek Group during the late Cretaceous-early Tertiary period.

The tenements and the target areas

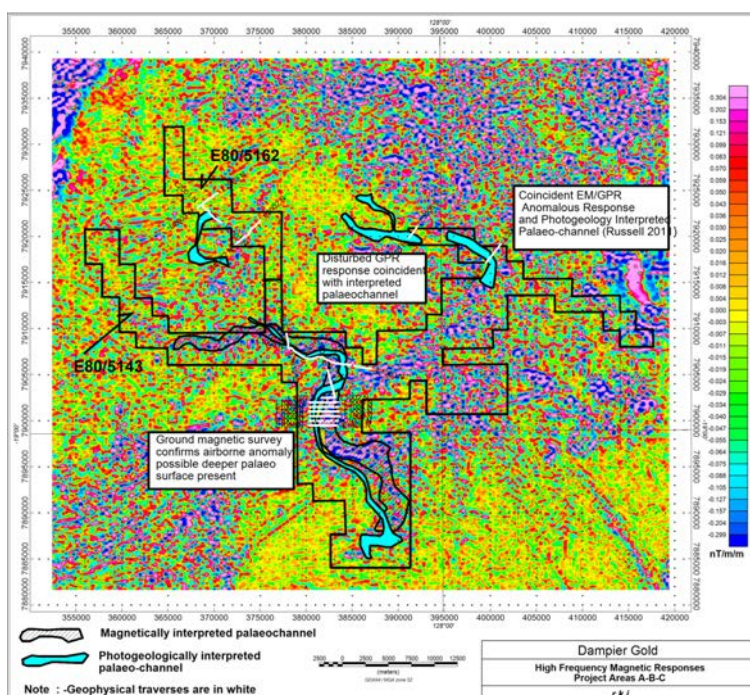


The geophysical work confirms that in the current tenement areas there are two different types of exploration targets comprising those associated with paleo-channels within the linear magnetic anomalies and those associated with present day active drainages.



Previous interpretations of regional geomorphological features showing the location of photogeology-interpreted paleo-channels

Initial confirmation from the results of the Dampier geophysical program compared to historical interpretations of Geological Survey Western Australia (GSWA) regional magnetic data and photogeology interpretations above



Targets 1

The linear magnetic anomaly in E80/5143 confirmed by the survey, coincides with a weakly magnetic ferruginised (Maghemite), pisolitic, pebble conglomerate.

Targets 2

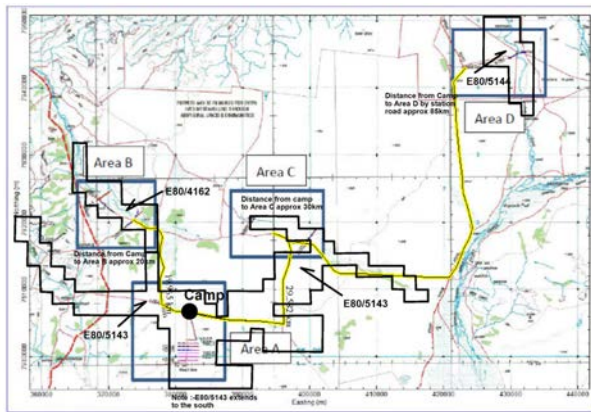
The existence of interpreted paleo-channels in recent-day drainages also confirmed

THE PROGRAM

The 7-day reconnaissance program was designed to cover a large area and to test three different geophysical survey techniques over the target areas. Hence the need for individual traverses to gain an understanding of the variations in the regolith and palaeo surface geology over the entire Project Area so as to define the best technique and the more prospective areas for future work.

The objective of the program was to confirm the presence of previously interpreted paleo channels within Ruby Plains so as to determine the targets for the next phase of exploration and the optimal exploration technique.

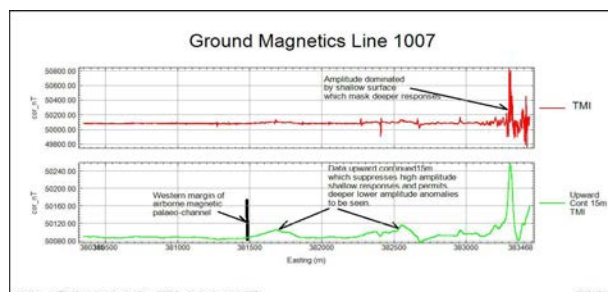
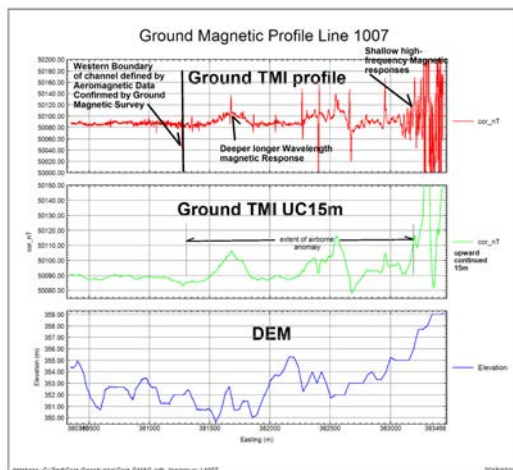
The program consisted of a number of strategically placed ground traverses in four areas, and undertaking hand held Electromagnetic (EM), Ultra Ground Penetrating Radar (GPR) and Magnetics (Mag) surveys.



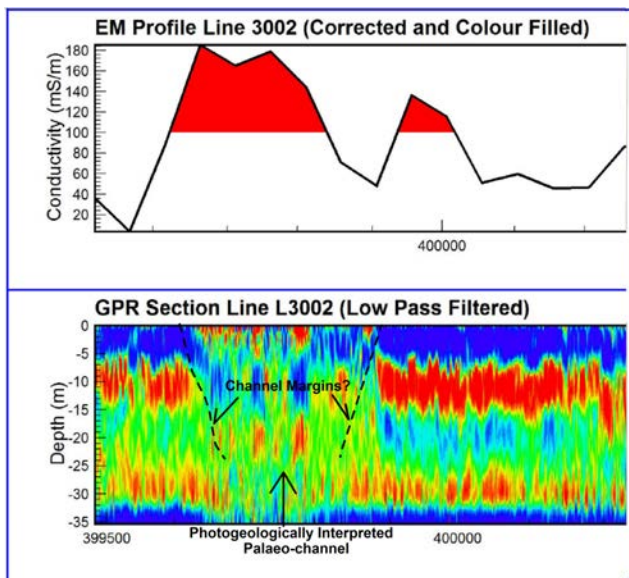
Location of the areas covered and the traverses in the four areas surveyed

The four areas were tested and the following is a summary of the interpretation highlights:

Earlier interpretations of a linear magnetic anomaly were confirmed, and the results suggested there is a younger shallower palaeo-channel system (~35m deep), an older deeper palaeo-channel (~70m deep) which includes a possible paleo-surface which may explain the occurrence of manganese in an earlier scout drilling program.

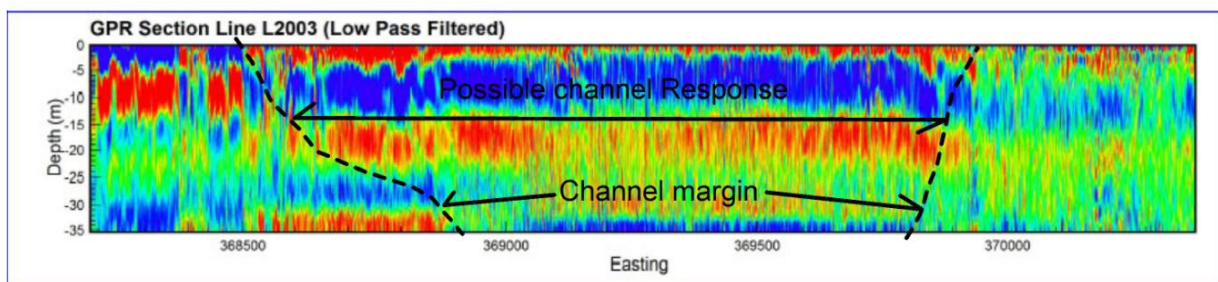


Ground Magnetics on L1007 Area A, showing possible magnetic sources at different depths (i.e. older and younger paleo-channels) and western margin of the channel



The GPR/EM detected anomalous responses over previously interpreted paleo-channels on L3002 Area C from photogeology confirming the earlier work proposing the existence of a paleo-channel.

The following is an example of a positive response is on line, L2003 Area B of the survey, and the interpretation suggests a paleo-channel in the central section of the traverse:



NEXT STAGE – RECOMMENDATIONS

Dampier’s geophysical consultants recommend, further interpretation of the geophysical results for all areas tested, together with developing through mapping and research to gain a better understanding of the regolith (surface material) and the geology including photogeological / remote sensing studies incorporating local station bores, mapping and historical drilling. These interpretations will provide information required to define in detail the next phases of exploration.

Dampier Chairman Malcolm Carson said today:

“We are pleased with the first stage exploration program, which generated positive results generally in-line with expectations. The use of these techniques, interpretation of the results and the knowledge gained on the project presents the Company with the information required to design a broader scale follow-up program with the aim to define in more detail the paleo-channel dimensions and profile and follow-up targets to drill test for gold mineralisation in the first quarter 2019.”

“Dampier is taking the initiative in Ruby Plains which has tantalised explorers for decades by deploying modern exploration techniques not used in the area before”

“The scale of the potential paleo-channel systems confirmed by the geophysical work provides the Company with a platform to unlock upside for shareholders by undertaking more focussed and targeted exploration in the next phases of exploration at Ruby Plains”.

“We are excited about the potential for a significant gold discovery within the paleo-channels at Ruby Plains”.

Malcolm Carson
Executive 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.