



31 October 2018

## SEPTEMBER 2018 QUARTERLY REPORT

ASX : DAU

### ISSUED CAPITAL

Ordinary shares:  
165,640,141

Undiluted Market  
Capitalisation:  
\$6.8M

Cash: \$2.6M

### DIRECTORS

Mr Malcolm Carson  
Executive Chairman

Ms Hui Guo  
Executive Director

Mr Peiqi Zhang  
Non-Executive Director

### CONTACT

Dampier Gold Limited  
ACN 141 703 399

29 Brookside Place  
Lota QLD 4179

P: (07) 3901 0751

F: (07) 3901 0751

E: [info@dampiergold.com](mailto:info@dampiergold.com)

### Highlights

- On 17<sup>th</sup> September 2018, Vango Mining Limited (Vango) launched an off-market SCRIP offer for your Company
- Subsequently Dampier has responded with its Replacement Target's Statement recommending shareholders REJECT the offer which your Directors regard as being inadequate and opportunistic
- Dampier will continue to pursue all legal avenues to protect its rights to earn 50% of the K2 Joint Venture pursuant to the Binding Terms Sheet executed on 16 May 2017
- During the quarter, Dampier completed the first stage exploration program over the Ruby Plains tenements with encouraging results indicating the presence of previously hypothesised paleo-channels
- Post quarter, Dampier applied for additional tenements over prospective areas near to the Company's existing Ruby Plains tenement holdings
- Private placement completed post quarter, raising \$1M in working capital for the purpose of contributions under the K2 Joint Venture



## Vango Takeover Offer

On 17 September 2018, Vango Mining Limited (**Vango**) announced an unsolicited off-market takeover bid for all of the Dampier Shares it does not already own or control of 2 Vango Shares for every 7 Dampier Shares held (**Offer**).

Your Directors have carefully considered the Offer and, for the reasons set out below:

- consider that Vango's Offer is **INADEQUATE** and **OPPORTUNISTIC**; and
- unanimously recommend that you **DO NOTHING** and **REJECT** the Offer.

The principal reasons for your Directors' recommendations are:

1. **Vango's Offer is inadequate, opportunistic, designed to frustrate Dampier's legitimate rights under the K2 Joint Venture and avoid paying up to \$6 million in contingent deferred consideration to Dampier;**
2. **Vango shares carry significantly increased project risk;**
3. **There is material uncertainty regarding Vango's ability to continue to as a going concern;**
4. **Vango has a history of uncommercial funding arrangements and shareholders are exposed to significant ongoing dilution risk;**
5. **Accepting Vango's Offer will expose you to the risk that Vango may be required to pay a substantial amount to Dampier in potential damages and other costs;**
6. **Vango has a previously undisclosed significant contingent liability under a potential claim for breach of contract from Superior Gold; and**
7. **Accepting Vango's Offer may deprive you of the ability to consider an alternative proposal, should one emerge.**

Each Director intends to reject the Offer in respect of the Dampier Shares they own, or control, being approximately 11.25% of Dampier's issued share capital.

### Further information

In considering whether to reject the Offer, the Directors encourage shareholders to:

- read the whole of the Replacement Target's Statement and the Replacement Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider the choices available to you as outlined in section **Error! Reference source not found.** of the Replacement Target's Statement;

- carefully consider the risks set out in section **Error! Reference source not found.** of the Replacement Target's Statement; and
- obtain personal advice from your broker, financial adviser, accountant, lawyer or other professional adviser on the effect of accepting the Offer.

Your Directors recommend that you reject the inadequate Offer.

To **REJECT** the Offer you should simply **DO NOTHING** and take **NO ACTION** in relation to all documents sent to you by Vango.

### Ruby Plains Gold Project

Dampier reported on 23 October 2018, the results of the August/September exploration program which confirmed the presence of ancient paleo-channels at Ruby Plains and the presence of pisolitic conglomerates in those channels.

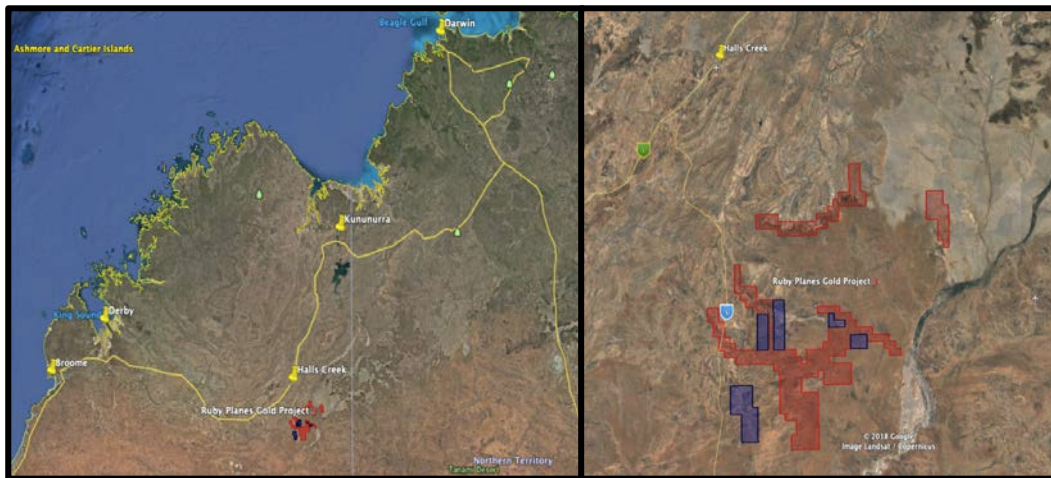
Highlights of the exploration program are:

- 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;
- ground magnetic data indicated a possible deeper magnetic source, which may reflect an older paleo-surface within the deeper paleo-channel;
- survey techniques confirmed the suitability of these methods in the Kimberly Region as experienced by other explorers; and
- Dampier is now in a better position to determine the most suitable exploration methods to advance target definition and drilling.

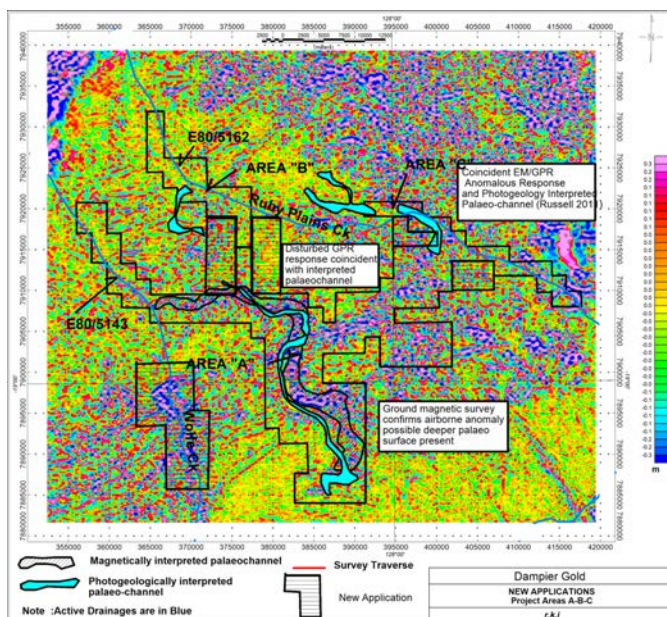
### Additional Ruby Plains Tenement Applications

Following the Company's 3 October 2018 announcement, Dampier applied for five new tenements at Ruby Plains which are shown in blue in the following image.

The five new applications appear in blue in the Ruby Plains Location figure, below.



These tenements cover additional prospective ground, including gossanous quartz outcrop in the north central area and a linear magnetic anomaly along Wolfe Creek to the south west of the main linear magnetic target on E80/5143.



Dampier's ground holding in granted tenements and applications increased to 1,020sqkm. The adjacent image shows the tenements over aerial magnetics. New applications are cross hatched in the adjacent image.

## \$1m Capital Raising

Following the receipt of shareholder approval on 18 September 2018, on 16 October 2018 the Company successfully raised \$1,000,000 in working capital pursuant to the issue of 40,000,000 shares at an issue price of \$0.025 per share.

**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.*

**TENEMENT HOLDING**

<b>Project</b>	<b>Tenement Number</b>	<b>Blocks</b>	<b>Area sqkm</b>	<b>Status</b>
<b>Ruby Plains</b>	E80/5143	170	537	Granted
	E80/5144	21	66	Granted
	E80/5161	49	155	Application
	E80/5162	20	63	Application
	E80/5291	10	32	Application
	E80/5292	14	44	Application
	E80/5293	4	13	Application
	E80/5294	6	19	Application
	E80/5295	29	92	Application
<b>TOTAL</b>		<b>323</b>	<b>1020</b>	

**JORC CODE, 2012 Edition-Table 1 Ruby Plains Project:**

**SECTION 1: SAMPLING TECHNIQUES AND DATA**

Criteria	JORC Code Explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>N/A No Samples Reported</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>N/A No Drilling Reported</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>N/A No Drilling Reported</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>N/A No Drilling Reported</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split,</li> </ul>	<ul style="list-style-type: none"> <li>N/A No Drilling or Samples Reported</li> </ul>



Criteria	JORC Code Explanation	Commentary
	<p><i>etc and whether sampled wet or dry.</i></p> <ul style="list-style-type: none"> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	
<p><b>Quality of assay data and laboratory tests</b></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• N/A No Assays Reported</li> </ul>
<p><b>Verification of sampling and assaying</b></p>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• N/A No Sampling or Assays Reported</li> </ul>
<p><b>Location of data points</b></p>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No Drill holes or sample points are being reported.</li> <li>• The Geophysical survey stations were located using a standard GPS with a nominal +/- 5m accuracy.</li> <li>• The geophysical points were based on GDA 94 / MGA (zone 52)</li> </ul>
<p><b>Data spacing and distribution</b></p>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Geophysical surveys are preliminary reconnaissance surveys with lines covering four separate target areas.</li> <li>• The location of the survey lines was limited to existing station tracks and existing grid lines.</li> <li>• No Samples have been reported.</li> </ul>



Criteria	JORC Code Explanation	Commentary
	<p><i>applied.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The geophysical survey was reconnaissance in nature, being relatively wide spaced and the orientation of potential mineralised structures is yet to be confirmed.</li> <li>• There is insufficient information to determine if the reconnaissance geophysical surveys were orientated perpendicular to potential mineralised structures.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• N/A No Samples or Assays Reported</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No Audits have been undertaken, No Assay or Samples reported</li> </ul>

## Section 2: REPORTING OF EXPLORATION RESULTS Ruby Plains Project:

Criteria	JORC Code Explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Ruby Plains Project is located approximately 340km south of Kununurra and 70km SE of Halls Creek in the Kimberley region of Western Australia.</li> <li>• The project consists of four exploration licences covering approximately 821 square kilometres. E80/5143 and E80/5144 are granted while E80/5161 and E80/5162 are applications.</li> <li>• All tenements are 100% beneficially owned by Dampier with transfers pending from the original tenement applicants G. Mooney and Z. Sas.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Within the body of the release the company acknowledges work undertaken in the region including the pre-competitive open file geophysical and geological work undertaken by the Western Australian Geological Survey along with previous exploration within the general Kimberley region of Western Australia including work undertaken in the region by Stockdale (De Beers) and POZ minerals.</li> <li>• GSWA Open File Reports a42683, a32030, a32167 and a32426</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The geological target is gold within alluvial channels along with potential regolith hosted supergene gold</li> </ul>





Criteria	JORC Code Explanation	Commentary
<p><b>Drill hole Information</b></p>	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p>mineralisation.</p> <ul style="list-style-type: none"> <li>• No drilling reported</li> </ul>
<p><b>Data aggregation methods</b></p>	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• No Assay or drilling results reported</li> </ul>
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• No drilling results reported.</li> </ul>
<p><b>Diagrams</b></p>	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate summary diagrams are included in the body of the announcement.</li> </ul>



Criteria	JORC Code Explanation	Commentary
<b>Balanced reporting</b>	<ul style="list-style-type: none"><li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li></ul>	<ul style="list-style-type: none"><li>No drilling or Assay Results have been reported.</li><li>The entire Geophysical interpretation and survey data has been presented in various figures within the body of the report.</li></ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"><li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li></ul>	<ul style="list-style-type: none"><li>The local scale and regional geophysical and historical geological mapping and interpretation of the alluvial paleochannels is reported in the body of the announcement.</li><li>Summary information included in GSWA Open File Reports a42683, a32030, a32167 and a32426</li></ul>
<b>Further work</b>	<ul style="list-style-type: none"><li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li><li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li></ul>	<ul style="list-style-type: none"><li>Additional work including geophysics, geological mapping and interpretation, geochemical sampling and potentially drilling is either planned or is expected to be planned to further evaluate the extent and potential of the interpreted Paleochannels within the project</li></ul>