

31 January 2020

DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

ASX : DAU

ISSUED CAPITAL

Ordinary shares:
197,985,995

Undiluted Market
Capitalisation: \$4.4M

Cash: \$1.04M

DIRECTORS

Mr Malcolm Carson
Executive Chairman

Ms Hui Guo
Executive Director

Mr Peiqi Zhang
Non-Executive Director

CONTACT

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- On 4 October 2019, Dampier Gold Limited (ASX:DAU) (Dampier) executed terms sheets with Torian Resources Limited (ASX:TNR) (Torian) for Dampier, subject to due diligence and shareholder approval, to earn up to 75% of the Zuleika Gold Project (Zuleika Project) and 50% of the Credo Well Gold Project (Credo Well Project) in the Mt Pleasant district of Western Australia.¹
- On 7 January 2020, Dampier announced the completion of the Credo Well joint Venture due diligence and the commencement of the Joint Venture.²
- Dampier is preparing an exploration program to test 11 high priority targets identified to date at Credo and has yet to complete its due diligence on the Zuleika project.
- To date ~40 advanced targets have been identified in the Credo and Zuleika projects as being underexplored and requiring follow-up drill testing.
- The geological structures in the immediate region to both Credo and Zuleika are well known for viable commercial discoveries with circa 20 million ounces produced to date.
- The Zuleika and Credo Well Projects lie within the Kundana/Ora Banda - Mt Pleasant world class gold mining district which hosts several major gold mines, including the Kundana Mine owned by Northern Star and its East Kundana Joint Venture (EKJV) with Tribune Resources and Rand Mining (~7Moz), Evolution's Frog Legs and White Foil mines (~3Moz) and Norton Goldfields' Paddington Mine.
- The Kundana/Ora Banda - Mt Pleasant districts have produced to date circa 20 million ounces of gold and remains highly prospective for further discoveries.
- The Carnage Shear (also referred to as the East Zuleika Shear), parallel to Zuleika, is an untested structure which Dampier has access to 20km of continuous strike and numerous targets identified to date.
- At Goongarrie, following completion of early stage reconnaissance which confirmed the presence of greenstones, Dampier is preparing an aerial geophysical survey to better define rock units and targets.³
- Dampier continues to pursue its rights to earn up to 50% of the K2 Gold Mine pursuant to the Binding Terms Sheet with Vango Mining Limited (ASX:VAN) (Vango).⁴

¹ Refer: Zuleika and Credo Well Farm-in Joint Venture released on 4 October 2019

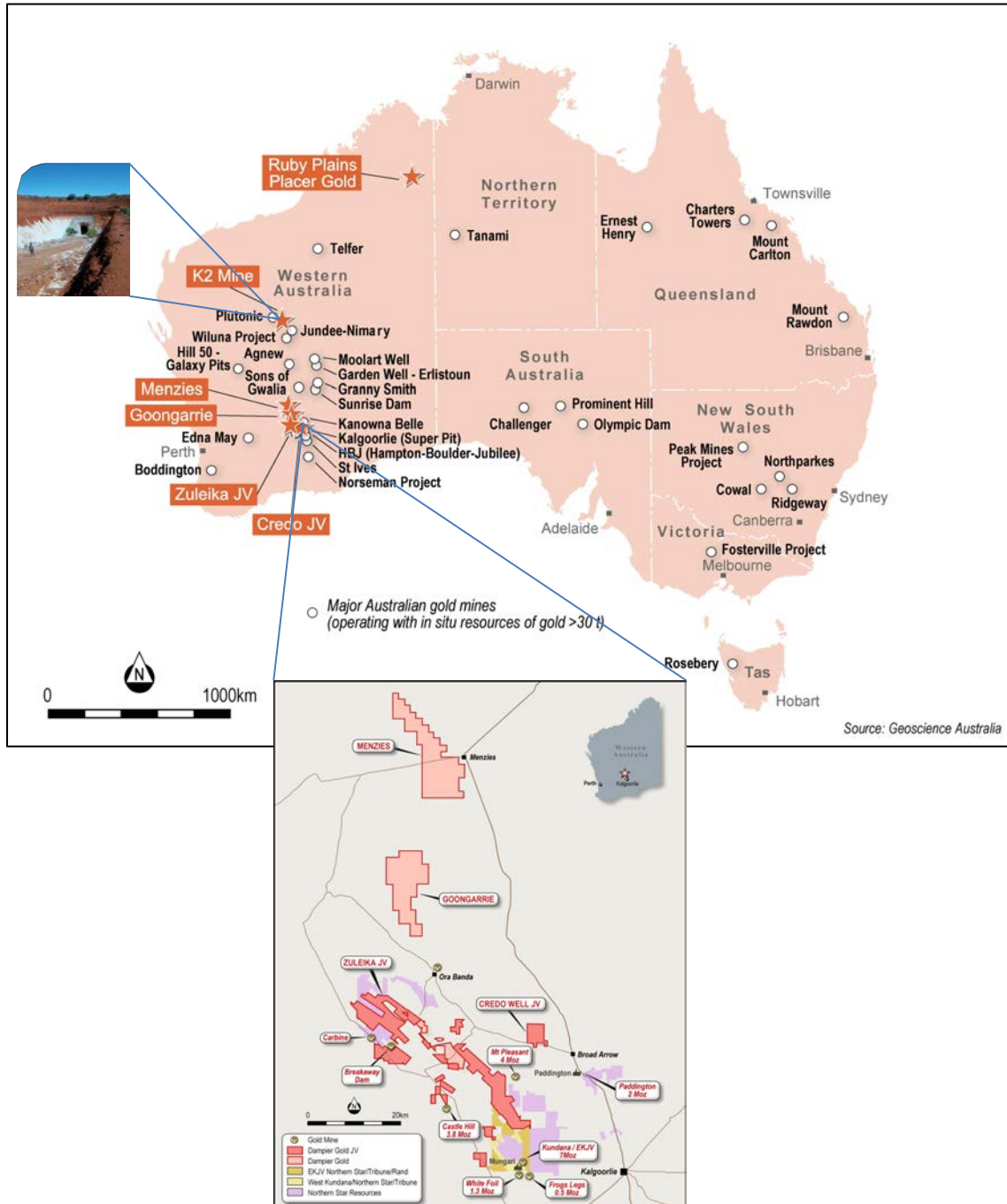
² Refer: Commencement of Credo Well Farm-in Joint Venture released on 7 January 2020

³ Refer: Goongarrie Reconnaissance Exploration Results released on 21 October 2019

⁴ Refer: Dispute with Vango Mining Limited released on 19 December 2019



Location Dampier Projects



Zuleika and Credo Joint Ventures

Pursuant to the Farm-in joint ventures dated 4 October 2019, Dampier has the right to earn up to a 75% interest in the Zuleika Project by spending a total of \$4.0 million over 4 years and earn up to a 50% interest in the Credo Well Project by spending a total of \$2.0 million over 4 years. Dampier has completed its due diligence for the Credo Well Joint Venture and is yet to complete its due diligence for the Zuleika Joint Venture.



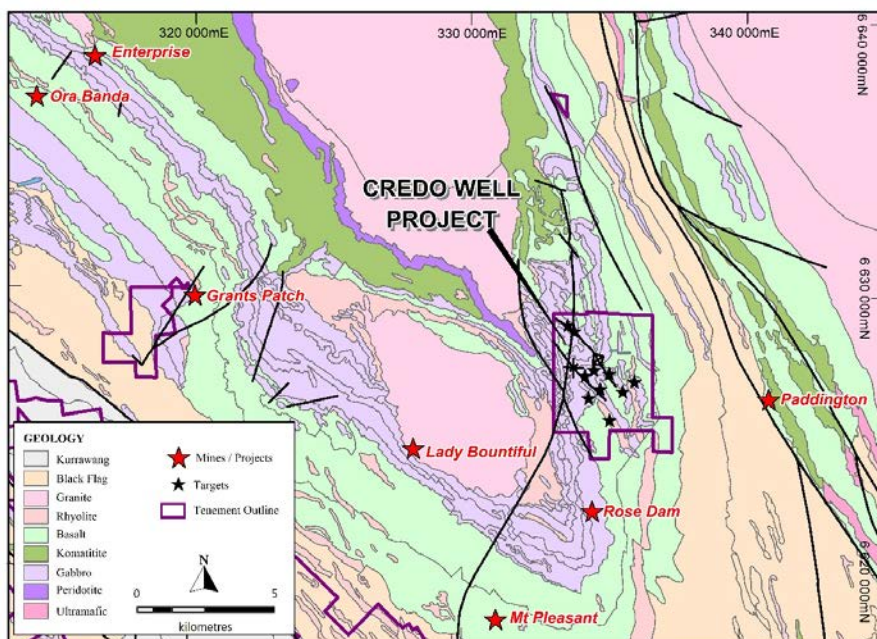
As a consequence of the combination of the farm-in joint ventures, recent tenement applications along the Zuleika Shear and the Menzies and Goongarrie projects, Dampier now has a substantial presence in the Kalgoorlie-Menzies region with tenements covering ~650sqkm of prospective ground.

More than 20 million ounces has been produced from the Zuleika (Kundana/Ora Banda) – Credo (Mt Pleasant) region and there are a number of deepening underground mines continuing to exploit the extensions to significant gold ore bodies at depth.

The Zuleika Shear is recognised as a major conduit for gold mineralisation and Dampier is of the view that the parallel, the Carnage Shear 5km to the east (also referred to as the East Zuleika Shear), represents a largely untested regional target which is geologically similar to the Zuleika shear. Dampier has 20km of strike along the Carnage Shear and number of anomalous drilled and bedrock targets which require follow up drilling.

Credo

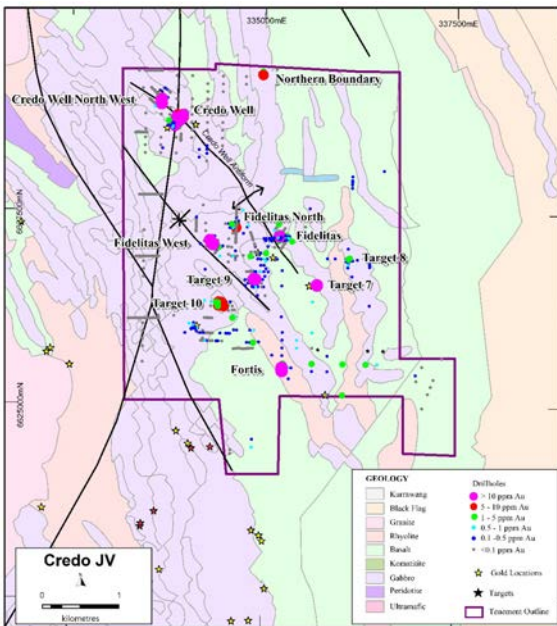
Credo sits within a major gold producing region of the Kalgoorlie region and is surrounded by a number of historical and currently operating mines as shown in the following figure.



Prior to the commencement of the joint venture, Dampier reviewed, consolidated and verified the historical data base compiled by Torian and integrated with open file data. From Dampier's technical analysis to date 11 targets have been defined on the Credo tenements (an increase from 8 targets described in earlier announcements).

Dampier is in the process of refining its first stage exploration program, reviewing newly interpreted geophysical imagery by Southern Geoscience Consultants, and seeking approval to commence exploration from West Australian, Department Mining Industry Resources and Safety (DMIRS).

The 11 targets generated to date relate to open-ended drilling results near to old workings at Credo Well, Fortis and Fidelitas and elsewhere on the tenements as shown in the following figure.

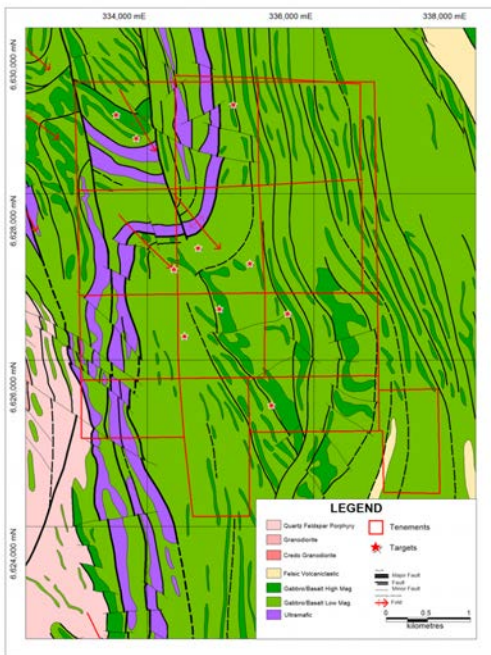


The Credo JV represents an excellent exploration opportunity which has had substantial historical drilling. There have been significant high-grade results from exploration drilling within the tenement area which have confirmed the strong presence of both supergene and primary mineralisation.

Gold mineralising fluids have resulted in several zones of mineralisation identified to date, with 11 prospects (targets) of varying levels of advancement having been generated. The region has similarities to the Mt Pleasant gold field with the dominant stratigraphy (Mt Pleasant Gabbro and Bent Tree Basalt) and regional structures (Mt Pleasant Antiform, Black Flag Fault) being present.

The current mineralised envelope at the Credo Well mine appears to be sub economic at first pass due to uncertainty in depletion of resources from historical mining. There is potential for more mineralisation at depth if high grade shoots continue and particularly if multiple shoots can be identified. Torian Resources Drilling (ASX:TNR) drilling announced on 3rd December 2019 confirmed the presence of mineralisation below the old workings at Credo Well.⁵

Several prospects have significant intercepts that are still to be fully examined and followed-up. Some prospects have been tested at depth in certain areas but may warrant further testing along strike or adjacent to supergene mineralisation.



Regionally there is significant untested potential related to the felsic intrusive that appears to be mineralised along structures and along contacts with the mafics. The 2 zones of mineralisation located to date have significant supergene mineralisation, partly due to the deeper weathering in the felsic zones.

In the Credo Well – Credo Well north area the significance of folding as a mineralisation control will be examined and drilling directions adjusted to ensure optimum testing. Recent geophysical interpretation presented in the adjacent figure, is being evaluated by Dampier’s technical team and shows the structural complexity at Credo which has complicated historical exploration strategies.

The regionally prospective lithologies, the clear presence of gold, the structural environment and the large historical data base, represents an excellent exploration opportunity for Dampier.

⁵ Refer: TNR Assays of 46gt Au Confirm Credo Well High Grade Potential released by TNR 3 December 2019

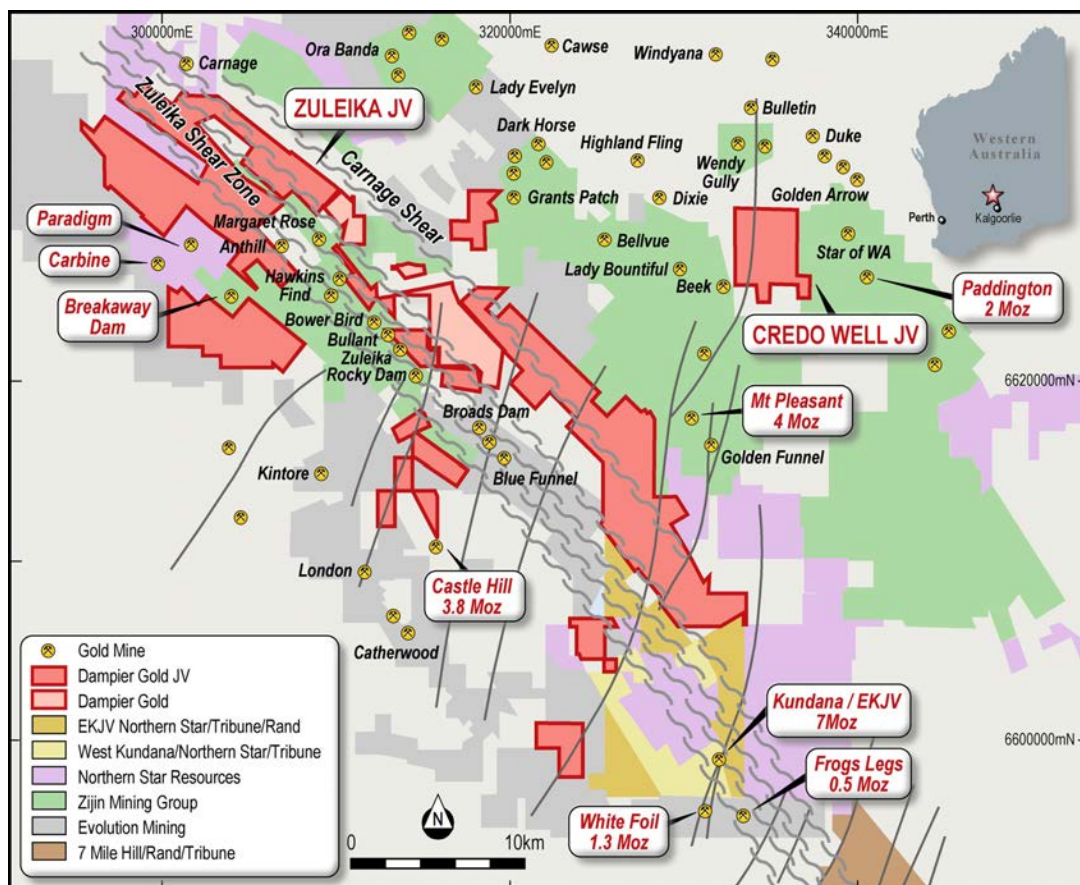


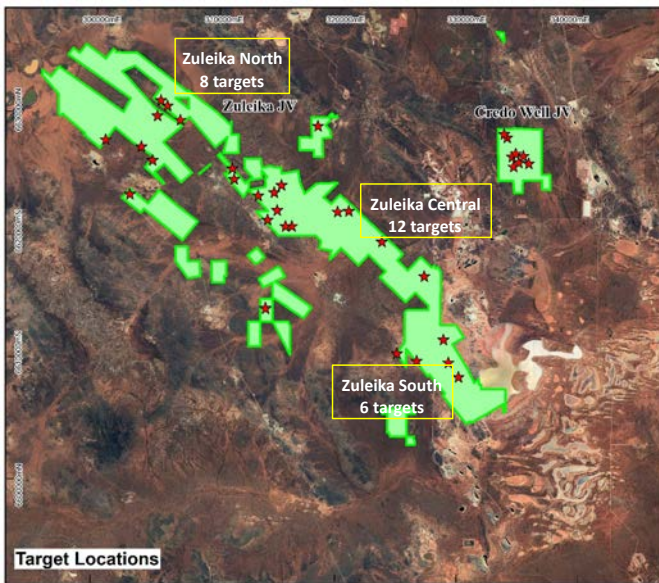
Zuleika Targets

The Zuleika Shear has proven to be a major conduit for gold mineralising solutions and a number of operating mines occur both within and adjacent to the shear operated by Norther Star Resources Limited (ASX:NST), Evolution Mining Limited (ASX:EVN) and China's largest gold producer Zijin. The shear has supported historically ~20m ounces of gold production.

The Carnegie Shear, also referred to as the East Zuleika Shear, (*shown in the figure below*) is parallel to the Zuleika Shear. Lithologies to the east of the Carnegie Shear represent a "mirror image" of the lithologies to the west side of the Zuleika Shear. These lithologies comprise Black Flag beds, ultra-mafic, mafic, intermediate, felsic units and sedimentary rocks including black shales which are the hosts for gold mineralisation in the Kalgoorlie Region. The Carnegie Shear is underexplored when compared to the Zuleika Shear and, from Dampier's review has lacked (over recent years), a systematic approach to regional and targeted exploration. Separating the Zuleika and Carnegie Shear is the down faulted Kurrawang Epiclastic. Major gold mines throughout the world are commonly associated with these basins, which can act as a cap on mineralised hydrothermal fluids.

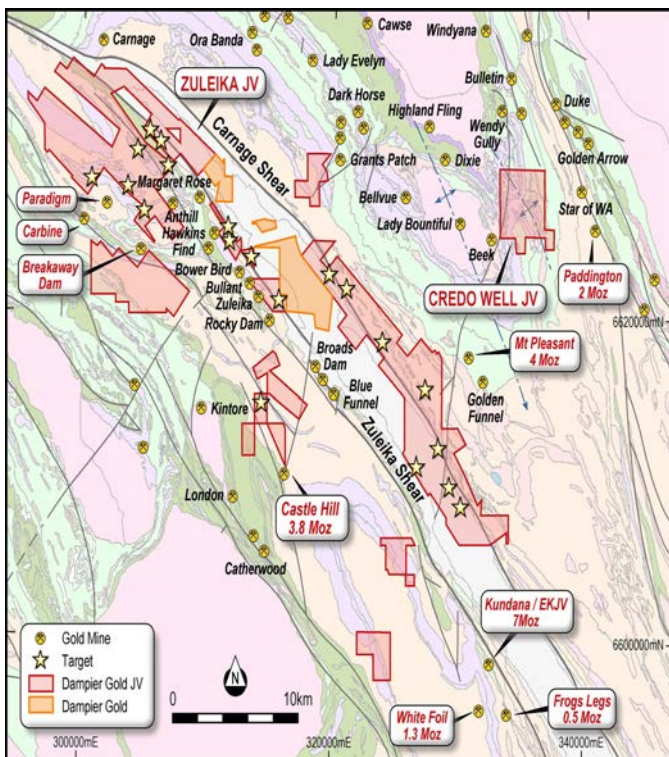
Dampier has unrestricted access to a continuous 20km of strike along the Carnegie Shear within the Zuleika Joint Venture tenements and our technical team have identified numerous untested targets along this strike.





Dampier, from its analysis of the data base to date, has identified 26 targets in Zuleika North, Zuleika Central and Zuleika South. (shown as red stars in the adjacent figure)

These targets lie along the Zuleika Shear, the Carnage Shear and within the Kurrawang formation which is located between the Zuleika and Carnage Shears. (as shown in the figure below)



The Zuleika targets are located on the shear or on North East / South West splays cross cutting the shear and the region.

On the Carnage Shear, Dampier has defined 8 targets from drilled gold intersections and bedrock geochemistry in RAB/aircore and shallow auger drilling programs, along the 20km of strike within the joint venture tenements. These targets are underexplored and require further follow detailed testwork.

Further, Dampier has recently received interpretations of geophysical images by Southern Geoscience Consultants, which show a number of targets within ultramafic units along the Zuleika Shear in the North West portion of the tenements. This information is being interpreted by Dampier's technical team.



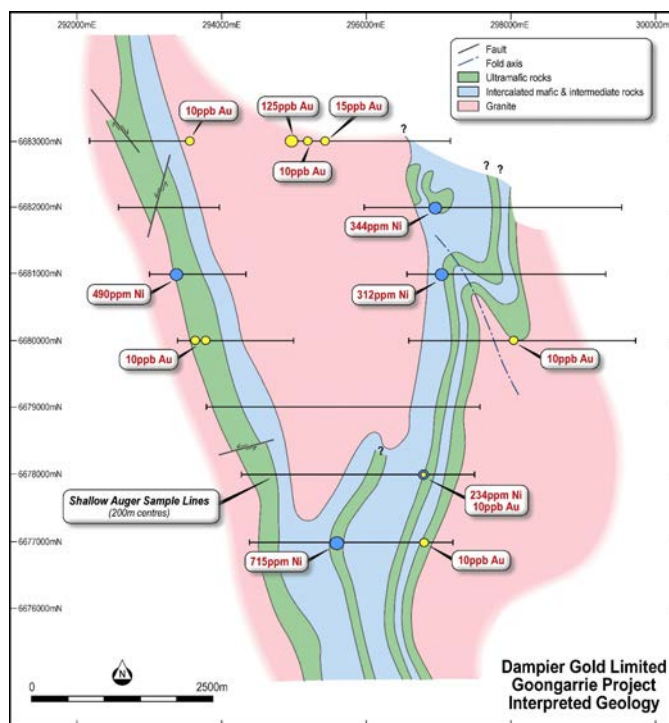
Goongarrie

On 21 October 2019, Dampier released the results from a 140-hole Auger drill program on a 1,000m by 200m grid over the soil covered magnetic anomaly which suggested untested structures and an interpreted greenstone sequence at Goongarrie.

The assay results from the program confirmed the presence of anomalous gold and nickel.

Dampier is confident that its exploration has confirmed that the soil covered magnetic and structural anomaly suggests a hidden greenstone, which requires closer spaced follow up drilling and confirmation analysis.

The area is covered by sand dunes and appears to have not been subject to any exploration. Dampier is designing a comprehensive close spaced aerial geophysical survey to accurately define the rock units and the structural complexity of the area. This information will be used to identify drilling targets.



Menzies

The Menzies tenement was granted in September 2019. Dampier has completed its desk-top studies and will implement a shallow sampling program to identify potential drill targets in the first half of 2020.

K2 Gold Mine

On 29 November 2019, Dampier advised shareholders that it had received a letter from Vango Mining Limited (ASX: VAN) (Vango) dated 14 November 2019 by which Vango makes certain claims with respect to Dampier’s interest in the K2 Joint Venture tenement (M52/183) (K2 Project) and rights to earn further equity in the tenement pursuant to the Binding Terms Sheet dated 12 May 2017 (BTS).⁶

Under the BTS, Dampier has the right to earn up to a 50% beneficial and legal interest in the K2 Project. We refer shareholders to the announcement of 29 November 2019, in which Dampier advised shareholders of various matters in relation to this dispute.

It is Dampier’s firm intention to continue to vigorously pursue all of its rights and entitlements in respect of the K2 Project, including, without limitation, its right to seek damages, specific performance, costs and interest.

⁶ Refer: Dispute with Vango Mining Limited released on 19 December 2019



Ruby Plains Gold Project

Dampier previous reports noted that initial exploration confirmed the presence of ancient paleo-channels at Ruby Plains and the presence of ferruginised pisolitic-conglomerates in those channels. No work was undertaken on the tenements in the quarter.

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 type 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.

PAYMENTS TO RELATED PARTIES:

During the quarter a total of \$95,710 was paid to related parties for the provision of services and directors fees (including superannuation) and office rent.

TENEMENT HOLDING

TenementID	Status	Location	Current Area	Approx Km2
E80/5143	Live	Ruby Plain	170 BL	550.28
E80/5144	Live	Ruby Plain	21 BL	68.10
E80/5162	Live	Ruby Plain	20 BL	64.81
E80/5161	Pending	Ruby Plain	49 BL	158.95
E29/1051	Live	Goognarrie	53 BL	157.47
E29/1052	Live	Menzies	58 BL	171.92
E80/5291	Pending	Zuleika Shear	10 BL	32.39
E80/5292	Pending	Zuleika Shear	14 BL	45.35
E80/5293	Pending	Zuleika Shear	4 BL	12.96
E80/5294	Pending	Zuleika Shear	6 BL	19.43
E80/5295	Pending	Zuleika Shear	29 BL	93.83
P16/3223	Pending	Zuleika Shear	170 HA	1.70
P16/3224	Pending	Zuleika Shear	111 HA	1.11
P16/3226	Pending	Zuleika Shear	197 HA	1.97
P16/3227	Pending	Zuleika Shear	197HA	1.97
P16/3228	Pending	Zuleika Shear	197HA	1.97
P16/3225	Pending	Zuleika Shear	192HA	1.92
P16/3229	Pending	Zuleika Shear	199HA	1.99
P16/3236	Pending	Zuleika Shear	180 HA	1.80
P16/3237	Pending	Zuleika Shear	172 HA	1.72
P16/3238	Pending	Zuleika Shear	175 HA	1.75