



dampiergold

2013 Annual General Meeting

Chairman's Address

Perth, Thursday 21st November 2013

Fellow shareholders, ladies and gentlemen,

Throughout the year, we have been cognisant of the need to carefully manage and conserve our capital. We have achieved this by reducing overheads, carefully evaluating all expenditures and sadly by reducing our workforce. It is always disappointing to farewell highly capable employees. We sincerely thank them for their efforts and understanding. During the year, we were able to raise \$1.5 million in new equity through a placement and by way of a share purchase plan. The Western Australian Government's decision to implement the Mining Rehabilitation Fund and our Company's early adoption released some \$3.2M from cash backed environmental performance bonds. An R&D refund of \$0.9M also reinforced our working capital position. As a result of these initiatives, our available cash position at 30 September 2013 was \$3.6 million compared to \$1.3 million a year earlier, whilst also advancing our Plutonic Dome project.

As you are all aware, the Company has a marvellous package of prospective ground covering most of the Plutonic – Marymia greenstone belt, adjacent to the Plutonic Gold Mine, owned and operated by Barrick Corporation, one of the world's largest gold producers.

Over the last twelve months we have continued to enhance our knowledge of the Plutonic Dome undertaking significant soil geochemical surveys and modest levels of drilling. The major advance for the year was the development and initial evaluation of a cutting edge 3D prospectivity model for the whole belt integrating all the available geological, geophysical and geochemical information, including the Barrick Plutonic database. Analysis of the characteristics of known local deposits with similar untested or inadequately tested geological settings has defined several high priority new target zones with the potential to act as traps to host large mineralised systems. Adequate testing of these zones will require significant financial resources.

So, the challenge we face with our ground is that the near surface large targets have been tested and the deeper targets are expensive to evaluate. We also have an annual expenditure commitment of in excess of \$3 million to keep our ground in good standing. Meeting this funding commitment, without unduly diluting the interests of our shareholders is a major challenge for a junior resource company in these times.

It is in this environment, that we have elected to seek a joint venture partner so that we can continue to participate in exploration of our compelling targets. To this end, we announced on 19 November 2013 a joint venture with Ord River Resources, whereby Ord

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can spend up to \$6 million over two years to earn a 75% interest in the Plutonic Dome Project. This is a major development for Dampier in its aspiration of advancing the Project towards production. Ord must spend \$2 million over the next nine months before any interest is earned. Importantly, Ord will be required to maintain the tenements in good standing and undertake rehabilitation during the term of the farm-in. Although this approach means that our interest in the Plutonic Dome project is likely to be reduced, the Company will be able to participate in discoveries and production. We welcome our new partners and plan to work closely and effectively with them.

Looking forward, we will continue to have a close interest in programs and results at Plutonic Dome, whilst seeking opportunities to create shareholder value more suited to our financial capacity. The paucity of capital will lead to an increase in mergers, acquisitions and some departures at the mid and small end of the market. These dynamics will create opportunities and we intend to husband our capital to ensure that we will be a driver, rather than a passenger in this journey.

I thank our Directors for their thoughtful contributions and support over the last twelve months, and for their loyalty and untiring contribution to the advancement of the Company. Thanks also to Richard Hay, our staff, consultants and contractors for their efforts and enthusiasm. I am also very pleased to report that our workforce completed another year of zero harm, with no significant workplace incidents or injuries reported.

Thank you again for your attendance today and your continuing patience in this challenging gold equity market. I would also particularly like to thank those shareholders who supported our share purchase plan late last year.

Rod Hanson
Chairman

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