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dampiergold
LIMITED

ABN 43 141 703 399

Financial Report for the half year ended 31 December 2013

www.dampiergold.com

CONTENTS

	Page
DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONSOLIDATED STATEMENT OF CASH FLOWS	7
CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8
DIRECTORS' DECLARATION	12
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAMPIER GOLD LIMITED	13

CORPORATE DIRECTORY

Board of Directors

Rodney Hanson	Non-Executive Chairman
Richard Hay	Managing Director
Peiqi Zhang	Non-Executive Director
Hui (Annie) Guo	Alternate to Peiqi Zhang

Company Secretary

Susan Hunter

Principal Office

6 Outram Street
West Perth, Western Australia 6005

Registered Office

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West Perth, Western Australia 6005

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Share Registry

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Perth, Western Australia, 6000
1300 557 010 (Telephone)
www.computershare.com.au

Auditors

Stantons International
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

Lawyers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth, Western Australia 6000

DIRECTORS' REPORT

Your Directors submit the financial report of the Group for the half year ended 31 December 2013.

Directors

The names of the Directors of the Company in office during the half year and to the date of this report are:

Rodney Hanson	(Non Executive Chairman)	
Richard Hay	(Managing Director)	
Peiqi Zhang	(Non Executive Director)	Appointed 21 November 2013
Hui (Annie) Guo	(Alternate for Peiqi Zhang)	Appointed 21 November 2013
Philip Retter	(Non Executive Director)	Retired 21 November 2013
Susan Hunter	(Non Executive Director)	Retired 21 November 2013

Review of operations

Exploration and Evaluation

During the reporting period, the Group conducted the following exploration and evaluation activities on the Plutonic Dome project:

3D Model

Further evaluation of the cutting edge 3D model outputs was completed, confirming numerous drill targets, including several of higher priority, subject to detailed field mapping and interpretation.

Mineral Resources

The Company collaborated with Ord River Resources ("Ord"; ASX:ORD) to complete an updated Mineral Resource estimate which was announced by Ord to the market on 2 February 2014. The total Plutonic Dome project Mineral Resource now stands at 7.7Mt at 3.13g/t Au for 778,000oz (Table 1). Updates included restating of Mineral Resources for the Marwest, K2, K2SE and K3 deposits under the JORC Code 2012. No material changes have been made to the Trident, K1, PPP and Cinnamon Mineral Resources which are stated under the JORC code 2004. The Company anticipates that Ord will update these latter Mineral Resource estimates to bring them into compliance with the JORC code 2012.

Financial Result

The loss after tax for the half year ended 31 December 2013 was \$866,652 (2012: \$2,457,691)

Events Subsequent to Reporting Date

On 19 November 2013 the Company announced that it had entered into a Farm In and Joint Venture Agreement (FIJVA) with Ord River Resources ("Ord"; ASX:ORD) covering its 100% owned Plutonic Dome Project ("the Project") in central WA. The transaction was subject to several conditions precedent. On 2 January 2014 all Conditions Precedent were satisfied and the FIJVA became effective, as announced to the ASX on 7 January 2014. Ord will sole fund up to \$6 million over two years to earn up to 75% interest in the tenements. The Farm In requires Ord to spend a minimum of \$2 million by 2 October 2014 to earn 30% interest. In the unlikely event that Ord fails to incur the \$2 million expenditure by the due date, the Project will revert to 100% Dampier ownership. This transaction has significantly reduced the Company's project holding costs and will reduce closure rehabilitation liabilities, once Ord acquires the initial 30% interest, whilst retaining substantial Dampier shareholder exposure to the upside potential of the Plutonic Dome project.

The Company's successful strategy to secure a partner for the development of the Plutonic Dome project has placed the Company in an ideal position to implement the next phase of its strategy which is to acquire new value-add projects. Dampier management has commenced this phase with reviews of several opportunities.

A notice of requisition of General Meeting was received by the Company from its largest shareholder Columbus Minerals Pty Ltd on 7 January 2014. The meeting has been called seeking the appointment of Columbus nominee, Ms Hui (Annie) Guo as a Director and seeking the removal of Mr Richard Hay (Managing Director) as a Director. The meeting is scheduled for 7 March 2014.

No matters or circumstances, beside those disclosed above and at note 8, have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 for the half year ended 31 December 2013.

This report is signed in accordance with a resolution of the board of Directors.

On behalf of the Directors



Rodney Hanson
Non-Executive Chairman
Dated this 6th day of March 2014



Richard Hay
Managing Director

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DIRECTORS' REPORT

Mineral Resources:

Deposit	OP/UG	Measured		Indicated		Inferred		Total		
		Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Ounces (000's)
*K2	UG	-	-	156	8.86	170	6.64	326	7.7	81
	Sub-total	-	-	156	8.86	170	6.64	326	7.7	81
**K2SE	OP	-	-	866	1.11	782	1.08	1,648	1.1	58
	Sub-total	-	-	866	1.11	782	1.08	1,648	1.1	58
**K3	OP	-	-	384	1.78	380	1.69	781	1.74	44
	Sub-total	-	-	384	1.78	380	1.69	781	1.74	44
**Marwest	OP	-	-	-	-	267	2.5	268	2.5	21
	Sub-total	-	-	-	-	267	2.5	268	2.5	21
***Trident	OP	-	-	-	-	-	-	-	-	-
	UG	-	-	854	6.2	1,356	4.8	2,210	5.3	379
	Sub-total	-	-	854	6.2	1,356	4.8	2,210	5.3	379
***K1	OP	593	2.0	123	1.9	171	3.7	888	2.3	66
	UG	-	-	-	-	-	-	-	-	-
	Sub-total	593	2.0	123	1.9	171	3.7	888	2.3	66
***PPP	OP	-	-	294	2.6	88	2.1	382	2.5	31
	UG	-	-	106	4	91	3.9	196	4	25
	Sub-total	-	-	400	3	179	3	579	3	56
***Cinnamon	OP	-	-	961	2.3	54	2.3	1,015	2.3	74
	UG	-	-	-	-	-	-	-	-	-
	Sub-total	-	-	961	2.3	54	2.3	1,015	2.3	74
	Total	593	2.0	3,744	3.20	3,359	3.3	7,697	3.13	778

Table 1: Plutonic Dome Gold Project Mineral Resources as at February 2014

OP = open pit, UG = underground. Underground resources reported above a 3.0g/t Au cut-off.

* Resources reported in accordance with JORC 2012 Edition of Guidelines above a 3.0g/t Au cut-off grade.

** Resources reported in accordance with JORC 2012 Edition of Guidelines above a 0.5g/t Au cut-off grade.

*** Resources reported in accordance with JORC 2004 Guidelines. OP= open pit resources, reported within optimised conceptual pit shells at \$1,700/oz gold price above a 0.5g/t Au cut off. UG= underground resources, reported above a 3.0 g/t Au cut-off grade.

Due to rounding, tonnages and grades may not equate to exact contained ounces

Competent person's statement:

The information in this announcement that relates to Mineral Resources for Trident, K1, PPP and Cinnamon is based on information compiled and reviewed by Mr Graham de la Mare who is a Member of the Australian Institute of Geoscientists and full-time employee of RungePincockMinarco Limited. Mr Graham de la Mare has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2004 JORC Code. Mr de la Mare consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources for Marwest, K2, K2SE, K3 and Plutonic Dome Project Exploration Results is based on information compiled and fairly represented by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Geonomics Pty Ltd. Mr King has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF DAMPIER GOLD LIMITED

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

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6 March 2014

The Directors
Dampier Gold Limited
6 Outram Street
West Perth WA 6005

Dear Sirs

RE: DAMPIER GOLD LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Dampier Gold Limited.

As Audit Director for the review of the financial statements of Dampier Gold Limited for the six month period ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



John Van Dieren
Director

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2013

	Note	Consolidated 31 Dec 2013 \$	Consolidated 31 Dec 2012 \$
Revenue	2	62,368	105,276
Administration expenses		(448,632)	(1,125,122)
Exploration and evaluation expenses		(470,449)	(1,244,559)
Capitalised acquisition cost write-down		-	(959,324)
Share-based payments		(9,939)	(168,172)
Loss from continuing operations before income tax benefit	2	(866,652)	(3,391,901)
Income tax credit (Research and Development rebate)		-	934,210
Loss from continuing operations attributable to members of the parent entity		(866,652)	(2,457,691)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss		-	-
Total comprehensive loss for the half year		(866,652)	(2,457,691)
Loss attributable to owners of the Company		(866,652)	(2,457,691)
Total comprehensive loss attributable to owners of the Company		(866,652)	(2,457,691)
Loss per share:			
Basic (cents per share)	4	(1.30)	(4.20)
Diluted (cents per share)	4	(1.30)	(4.20)

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	Note	Consolidated 31 Dec 2013 \$	Consolidated 30 Jun 2013 \$
Current assets			
Cash and cash equivalents		3,094,012	1,075,733
Trade and other receivables		144,504	10,818
Total current assets		3,238,516	1,086,551
Non-current assets			
Property, plant and equipment		25,947	66,176
Term deposits		101,000	3,245,000
Capitalised acquisition costs		4,230,919	4,230,919
Total non-current assets		4,357,866	7,542,095
TOTAL ASSETS		7,596,382	8,628,646
Current liabilities			
Trade and other payables		86,712	271,676
Provisions		18,095	26,628
Total current liabilities		104,807	298,304
Non-current liabilities			
Provisions – environmental rehabilitation		2,400,000	2,400,000
Provisions – other		17,946	-
Total non-current liabilities		2,417,946	2,400,000
TOTAL LIABILITIES		2,522,753	2,698,304
NET ASSETS		5,073,629	5,930,342
Equity			
Issued capital	3	23,142,763	23,142,763
Reserves		1,817,017	1,807,078
Accumulated losses		(19,886,151)	(19,019,499)
Total equity		5,073,629	5,930,342

The accompanying notes form part of the consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2013

Consolidated	Attributable to equity holders			Total Equity \$
	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	
For the six months ended 31 December 2013				
Balance at 1 July 2013	23,142,763	1,807,078	(19,019,499)	5,930,342
Total comprehensive income				
Loss for the half year	-	-	(866,652)	(866,652)
Other comprehensive income for the half year	-	-	-	-
Total comprehensive loss for the half year	-	-	(866,652)	(866,652)
Transactions with owners recorded direct to equity				
Issue of shares (net of capital raising costs)	-	-	-	-
Share-based payments	-	9,939	-	9,939
Total transactions with owners	-	9,939	-	9,939
Balance as at 31 December 2013	23,142,763	1,817,017	(19,886,151)	5,073,629

Consolidated	Attributable to equity holders			Total Equity \$
	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	
For the six months ended 31 December 2012				
Balance at 1 July 2012	21,591,179	1,628,967	(14,656,685)	8,563,461
Total comprehensive income				
Loss for the half year	-	-	(2,457,691)	(2,457,691)
Other comprehensive income for the half year	-	-	-	-
Total comprehensive loss for the half year	-	-	(2,457,691)	(2,457,691)
Transactions with owners recorded direct to equity				
Issue of shares (net of capital raising costs)	1,481,583	-	-	1,481,583
Share-based payments	-	168,172	-	168,172
Total transactions with owners	1,481,583	168,172	-	1,649,755
Balance as at 31 December 2012	23,072,762	1,797,139	(17,114,376)	7,755,525

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2013

Note	Consolidated 31 Dec 2013 \$	Consolidated 31 Dec 2012 \$
Cash flows from operating activities		
Payments for exploration and evaluation	(734,208)	(1,515,205)
Payments to suppliers and employees	(454,144)	(1,001,148)
Interest received	62,631	93,301
Research and Development rebate received	-	934,210
Net cash used in operating activities	(1,125,721)	(1,488,842)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	41,818
Proceeds on Asset Sale Agreement finalisation	-	60,000
Release of term deposits	3,144,000	-
Net cash provided by/(used in) investing activities	3,144,000	101,818
Cash flows from financing activities		
Proceeds from issues of ordinary shares	-	1,536,087
Payment for share issue costs	-	(54,504)
Net cash provided by financing activities	-	1,481,583
Net increase in cash and cash equivalents	2,018,279	94,559
Cash and cash equivalents at the beginning of the financial year	1,075,733	2,726,377
Cash and cash equivalents at the end of the half year	3,094,012	2,820,936

The accompanying notes form part of the consolidated financial statements.

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2013

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Dampier Gold Limited and its controlled entities (referred to as the "Consolidated Entity" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the following half year.

The half year report has been prepared on an accruals basis and is based on historical costs.

Going Concern

The financial report has been prepared on a going concern basis.

The Directors believe there are sufficient grounds to believe that the business will be able to continue to pay its debts as and when they fall due. This is based on future cash forecasts, existing cash reserves and the ability to significantly reduce activity to preserve cash if necessary. In addition, subsequent to 31 December 2013, all conditions precedent were satisfied for the Farm In and Joint Venture Agreement with Ord River Resources Ltd which significantly reduces the Group's project holding costs and furthermore, will reduce closure rehabilitation liabilities of \$2.4 million.

(b) Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

(c) New and Revised Accounting Requirements Applicable to the Current Half year Reporting Period

The following new and revised Australian Accounting Standards together with consequential amendments to other Standards became mandatorily applicable from 1 January 2013:

- AASB 10: Consolidated Financial Statements;
- AASB 127: Separate Financial Statements (August 2011);
- AASB 11: Joint Arrangements;
- AASB 128: Investments in Associates and Joint Ventures (August 2011);
- AASB 12: Disclosure of Interests in Other Entities;
- AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards; and
- AASB 2012-10: Amendments to Australian Accounting Standards — Transition Guidance and Other Amendments.
- AASB 13: Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.
- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

AASB 10: Consolidated Financial Statements became applicable to the Group for the first time in the current half year reporting period 1 July 2013 to 31 December 2013. The Group has applied this Accounting Standard retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the specific transition requirements in AASB 10. The effects of initial application of this Standard in the current half year reporting period is as follows:

Consolidated financial statements

AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, the assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the Group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: Business Combinations) from the date when the Group obtained control of that investee on the basis of the requirements in AASB 10.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2013

(c) New and Revised Accounting Requirements Applicable to the Current Half year Reporting Period (cont'd)

Upon the initial application of AASB 10, retrospective restatement of financial statement amounts of the year that immediately precedes the date of initial application (i.e. 2012-2013) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding year (i.e. pre-1 July 2012), any difference between the amount of assets, liabilities and non-controlling interests recognised and the previous carrying amount of the investment in that investee is recognised as an adjustment to equity as at 1 July 2012.

Although the first-time application of AASB 10 (together with the associated Standards) caused certain changes to the Group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the Group's financial statements as the "controlled" status of the existing subsidiary did not change, nor did it result in any new subsidiaries being included in the Group as a consequence of the revised definition. However, the revised wording of accounting policy for consolidation is set out in note 1(d).

Other

The other Standards referred to above did not affect the Group's accounting policies or the amounts reported in the financial statements, mainly because the Group does not have joint arrangements, investment in associates, assets and liabilities measured at fair value or defined benefit plan assets or obligations.

(d) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Dampier Gold Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 7.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(e) Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

	Consolidated 31 Dec 2013 \$	Consolidated 31 Dec 2012 \$
2. Income/(Loss) from continuing operations		
Loss from continuing operations before income tax has been determined after:		
(a) Revenue		
Interest revenue	62,368	98,422
Other	-	6,854
(b) Expenses		
Depreciation	40,928	65,012
Employment and recruitment expenses	186,268	168,172

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2013

3. Issued capital

66,685,050 fully paid ordinary shares (30 June 2013: 66,685,050)

	Consolidated 31 Dec 2013 \$	Consolidated 30 Jun 2013 \$
	23,142,763	23,142,763
	23,142,763	23,142,763

Fully paid ordinary shares

	31 Dec 2013		30 Jun 2013	
	No.	\$	No.	\$
Balance at beginning of financial year	66,685,050	23,142,763	55,250,004	21,591,179
Conversion of options	-	-	-	-
Placement of shares to investor	-	-	7,287,500	1,056,688
Share purchase plan – issue of shares	-	-	1,151,718	167,000
Share purchase plan – shortfall placement	-	-	2,154,482	312,400
Placement as consideration for corporate advisory services	-	-	841,346	70,000
Share issue costs	-	-	-	(54,504)
Balance at end of period	66,685,050	23,142,763	66,685,050	23,142,763

4. Loss per share

Basic loss per share:

Diluted loss per share

The weighted average number of issued ordinary shares during the reporting period used in the calculation of basic and diluted loss per share is 66,685,050 (2012: 58,928,940)

	Consolidated 31 Dec 2013 Cents per share	Consolidated 31 Dec 2012 Cents per share
	(1.30)	(4.20)
	(1.30)	(4.20)

5. Segment reporting

For management purposes, the Group has identified one reportable segment being exploration and evaluation activities undertaken in Australia.

6. Contingent liabilities and contingent assets

In the opinion of the Directors there are no contingent assets or liabilities as at 31 December 2013 other than those disclosed in the Company's annual report for the year ended 30 June 2013.

7. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(d):

Name	Country of Incorporation	Class of Shares	Equity Holding %
Dampier (Plutonic) Pty Ltd	Australia	Ordinary	100

The proportion of ownership interest is equal to the proportion of voting power held.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2013

8. Subsequent events

The following matters or circumstances have arisen since 31 December 2013 that may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

- (a) On 19 November 2013 the Company announced that it had entered into a Farm In and Joint Venture Agreement (FIJVA) with Ord River Resources ("Ord"; ASX:ORD) covering its 100% owned Plutonic Dome Project ("the Project") in central WA. The transaction was subject to several conditions precedent. On 2 January 2014 all Conditions Precedent were satisfied and the FIJVA became effective, as announced to the ASX on 7 January 2014. Ord will sole fund up to \$6 million over two years to earn up to 75% interest in the tenements. The Farm In requires Ord to spend a minimum of \$2 million by 2 October 2014 to earn 30% interest. In the unlikely event that Ord fails to incur the \$2 million expenditure by the due date, the Project will revert to 100% Dampier ownership. This transaction has significantly reduced the Company's project holding costs and will reduce closure rehabilitation liabilities, once Ord acquires the initial 30% interest, whilst retaining substantial Dampier shareholder exposure to the upside potential of the Plutonic Dome project.
- (b) A notice of requisition of General Meeting was received by the Company from its largest shareholder Columbus Minerals Pty Ltd on 7 January 2014. The meeting has been called seeking the appointment of Columbus nominee, Ms Hui (Annie) Guo as a Director and seeking the removal of Mr Richard Hay (Managing Director) as a Director. The meeting is scheduled for 7 March 2014.

No matters or circumstances, beside those disclosed above (and in the Directors' Report), have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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DIRECTORS' DECLARATION

The Directors declare that:

- (a) The condensed financial statements and notes, as set out on pages 4 to 11, are in accordance with the Corporations Act 2001, including:
- i. complying with Accounting Standard AASB 134 – Interim Financial Reporting and the Corporations Regulations;
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date; and
 - iii. complying with International Financial Reporting Standards.
- (b) In the Directors' opinion there are reasonable grounds to believe that Dampier Gold Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Rodney Hanson
Non-Executive Chairman



Richard Hay
Managing Director

Dated this 6th day of March 2014

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAMPIER GOLD LIMITED

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DAMPIER GOLD LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dampier Gold Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Dampier Gold Limited (the consolidated entity). The consolidated entity comprises both Dampier Gold Limited (the Company) and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Dampier Gold Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dampier Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Dampier Gold Limited on 6 March 2014.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dampier Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd



John Van Dieren
Director

West Perth, Western Australia
6 March 2014

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