



16 November 2010

Commencement of Drilling at Plutonic Dome Project

Dampier Gold is actively exploring 700km² of Archaean greenstone belt in central Western Australia. Dampier's tenements host Mineral Resources of 264,000 ounces of gold and Ore Reserves of 35,000 ounces of gold with an additional substantial inventory of shallow, drill defined gold mineralisation.

ASX CODE: DAU

CURRENT SHARE PRICE: \$0.79

CURRENT UNDILUTED MARKET CAPITALISATION: \$43.0M

ISSUED CAPITAL: 54.4M ordinary shares

DIRECTORS

Dr Russell Skirrow
Chairman

Mr Richard Burden
Non-Executive Director

Mr Phillip Retter
Non-Executive Director

MANAGEMENT

Dr Julian Stephens
Chief Executive Officer

Mr Richard Hay
Chief Operations Officer

Mr Brendan Cocks
Chief Financial Officer

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Dampier Gold Limited ("Dampier" or the "Company", ASX:DAU) is pleased to announce that the RC drill program has commenced at its flagship Plutonic Dome Project.

The circa 5,000m program will focus on mostly near surface targets at Trident, K2-K3 and Budgie (Cinnamon) with the aim of improving geological confidence and advancing the known areas of drill-defined mineralisation into JORC resource status.

Planning is also underway for an aggressive RC and diamond drilling program of circa 15,000m for the first half of 2011.

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About Dampier Gold

Dampier Gold has acquired 100% of the ~700km² Plutonic Dome Project from Barrick Gold, covering the majority of the Plutonic Greenstone Belt, excluding Barrick's underground mining and processing operation. Dampier's project area produced some 580,000oz Au from 40 open pits in a generally low gold price environment between 1990 and 2005. The project currently contains a Probable Ore Reserve of 35,000oz (0.2 Mt at 4.9g/t Au) and Mineral Resource of approximately 264,000oz (comprising an Indicated Resource of some 1.7 Mt at 4.3g/t Au and an Inferred Resource of some 0.2 Mt at 3.6g/t Au) with an additional substantial inventory of drill defined gold



mineralisation. The Company is targeting a decision to mine within 18 months of listing. Framework terms are in place for a proposed ore purchase agreement to access Barrick's Plutonic processing facility. If agreed, this will help fast-track Dampier to producer status with modest capital outlay.

Plutonic Dome Project Mineral Resources as at 31 December 2009

Deposit	OP/ UG	Indicated		Inferred		Total		
		Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Contained metal (oz)
K2	OP	88,000	2.8	9,000	2.1	97,000	2.8	8,600
	UG	104,000	5.1	32,000	4.9	136,000	5.1	22,300
Sub-total		192,000	4.1	41,000	4.3	233,000	4.1	30,900
Trident	OP	-	-	-	-	-	-	-
	UG	754,000	6.1	53,000	5.1	806,000	6.0	156,700
Sub-total		754,000	6.1	53,000	5.1	806,000	6.0	156,700
Albatross - Flamingo	OP	194,000	1.8	103,000	2.8	297,000	2.2	20,800
	UG	-	-	-	-	-	-	-
Sub-total		194,000	1.8	103,000	2.8	297,000	2.2	20,800
K1 SE	OP	311,000	2.7	27,000	2.3	338,000	2.7	29,000
	UG	-	-	-	-	-	-	-
Sub-total		311,000	2.7	27,000	2.3	338,000	2.7	29,000
Triple P	OP	283,000	2.8	11,000	3.6	294,000	2.8	26,700
	UG	-	-	-	-	-	-	-
Sub-total		283,000	2.8	11,000	3.6	294,000	2.8	26,700
Total		1,734,000	4.3	235,000	3.6	1,968,000	4.2	264,100

Mineral Resources are exclusive of Ore Reserves

OP = open pit, UG = underground

Open pit resources are reported within an optimized pit shell at A\$845/oz Au

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

100% equity basis

Ore Reserves as at 31 December 2009

Deposit	Classification	Tonnes	Grade (g/t Au)	Contained metal (oz)
K2	Proved	-	-	-
	Probable	222,000	4.9	35,200
Total		222,000	4.9	35,200

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

100% equity basis

Reserve is additional to above Resources

Competent Person

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled and reviewed by Mr Richard Hay, who is a Member of the Australian Institute of Geoscientists and the Chief Operating Officer of Dampier Gold. Mr Hay 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 Hay consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.