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**DAMPIER GOLD LTD**

**ACN 141 703 399**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 8.30am (WST)

**DATE:** Thursday, 29 November 2012

**PLACE:** The Celtic Club, 48 Ord Street, West Perth, Western Australia

**This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.**

**Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6424 9700.**

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**DAMPIER GOLD LTD**  
**ACN 141 703 399**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Shareholders of Dampier Gold Ltd (“Dampier” or “the Company”) will be held as follows:

**TIME: 8.30am**

**DATE: Thursday, 29 November 2012**

**LOCATION: The Celtic Club, 48 Ord Street, West Perth, Western Australia**

**This Notice of Annual General Meeting should be read in its entirety.  
If Shareholders are in doubt as to how they should vote, they should seek advice from their  
professional advisers without delay.**

**If you wish to discuss any aspects of this document with the Company, please contact  
Ms. Susan Hunter, Company Secretary of Dampier Gold Ltd, on (+61 8) 6424 9700.**

Words and phrases used in the Resolutions are defined in Section 13 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Statement.

## **AGENDA**

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### **ORDINARY BUSINESS**

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#### **Financial Statements and Reports**

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the Directors, the Directors’ report, the Remuneration Report and the auditor’s report.

#### **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding** resolution:

**“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2012.”**

*Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.*

#### **Voting Prohibition Statement**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described in sub-paragraphs (a) or (b) above; or
- (d) the person is the chair of the Annual General Meeting voting an undirected proxy which expressly authorises the chair to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.

### **Resolution 2 – Rotation of Director – Richard Burden**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

**“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Richard Burden, a Director, retires by rotation as a Director of the Company and does not stand for re-election.”**

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### **Resolution 3 – Re-election of Director – Rodney Hanson**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

**“That Mr. Rodney Hanson being a Director of the Company who retires pursuant to clause 13.5 of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”**

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## **SPECIAL BUSINESS**

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### **Resolution 4 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

**“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”**

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### **Resolution 5 – Approval of Performance Rights Plan**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

**“That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to establish and maintain a performance rights plan (PRP) on the terms and conditions summarised in the accompanying Explanatory Memorandum and the grant of Performance Rights from time to time under the PRP as an exception to Listing Rule 7.1.”**

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Annual General Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**Resolution 6 – Ratification of Issue of Performance Rights**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

**“That pursuant to ASX Listing Rule 7.4 and for all other purposes, the issue of 1,000,000 Performance Rights to the CEO on 19 September 2012 on the terms and conditions set out in the Explanatory Statement be ratified.”**

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**Resolution 7 - Ratification of Issue of Shares**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**“That pursuant to ASX Listing Rule 7.4 and for all other purposes, the issue on 16 October 2012 of 7,287,500 Shares at an issue price of \$0.145 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”**

**Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Resolution 8: Approval for Issue of Options to Azure Capital Limited (or nominee)**

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

**“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given to issue up to 3,000,000 Options to Azure Capital Limited (ACN 107 416 106) (or nominee) on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Azure Capital Limited (or nominee) and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the Resolution is passed, and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Resolution 9: Approval for Placement of SPP Shortfall Shares**

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

**“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 10,344,827 Shares on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who may participate in the issue and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the Resolution is passed, and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Annual General Meeting for further explanation of the Resolutions.

## PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- delivering it to Dampier Gold Ltd, Level 3, 8 Colin Street, West Perth WA 6005; or
- posting it to Dampier Gold Ltd, PO Box 1981, West Perth, WA 6872; or
- faxing it to the Company on facsimile number +61 8 6424 9799; or
- emailing it to the Company at admin@dampiergold.com.

To be effective, a Proxy Form and, if the Proxy Form is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

## CORPORATE REPRESENTATIVES

A body corporate that is a shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

## DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 5pm (WST) on 27 November 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated this 17 October 2012

By order of the Board



Susan Hunter  
Company Secretary

# DAMPIER GOLD LTD

## ACN 141 703 399

### EXPLANATORY STATEMENT TO SHAREHOLDERS

#### 1. ACTION TO BE TAKEN BY SHAREHOLDERS

This Explanatory Statement sets out information about the Resolutions to be considered by the Shareholders at the Annual General Meeting. Defined terms used in this Statement are set out in Section 13. Accompanying this Statement is the Notice of Annual General Meeting convening the Annual General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the Annual General Meeting. If a Shareholder is not able to attend and vote at the Annual General Meeting, the Shareholder may complete the Proxy Form and return it not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

#### 2. PURPOSE OF THE ANNUAL GENERAL MEETING

The Annual General Meeting has been convened for the purpose of considering the Resolutions, which are set out in the Notice of Annual General Meeting and explained in more detail below.

#### 3. ANNUAL FINANCIAL REPORTS

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditor for the year ended 30 June 2012 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditor are contained in the Company's 2012 Annual Report, a copy of which is available on the Company's website at [www.dampiergold.com](http://www.dampiergold.com).

Whilst no Resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

The Company's auditor will be present at the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

#### 4. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2012.

It should be noted that the Company subscribes to independent industry remuneration surveys and consults with recruitment experts when setting its remuneration levels for all employees and Directors.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

##### 4.1 Changes to the Corporations Act

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2013 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company ("**Spill Resolution**").



If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (“**Spill Meeting**”) within 90 days of the Company's 2013 annual general meeting. All of the Directors who were in office when the Company's 2013 Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Company's Shareholders have approved the Remuneration Report at each previous annual general meeting. A Spill Resolution will not be required at this Annual General Meeting as the votes against the Remuneration Report at the Company's previous annual general meeting were less than 25%.

#### **4.2 Undirected Proxies**

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Annual General Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

#### **5. RESOLUTION 2: ROTATION OF DIRECTOR – RICHARD BURDEN**

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the whole number nearest one-third, shall retire from office, provided always that no Director (except a managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election. The Company currently has four Directors and accordingly one Director must retire. Mr. Richard Burden retires by rotation and does not seek re-election as he is retiring from the Board to concentrate on his other business interests.

Mr. Burden has been a valued Board member since the Company's initial public offering and listing on the ASX and the Board sincerely thanks Mr. Burden for his outstanding contribution to the Board during his time as a Non-Executive Director of the Company and wish Mr. Burden all the very best in his future business endeavours.

#### **6. RESOLUTION 3: RE-ELECTION OF DIRECTOR – RODNEY HANSON**

This Resolution seeks approval for the appointment of Mr. Rodney Hanson to the Board of the Company. Mr. Hanson was appointed a non-executive Director of the Company effective on 21 November 2011.

Pursuant to clause 13.5 of the Company's Constitution, the Directors may appoint any person to be a Director, either as an addition to the existing Directors or to fill a casual vacancy. Under clause 13.5, any such Director only holds office until the next annual general meeting and, if eligible, may offer himself for re-election to the office of a Director.

Mr. Hanson is a mining engineer with more than 35 years experience in gold and base metals. At the time of joining Dampier Gold Mr. Hanson was Managing Director of Unity Mining Limited. During his career roles have included General Manager Operations with Plutonic Resources Limited and General Manager with Sino Gold Limited.

The Board supports the re-election of Mr. Hanson and recommends you vote in favour of this Resolution.

## 7. RESOLUTION 4: APPROVAL OF 10% PLACEMENT CAPACITY

### 7.1 General

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued capital through placements over a 12 month period after the annual general meeting (“**10% Placement Facility**”). The 10% Placement Facility is in addition to the Company’s 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A2 (refer to Section 7.2(c) below).

The Company intends to use the funds raised under the 10% Placement Facility towards continued exploration at the Company’s Plutonic Dome project, located 180km NE of Meekatharra and/or general working capital. In addition, the Company may in future choose to evaluate new project opportunities or investments and will use the funds raised for a resulting acquisition (including expenses associated with such acquisition).

The Board recommends that the Shareholders vote in favour of this Resolution.

### 7.2 Description of Listing Rule 7.1A

#### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

#### (b) Equity Security

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Annual General Meeting, the Company has one class of Equity Security, being Shares.

#### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### (A x D) – E

**A** is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity’s 15% placement capacity without shareholder approval;
- (d) less the number of fully paid ordinary shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice of Annual General Meeting, the Company has on issue 62,537,504 Shares, subject to the passing of Resolutions 6 and 7, the Company therefore has a capacity to issue:

- (i) 9,380,625 Equity Securities under Listing Rule 7.1; and
- (ii) 6,253,750 Equity Securities under Listing Rule 7.1A, subject to the Shareholder approval being sought under Resolution 4.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) ("**10% Placement Period**").

### **7.3 Listing Rule 7.1A**

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **7.4 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of the Company's Equity Securities in the same class calculated over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset;

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice, assuming the passing of Resolutions 6 and 7. The formula in Listing Rule 7.1A(2) is outlined in section 7.2(c) above.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.075 50% decrease in Issue Price	\$0.15 Issue Price	\$0.225 50% increase in Issue Price
Current Variable A 62,537,504 Shares	10% Voting Dilution	6,253,750 Shares	6,253,750 Shares	6,253,750 Shares
	Funds Raised	\$469,031	\$938,062	\$1,407,094
50% increase in current Variable A 93,806,256 Shares	10% Voting Dilution	9,380,625 Shares	9,380,625 Shares	9,380,625 Shares
	Funds Raised	\$703,547	\$1,407,094	\$2,110,641
100% increase in current Variable A 125,075,008 Shares	10% Voting Dilution	12,507,500 Shares	12,507,500 Shares	12,507,500 Shares
	Funds Raised	\$938,062	\$1,876,125	\$2,814,188

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Options or Performance Rights are exercised into Shares before the date of the issue of Equity Securities.
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may occur to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
  - (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  - (vii) The issue price is \$0.15, being the closing price of the Shares on the ASX on 17 October 2012.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) Non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration at the Company's Plutonic Dome project, located 180km NE of Meekatharra and/or for general working capital. In addition, the Company may, in future, choose to evaluate new project opportunities or investments and will use the funds raised for a resulting acquisition (including expenses associated with such acquisition).

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility may include vendors of the new resources, assets or investments.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class or existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

## 8. RESOLUTION 5: APPROVAL OF PERFORMANCE RIGHTS PLAN

### 8.1 General

On 26 June 2012, the Board adopted a performance rights plan ("**PRP**") under which eligible participants may be granted Performance Rights to acquire Shares in the Company.

The intention of the PRP is to reward and to provide ongoing incentives to executive Directors, executives and employees of the Company.

Resolution 5 seeks Shareholder approval under ASX Listing Rule 7.1 for the PRP.

A Performance Right typically does not have an exercise price and therefore allows a recipient, subject to satisfaction of the relevant vesting conditions and performance hurdles (as applicable), to benefit by their Performance Rights vesting into Shares in the Company.

The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Directors, executives and employees in achieving specified performance milestones within a specified performance period.

The Board will ensure that the performance milestones attached to the securities issued pursuant to the PRP are aligned with the successful growth of the Company's business activities.

The Directors, executives and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the PRP is an appropriate method to:

- a) reward Directors, executives and employees for their past performance;
- b) provide long term incentives for participation in the Company's future growth;
- c) motivate Directors, executives and employees and generate loyalty; and
- d) assist to retain the services of valuable Directors, executives and employees.

The PRP will be used as part of the remuneration planning for Directors, executives and employees.

The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

## 8.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

One of the exceptions to ASX Listing Rule 7.1 is Listing Rule 7.2 Exception 9, which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

The effect of Resolution 5 will be to allow the Directors to grant Performance Rights pursuant to the PRP during the period of 3 years after the Annual General Meeting (or a longer period, if allowed by ASX), and to issue Shares to those Directors, executives and employees if they achieve the performance and vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity.

In the case of an executive Director, no Performance Rights may be issued to the Director without separate Shareholder approval pursuant to ASX Listing Rule 10.14.

## 8.3 Information required by the ASX Listing Rules – Terms of the PRP

A summary of the terms of the PRP is provided below. A full copy of the PRP will be made available to any Shareholder on request.

As at the date of the Explanatory Statement, 1 million Performance Rights were issued on 19 September 2012 under the PRP.

A summary of the terms of the PRP is set out below.

- a) Subject to any necessary approvals from the Company's shareholders or as required by law or by the Listing Rules, the Board may, from time to time, at its absolute discretion grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the PRP and upon such additional terms and vesting conditions as the Board determines.
- b) Each Performance Right will, subject to vesting, entitle the holder on exercise to one fully paid ordinary share in the capital of the Company (Share).
- c) A Performance Right granted under the PRP will not vest unless the Vesting Conditions (if any) advised to the Participant by the Board have been satisfied and the Board has notified the Participant.
- d) The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
  - i) the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the maximum number of Performance Rights that may be applied for;
  - ii) the maximum number of Shares that the Participant is entitled to be issued on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
  - iii) any applicable Vesting Conditions;
  - iv) the dates and times when the Performance Rights lapse (Expiry Date);
  - v) any amount (if any) that will be payable upon exercise of a Performance Right (Exercise Price); and





- vi) any other relevant conditions to be attached to the Performance Rights or the Shares to be issued on the exercise of the Performance Rights.
- e) Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- f) If the Exercise Price is zero, upon determination that all Vesting Conditions attaching to a Performance Rights have been satisfied, Shares will automatically be issued to the Eligible Participant unless the Company is in a "Blackout Period", or the Company determines in good faith that to issue the Shares may breach the Corporations Act in respect of insider trading, in which case the Company will:
  - i) allot and issue to the Participant the number of Shares to be issued in respect of which the Performance Rights have vested credited as fully paid;
  - ii) cancel the certificate for the Performance Rights being exercised; and
  - iii) if applicable, issue a new certificate for any remaining Performance Rights,as soon as reasonably practicable thereafter.
- g) If the Exercise Price is greater than zero, upon determination that all Vesting Conditions attaching to a Performance Right have been satisfied, an Eligible Participant (or their personal legal representative where applicable) may exercise any vested Performance Right during the period commencing when the Board notifies that the Performance Right has vested and ending on the Expiry Date, failing which the Performance Right will lapse.
- h) The exercise of any vested Performance Right granted under the Plan will be effected in the form and manner determined by the Board, and, if the Exercise Price is greater than zero, must be accompanied by payment of the Exercise Price, unless the manner of payment is otherwise provided for by the Board.
- i) Where a Participant ceases to be an Eligible Participant, any unvested Performance Rights lapse (subject to certain good leaver exceptions).
- j) If Shares of the same class as those allotted under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX within 10 business days of Shares being allotted for those Shares to be quoted on ASX.
- k) Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- l) The Board may, in its absolute discretion, determine that a Share acquired by an Eligible Participant on the exercise of a Performance Right may be subject to restrictions on disposal or dealing with in any way by that Eligible Participant. Such restrictions will be notified to the Eligible Participant in writing in the offer. Any such Share acquired by an Eligible Participant on the exercise of a Performance Right must not be disposed of or dealt with in any way by that Eligible Participant until the earlier of:
  - i) the time when an event occurs so that the Eligible Participant to whom the offer was originally made is no longer an Eligible Participant in any group company;
  - ii) the Board approving that the restriction on disposal be released;
  - iii) there is a Change in Control or the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company; and
  - iv) the seven year anniversary of the date of grant of the Performance Rights.
- m) In the event Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company, the Board may, in its absolute discretion, determine that all or a specified number of an Eligible Participant's unvested Performance Rights vest. Any Performance Right which the Board determines does not vest will automatically lapse, unless the Board determines otherwise.
- n) All Performance Rights, including those that have not yet vested, may be exercised at any time after a Change of Control Event has occurred.
- o) There are no participating rights or entitlements inherent in the Performance Rights and Eligible Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- p) A Performance Right does not confer the right to a change in Exercise Price or a change in the number of underlying Shares over which the Performance Right can be exercised.
- q) If, at any time, the issued capital of the Company is reconstructed, all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

The Board recommends that the Shareholders vote in favour of this Resolution.

## 9. RESOLUTION 6: RATIFICATION OF ISSUE OF PERFORMANCE RIGHTS

On 19 September 2012, the Company issued 1,000,000 Performance Rights to the Company's CEO pursuant to the terms and conditions of the Dampier Gold Ltd Performance Rights Plan.

The success of the Company and its Shareholders depends greatly on the people employed by the Company. The Board believes the issue of Performance Rights to key employees of the Company provides an incentive for them to work to improve the performance of the Company and to enhance the relationship between the Company and its key employees for the long term mutual benefit of all parties. The Board resolved to issue 1,000,000 Performance Rights to Mr. Hay, the Company's CEO, on 26 July 2012 subject to receipt of approval from ASIC to issue Performance Rights in accordance with the provisions of the Corporations Act which was received in September 2012. The Performance Rights were resolved to be issued following Mr. Hay's performance review for the 30 June 2012 financial year.

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue of the 1,000,000 Performance Rights issued on 19 September 2012.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

In this regard the issue of the 1,000,000 Performance Rights was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 6:

**Number of Performance Rights Allotted:** 1,000,000 Performance Rights.

**Issue Price:** Nil.

**Terms:** The Performance Rights were issued pursuant to the terms and conditions of the Performance Rights Plan ("PRP"). 250,000 Performance Rights vest on 1 April 2014, 250,000 Performance Rights vest on 1 April 2015 and 500,000 Performance Rights vest on 1 April 2016 subject to certain Vesting Conditions. If the minimum Vesting Conditions are not met on each vesting date, those Performance Rights will be rolled over to the next vesting date for retesting until the final vesting date on 1 April 2016 when the performance rights will lapse if the Vesting Conditions are not met. The Exercise Price of the Performance Rights is nil. Shares issued on determination that the Vesting Conditions have been met will rank equally in all respects with the existing Shares on issue.

**Allottees:** The Performance Rights were issued to the CEO of the Company Mr. Richard Hay. The allottee is not a Related Party of the Company.

**Use of Funds:** No funds were raised through the issue of the Performance Rights.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Board recommends that the Shareholders vote in favour of this Resolution.

## 10. RESOLUTION 7: RATIFICATION OF ISSUE OF SHARES

On 16 October 2012, the Company announced a placement of 7,287,500 Shares to Columbus Minerals Pty Ltd at \$0.145 per Share to raise approximately \$1.06 million.

Resolution 7 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue of the 7,287,500 Shares.



Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This placement of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 7:

**Number of Shares Allotted:** 7,287,500 Shares.

**Issue Price:** \$0.145 per Share.

**Terms:** The Shares rank equally in all respects with the existing Shares on issue.

**Allottees:** The Shares were issued to Columbus Minerals Pty Ltd. The allottee was not a Related Party of the Company.

**Use of Funds:** The funds raised from this issue of Shares will be used by the Company to advance exploration at the Company's Plutonic Dome project, located 180km NE of Meekatharra in Western Australia, and for working capital.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

#### **11. RESOLUTION 8: APPROVAL FOR ISSUE OF OPTIONS TO AZURE CAPITAL LIMITED (OR NOMINEE)**

In July 2012, the Company appointed Azure Capital Limited ("**Azure**") as corporate advisor to assess strategic options for the Company. Pursuant to the terms of this appointment and subject to Shareholder approval, Azure is entitled to receive 1,500,000 unquoted Options with a term of three years from date of issue and exercisable at the lower of \$0.15 or at the 20% premium to the issue price of any capital raising undertaken during the term of the engagement with Azure and a further 1,500,000 unquoted Options with a term of three years from date of issue and exercisable at the lower of \$0.15 or at the 20% premium to the issue price of any capital raising undertaken during the term of the engagement with Azure subject to successful completion of agreed transaction parameters. Either Dampier or Azure may give written notice to the other of not less than 30 days to terminate the engagement.

Under the terms of the Azure appointment, if the issue of the Options is not approved by Shareholders, Azure will be paid cash in lieu of the Options, based on the valuation for the options derived using the Black-Scholes option valuation method, assuming a stock volatility factor of 50% and a risk free rate of 5%.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 to issue up to 3,000,000 Options to Azure (or its nominee). Listing Rule 7.1 prohibits a listed company from issuing securities representing more than 15% of its issued capital in any 12 month period without prior shareholder approval (subject to certain exceptions). By obtaining Shareholder approval for the issue of the Options to Azure (or its nominee), the Options will not be counted in the Company's 15% limit.

In accordance with Listing Rule 7.3 the following information is provided in relation to Resolution 8 to assist Shareholders decide whether or not to vote in favour of Resolution 8:

**Maximum Number of Options to be Issued:** Up to 3,000,000 Options.

**Date of Issue:** The allotment will occur no later than 3 months after the Annual General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules. The allotment date of the Options will be the same date as the issue date of the Options.

**Issue Price:** The Options will be granted for nil cash consideration.

**Allottee:** The Options will be issued to Azure (or its nominee). Azure (or its nominee) is not a Related Party of the Company.

**Terms:** The Options are unquoted with a term of three years from date of issue and exercisable at the lower of \$0.15 or at the 20% premium to the issue price of any capital raising undertaken during the term of the engagement with Azure. The full terms and conditions of the Options are attached as Annexure A.

**Intended Use of Funds:** The Options are being issued for no consideration and consequently no funds will be raised by the issue.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Board recommends that the Shareholders vote in favour of this Resolution.

## 12. RESOLUTION 9: APPROVAL FOR PLACEMENT OF SPP SHORTFALL SHARES

Resolution 9 seeks Shareholder approval for the allotment and issue of up to 10,344,827 Shares at an issue price of \$0.145 per Share to raise up to \$1,500,000 (**Share Placement**).

The Share Placement will consist of the shortfall of Shares not subscribed for by Shareholders pursuant to the Company's share purchase plan, which was announced to ASX on 16 October 2012.

None of the subscribers pursuant to this issue will be Related Parties of the Company.

Listing Rule 7.1 prohibits a listed company from issuing securities representing more than 15% of its issued capital in any 12 month period without prior shareholder approval (subject to certain exceptions). By obtaining Shareholder approval for the Share Placement, the Shares will not be counted in the Company's 15% limit.

In accordance with Listing Rule 7.3 the following information is provided in relation to Resolution 9 to assist Shareholders decide whether or not to vote in favour of Resolution 9:

**Maximum Number of Shares to be Issued:** 10,344,827 Shares.

**Date of Issue:** The Shares are proposed to be issued and allotted no later than three months after the date of Shareholder approval, unless otherwise extended by way of ASX granting a waiver to the Listing Rules. The allotment date of the Shares will be the same date as the issue date of the Shares.

**Issue Price:** The Shares will be issued at an issue price of \$0.145 per Share.

**Allottee:** The Shares will be allotted and issued to sophisticated and professional investors. None of the allottees will be Related Parties of the Company.

**Terms:** The Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing fully paid ordinary shares on issue.

**Intended Use of Funds:** The proceeds from the issue of the Shares will primarily be used to advance exploration at the Company's Plutonic Dome project and for working capital.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Board recommends that the Shareholders vote in favour of this Resolution.

### 13. DEFINITIONS

In this Explanatory Statement:

**\$** means Australian dollars.

**Annual General Meeting** means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of Annual General Meeting.

**Associate** has the meaning set out in sections 11 to 17 of the Corporations Act.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**Blackout Period** has the meaning given to that term in the Company's 'Guidelines for Buying and Selling Securities'.

**Board** means the Board of Directors of the Company.

**Change of Control** means:

- (a) a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) a shareholder, or a group of associated shareholders, becoming entitled to sufficient Shares to give it or them the ability in general meeting, to replace all or a majority of the Board.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** or **Dampier Gold** means Dampier Gold Ltd, ACN 141 703 399.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Eligible Participant** means any full time or part time employee or executive Director.

**Equity Securities** has the same meaning as in the Listing Rules.

**Exercise Price** means any amount (if any) that is payable upon exercise of a Performance Right.

**Expiry Date** means the date on which a Performance Right lapses (if it has not already otherwise lapsed in accordance with the PRP).

**Explanatory Statement** means the explanatory statement accompanying the Notice of Annual General Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of the ASX.

**Notice of Annual General Meeting** means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

**Option** means an option to subscribe for a Share.



**Performance Right** means an entitlement to a Share subject to satisfaction of any Vesting Conditions and the corresponding obligation of the Company to provide the Share, pursuant to a binding contract made by the Company and an Eligible Participant in the manner set out in the PRP the terms of which are summarised in this Explanatory Statement.

**Performance Rights Plan or PRP** means the Dampier Gold Ltd Performance Rights Plan approved by the Board on 26 July 2012 and summarised in this Explanatory Statement.

**Proxy Form** means the form of proxy accompanying this Notice of Annual General Meeting.

**Related Party** means a party so defined by section 228 of the Corporations Act.

**Remuneration Report** means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2012.

**Resolution** means a resolution proposed to be passed at the Annual General Meeting and contained in the Notice of Annual General Meeting.

**Section** means a section of the Notice of Annual General Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a person entered in the Company's register as a holder of a Share.

**SPP or Share Purchase Plan** means the Dampier Gold Share Purchase Plan as announced to ASX on 16 October 2012.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Vesting Conditions** means one or more conditions which must be satisfied or circumstances which must exist before the Performance Rights vest, as determined by the Board.

**VWAP** means the volume weighted average price.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**ANNEXURE A**  
**TERMS AND CONDITIONS OF THE OPTIONS**  
**PROPOSED TO BE ISSUED TO AZURE (OR NOMINEE) PURSUANT TO RESOLUTION 8**

- (a) The Options will not be quoted on the ASX.
- (b) The Options are exercisable at the lower of \$0.15 or at the 20% premium to the issue price of any capital raising undertaken during the term of the engagement with Azure.
- (c) An Option must be exercised (if at all) not later than three years from the date of issue.
- (d) The Options will become exercisable on issue.
- (e) Each Option entitles the holder to subscribe for and be allotted one Share in the capital of the Company upon exercise of the Option and payment to the Company of the exercise price.
- (f) The exercise of some Options only does not affect the holders right to exercise other Options at a later time.
- (g) An Option is exercisable by the holder lodging with the Company's secretary a notice of exercise, a cheque for the exercise price of each Share to be issued on the exercise of that Option, and the Option certificate.
- (h) The Company shall allot Shares on exercise of Options in accordance with the Company's Constitution.
- (i) Shares issued on the exercise of Options will rank pari passu with all existing Shares in the capital of the Company from the date of issue of those Shares.
- (j) The Options are freely transferable by Azure to their related bodies corporate (as defined in the Corporations Act). The Options are not transferable to any other parties except with the consent of the Company.
- (k) In relation to new issues, there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, Option holders will be afforded the opportunity to exercise Options prior to the date for determining entitlements to participate in any such issue.
- (l) If from time to time, prior to the expiry of any Options, the Company makes an issue of Shares to the holders of Shares in the Company by way of capitalisation of profits or reserves ("**bonus issue**"), then upon exercise of an Option a holder will be entitled to have issued to it (in addition to the Shares which it is otherwise entitled to have issued to it upon such exercise) the number of Shares which would have been issued to him under the bonus issue ("**bonus issue**") if on the date on which entitlements thereto were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately prior to that date it had duly exercised its Options and the Shares the subject of such exercise had been duly allotted and issued to it. The bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue rank pari passu in all respects with the other Shares allotted upon exercise of the Options.
- (m) In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Options, all rights of the option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

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**DAMPIER GOLD LTD**  
**ACN 141 703 399**  
**PROXY FORM**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

SRN / HIN: \_\_\_\_\_

**Appointment of a proxy**

I/We being a member(s) of Dampier Gold Ltd hereby appoint:

\_\_\_\_\_  
(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Dampier Gold Ltd to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia at 8.30am on Thursday, 29 November 2012 and at any adjournment of that meeting.

**IMPORTANT - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default and you do not mark any of the boxes below in respect of Resolutions 1, 5 and 6 you are expressly authorising and directing the Chairman of the Meeting to exercise your proxy on those Resolutions in accordance with the Chairman's voting intentions as set out below and in the Notice of Annual General Meeting, even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of Key Management Personnel.**

The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions.

**Votes on items of business**

(Voting directions to your proxy – please mark **X** to indicate your directions)

	FOR	AGAINST	ABSTAIN*
<b>Resolution 1</b> Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-election of Richard Burden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Re-election of Rodney Hanson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b> Ratification of Issue of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b> Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8</b> Approval for Issue of Options to Azure Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9</b> Approval for Placement of SPP Shortfall Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

**Appointment of a second proxy**

If two proxies are being appointed, the proportion of voting rights this proxy represents is  %.

**Authorised signature(s)** This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

\_\_\_\_\_  
**INDIVIDUAL/SECURITY HOLDER 1**  
Individual/Sole Director and  
Sole Company Secretary

\_\_\_\_\_  
**SECURITY HOLDER 2**  
Director

\_\_\_\_\_  
**SECURITY HOLDER 3**  
Director/Company Secretary

**Contact Details**

**Contact Email address**

\_\_\_\_\_

**Contact Telephone Number**

(     ) \_\_\_\_\_

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# Voting By Proxy - How to complete the Proxy Form

## Your Name, Address and Shareholder Details

Please complete your name and address as it appears on the share register of Dampier Gold Ltd. If you are returning the Proxy Form by email your SRN or HIN must also be included.

## Appointment of a Proxy

Please write the name of that person you wish to appoint as proxy in the space indicated. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy and vote on your behalf. A proxy need not be a shareholder of Dampier Gold Ltd.

## Votes on Items of Business

You may direct your proxy how to vote by placing a mark one of the three boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy will vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must state the percentage of your voting rights on each of the first Proxy Form and the second Proxy Form and return both forms together.

## Authorised Signature/s

You must sign this form as follows in the spaces provided:

- **Joint Holding** in the case of joint holders the Proxy Form must be signed by all holders.
- **Power of Attorney** if signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach the Power of Attorney or a copy to this Proxy Form when you return it.
- **Companies** a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also the sole Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting and a Proxy Form is not used, then an appropriate "Certificate of Appointment of Representative" should be produced prior to admission.

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## Lodgement of Proxy Form

This Proxy Form and any Power of Attorney or other authority under which it is signed (or a copy or facsimile which appears on its face to be an authentic copy of the proxy, power or authority) must be received no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged by:

- **delivering it to Dampier Gold Ltd, Level 3, 8 Colin Street, West Perth WA 6005; or**
- **posting it to Dampier Gold Ltd, PO Box 1981, West Perth, WA 6872; or**
- **faxing it to the Company on facsimile number +61 8 6424 9799; or**
- **emailing it to the Company at admin@dampiergold.com.**