



dampiergold

2 July 2014

Corporate Update

Since the shareholders meeting and changes made to the Board on 8 May 2014, your new Directors have been working diligently in an endeavour to firstly stabilise, and then, restore value in your Company through the following initiatives:

1. Addressing the off-market takeover bid by Ord River Resources Limited (“Ord River”) made on 29 April 2014 (“Takeover”);
2. Rationalise and reducing the Company’s administration costs;
3. After the withdrawal of the Takeover, proactively and constructively working with Ord River to advance the development of the Plutonic Dome Gold Project under the Dampier : Ord River JV;
4. Identification and evaluation of a number of new prospective gold, base metal and other projects (from advanced exploration through to pre-development projects); and
5. Identification of prospective new investors for Dampier who are prepared to support the Company’s future, including the acquisition of a new, value enhancing project.

ITEM 1: Ord River Takeover Bid

The Takeover, which was launched before the new Board was appointed, has occupied a significant amount of time and resources. As noted in the Company’s ASX Announcement dated 13 May 2014, the Bid was considered opportunistic and did not recognise the underlying strategic value of the Company’s primary

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asset (Plutonic Dome Gold Project). This position has been amply demonstrated with the recent release of a positive DFS by Ord River (refer Item 3 below). The Bid was ultimately withdrawn by Ord River on 18 May 2014 with the approval of both ASIC and the Takeovers Panel.

ITEM 2: Cost Rationalisation Measures

After a thorough review, the cancellation and/or rationalisation of numerous administration and other contracts deemed surplus to the Company's current level of operations, along with a staged closure of the Perth office, is now almost complete. Once all of the last remaining legacy issues have been worked through, the Directors expect administration costs should reduce quite sharply by the September Quarter.

ITEM 3: Plutonic Dome Project Joint Venture

Following withdrawal of the Takeover, Dampier is now in a position to monitor and work constructively with Ord River in its continued evaluation and the development of the Plutonic Dome Project. We also note that on 1 July 2014 Ord River released a positive DFS for the K2 Underground Deposit and is currently seeking to raise additional equity capital to fund its farm-in and the continued development of the JV.

ITEM 4: New Project Evaluation

Your Directors strategy to restore value for Dampier shareholders, in addition to working proactively with its JV partner, is through securing a new advanced mineral resource development project or exploration project.

We believe Dampier is well positioned in the current difficult equity market to obtain the funding required to purchase a new project and/or finance farm-in terms.

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The new Board has determined that such a project must have scope to be in early production and be internationally competitive, operating in the mid to low-cost quartile. Therefore, projects will be considered which have: (i) a substantial geological data base; (i) relatively high grades; (ii) a mineralisation style which allows for competitive mining and processing costs; and (iii) which do not have major environmental, infrastructure or stakeholder obstacles.

We are constantly reviewing a range of new projects and acquisitions and are confident that a new opportunity will emerge that satisfies the above criteria.

ITEM 5: New Investors

Apart from our own supportive shareholder base, Dampier has also identified a suitable group of new investors who have expressed indicative interest in the Company on the basis that an appropriate new business opportunity can be successfully secured.

We look forward to providing further updates to shareholders as these and other matters continue to evolve.

Malcolm Carson
CHAIRMAN
DAMPIER GOLD LIMITED

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