



dampiergold

ASX Announcement

26th April 2013

66 Dampier Gold is positioning itself to be among the next generation of Australian gold producers. The Company is evaluating and exploring the Plutonic – Marymia greenstone belt in central Western Australia with a view to near-term gold production. The project currently hosts defined Mineral Resources of 683,000 ounces of gold.

ASX CODE

DAU

CURRENT

Share Price

\$0.05

Undiluted Market Capitalisation

\$3.3M

ISSUED CAPITAL

Ordinary shares

65.8M

DIRECTORS

Dr Russell Skirrow

Chairman

Mr Philip Retter

Non-Executive Director

Mr Rod Hanson

Non-Executive Director

MANAGEMENT

Mr Richard Hay

Chief Executive Officer

Mr Brendan Cocks

Chief Financial Officer

Mr Greg Rawlinson

General Manager – Geology

CONTACT

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March 2013 Quarterly Activities Report

Summary

During the quarter, the Company in conjunction with a specialist consultant commenced the development of a regional 3D prospectivity model covering the entire Plutonic – Marymia greenstone belt to target new, large-scale gold deposits which have eluded previous explorers outside of the multi-million ounce Plutonic gold mine. Innovative re-processing of the available geophysical data and a 3D geological interpretation is almost complete with prospectivity modelling to follow.

Final results were received for the regional multi-element mobile metal ion (MMI) geochemistry survey conducted over the NW granite overthrust and central conglomerate areas (including Cinnamon). Several significant untested gold and gold +/- multi-element anomalies were identified with additional areas highlighted requiring first-pass assessment. These results have also been integrated into the 3D model.

A multi-element soil geochemistry survey over the Yowereena project located immediately along strike of Sipa Resources' Enigma copper discovery was completed with several coincident copper and zinc anomalies outlined. Gold assay results are pending from the laboratory.

During the quarter, cost saving measures were successfully implemented which will significantly reduce project holding costs and corporate overheads, including relocation to smaller office premises. As at 31st March 2013, the Company had an available cash balance of \$1.8 million, net of \$3.3 million in cash backed environmental bonds.



Dampier Gold (“Dampier” or the “Company”, ASX: DAU) is pleased to announce an update of activities within its 100% owned Plutonic Dome project in central WA (Figure 1).

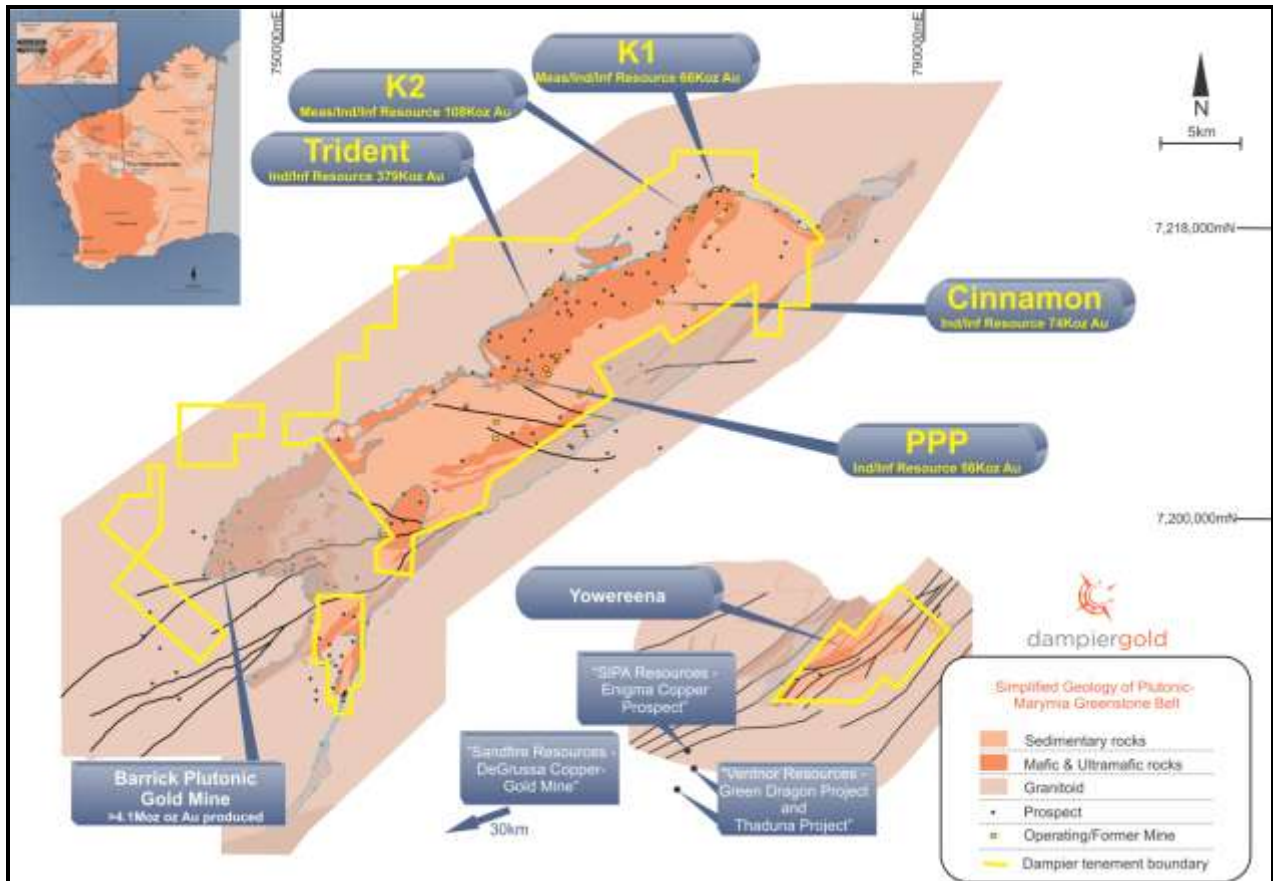


Figure 1. Plutonic Dome Project simplified geology and deposit / prospect locations

Regional 3D Model

During the quarter, the Company embarked on the development of a cutting edge 3D prospectivity model covering the entire Plutonic – Marymia greenstone belt. The model is designed to integrate all available technical information and develop quantitative estimates of prospectivity in three dimensional space. The main advantage of the 3D approach is that concealed, prospective geological positions with potential to host large mineralised systems can be readily identified for drill testing.

The 3D approach places emphasis on structure as many of the known gold deposits such as Plutonic, K2, Trident and Cinnamon are located at or very close to recognised structures



(Figure 2). In particular, the intersection of subordinate E-W trending structures with major NE trending structures has been identified as an important controlling feature to many of the significant gold deposits within the belt. Mapping these intersections in 3D will greatly assist in the identification of potential “fluid traps” at depth, favourable for hosting large mineralised systems.

Early results indicate that there is good exploration potential along untested portions of the granite overthrust margin (host to the K2 and Trident deposits) and the central conglomerates (host to the Cinnamon deposit) about the intersection of deep controlling structures (Figure 2).

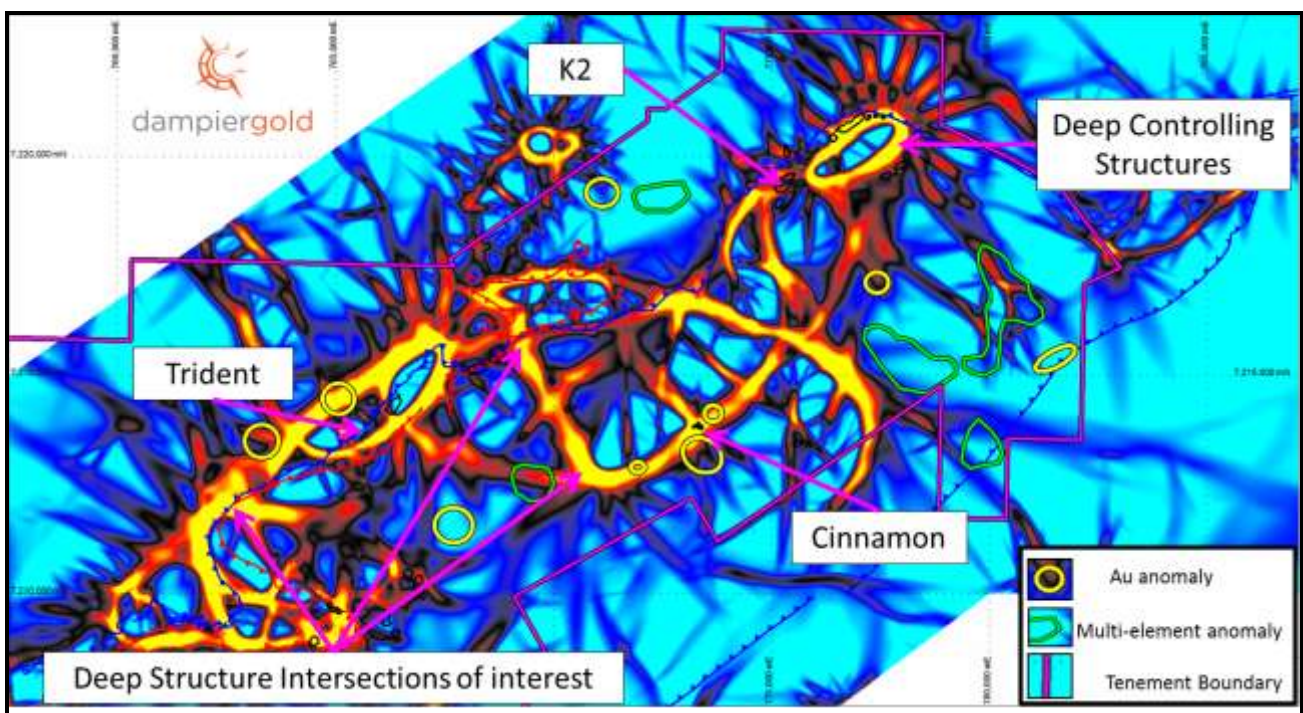


Figure 2. Composite image showing deep structures identified from aeromagnetic data in the NE portion of the Plutonic Dome project with new MMI geochemical anomalies and key gold deposits

Regional Geochemistry

Dampier continued its integrated approach to target generation during the quarter, including evaluation of the regional multi-element geochemistry results. Several noteworthy untested anomalies with gold only and gold plus multi-element signatures have been outlined (Figure



3). This information is being incorporated into the 3D prospectivity model and the anomalies prioritised once the model is complete.

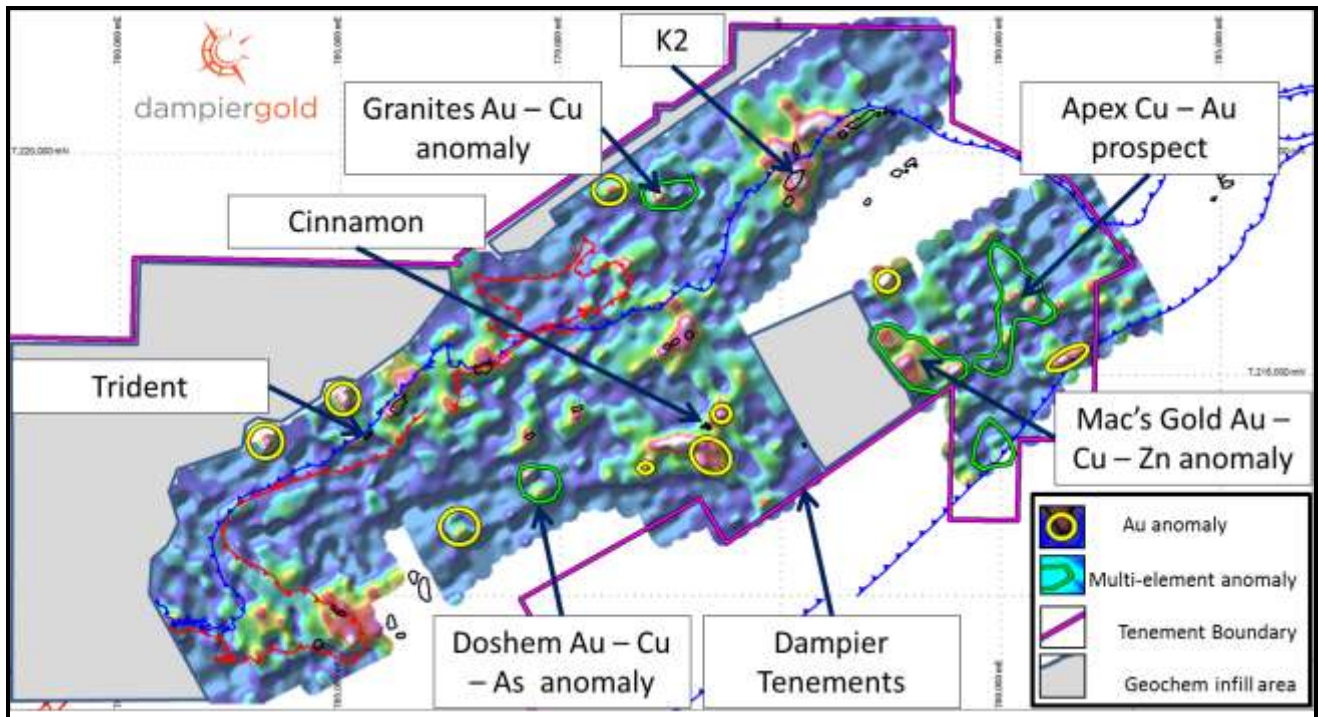


Figure 3. Plan showing Au soil geochemistry and recently identified Au and multi-element surface anomalies in the NE portion of the Plutonic Dome project (hot colours indicate higher Au values)

Mac's Gold is a coincident gold-copper-zinc anomaly extending over a 2.0 x 1.0km area to the immediate SW of the Apex copper prospect and to date has only been tested by a single line of wide spaced RAB drilling. The SW portion of the anomaly remains open to the west and will require further sampling to establish its full extent. Also of note is the untested Doshem gold-copper-arsenic anomaly, coincident with an interpreted deep structure (Figure 2) and the untested Granites gold-copper anomaly, located within granitoid rocks where previous rock chip sampling has recorded values of up to 11g/t Au.

Yowereena Geochemistry

The first stage of a regional multi-element soil geochemistry survey (using portable XRF detection) across the Yowereena project is complete after delays due to rain (Figure 4). Evaluation of the results has identified several encouraging areas of overlapping copper and zinc anomalism. Three of these anomalies lie outside the area previously drill tested. Of



note is the absence of copper or zinc anomalism in the vicinity of the Boundary Fence gold prospect suggesting that copper and zinc may not be effective pathfinders for gold mineralisation in the project area. All samples have been submitted to a laboratory for gold analysis with results expected in coming weeks.

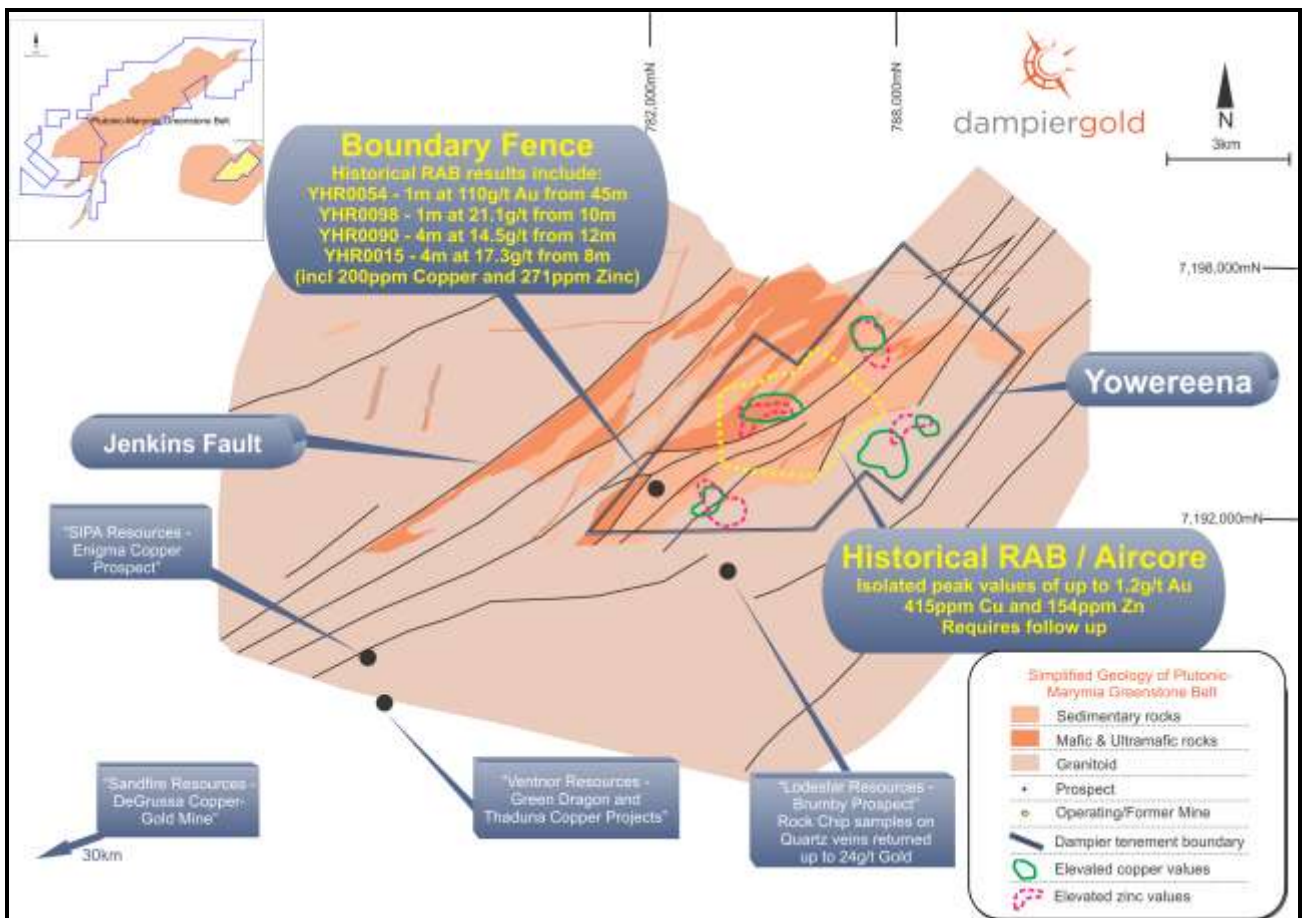


Figure 4. Simplified geology of the Yowereena project area showing areas of copper and zinc anomalism in soil and neighbouring projects / prospects

The Company remains confident that the Yowereena project is prospective for both gold and copper mineralisation. Recent copper and gold discoveries on neighbouring tenements, including Sipa Resources' Enigma copper prospect and Lodestar Resources' Brumby gold prospect, attest to the exploration potential of the district (Figure 4).



June Quarter Work Program

On completion of the 3D prospectivity model, the Company will undertake a full evaluation and prioritisation of the exploration targets generated. High priority targets will be further evaluated by surface geochemistry prior to drilling. The Company will also progress its regional geochemistry program as large tracts of prospective ground remain untested (Figure 3). Additionally, a number of MMI anomalies have been defined by wide spaced sampling and require infill sampling to ensure future drilling programs are effective. Dampier looks forward to updating shareholders as further information comes to hand during this exciting target generation phase.

Corporate

During the quarter, a number of non-prospective tenements peripheral to our core holding were surrendered. Additionally, the Company reduced permanent staffing levels and relocated to smaller office premises. This has resulted in a significant decrease to ongoing corporate overheads and project holding costs.

The Company also notes recent press reports regarding Barrick Gold's Plutonic gold mine which may be of relevance to Dampier's adjoining Plutonic Dome project. An information memorandum (IM) providing a detailed overview of the project is currently being prepared and will be available on the Company's website in the near future.

The Company had available cash of \$1.8 million as at 31st March 2013 net of \$3.3 million in cash backed environmental bonds.

Contact

Richard Hay – CEO

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About Dampier Gold

Dampier Gold acquired 100% of the Plutonic Dome Project from Barrick Gold in 2010, covering the majority of the Plutonic – Marymia 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 Mineral Resource of approximately 683,000oz Au (comprising a Measured Resource of some 0.6Mt at 2.1g/t Au, an Indicated Resource of some 2.7Mt at 4.0g/t Au and an Inferred Resource of some 2.2Mt at 4.1g/t Au). The Company is evaluating and exploring the Plutonic – Marymia greenstone belt in central Western Australia with a view to near-term gold production. 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 a modest capital outlay.

Appendix

Plutonic Dome Mineral Resource Inventory

Plutonic Dome Project Mineral Resource Statement as at July 2012

| Deposit | OP/ UG | Measured | | Indicated | | Inferred | | Total | | |
|--------------------|-----------|----------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|----------------------------|
| | | Tonnes | Grade (g/t Au) | Tonnes | Grade (g/t Au) | Tonnes | Grade (g/t Au) | Tonnes | Grade (g/t Au) | Contained metal (oz) |
| **K2, K3 | OP | 28,000 | 3.1 | 231,000 | 4.6 | 341,000 | 2.1 | 600,000 | 3.1 | 60,300 |
| | UG | - | - | 161,000 | 6.2 | 85,000 | 5.8 | 247,000 | 6.1 | 48,000 |
| Sub-total | | 28,000 | 3.1 | 393,000 | 5.3 | 426,000 | 2.9 | 847,000 | 4.0 | 108,300 |
| *Trident | OP | - | - | - | - | - | - | - | - | - |
| | UG | - | - | 854,000 | 6.2 | 1,356,000 | 4.8 | 2,210,000 | 5.3 | 378,600 |
| Sub-total | | - | - | 854,000 | 6.2 | 1,356,000 | 4.8 | 2,210,000 | 5.3 | 378,600 |
| **K1 | OP | 593,000 | 2.0 | 123,000 | 1.9 | 171,000 | 3.7 | 888,000 | 2.3 | 66,000 |
| | UG | - | - | - | - | - | - | - | - | - |
| Sub-total | | 593,000 | 2.0 | 123,000 | 1.9 | 171,000 | 3.7 | 888,000 | 2.3 | 66,000 |
| **ppp | OP | - | - | 294,000 | 2.6 | 88,000 | 2.1 | 382,000 | 2.5 | 30,900 |
| | UG | - | - | 106,000 | 4.0 | 91,000 | 3.9 | 196,000 | 4.0 | 25,000 |
| Sub-total | | - | - | 400,000 | 3.0 | 179,000 | 3.0 | 579,000 | 3.0 | 55,900 |
| **Cinnamon | OP | - | - | 961,000 | 2.3 | 54,000 | 2.3 | 1,015,000 | 2.3 | 74,100 |
| | UG | - | - | - | - | - | - | - | - | - |
| Sub-total | | - | - | 961,000 | 2.3 | 54,000 | 2.3 | 1,015,000 | 2.3 | 74,100 |
| Total | OP | 621,000 | 2.1 | 1,608,000 | 2.6 | 655,000 | 2.5 | 2,885,000 | 2.5 | 231,200 |
| Total | UG | - | - | 1,121,000 | 6.0 | 1,532,000 | 4.8 | 2,653,000 | 5.3 | 451,600 |
| Grand Total | | 621,000 | 2.1 | 2,730,000 | 4.0 | 2,187,000 | 4.1 | 5,538,000 | 3.8 | 682,800 |

OP = open pit, UG = underground

Underground resources are reported above a 3.0 g/t Au cut-off

**Resources are reported within optimised conceptual pit shells at A\$1,700/oz gold price above a 0.5g/t Au cut-off

Due to rounding, tonnages and grades may not equate to exact contained ounces; 100% equity basis



Competent Persons

The information in this report that relates to the Cinnamon, PPP, Trident, K1 and K2-K3 Mineral Resources is based on information compiled and reviewed by Mr Aaron Green who is a Member of the Australian Institute of Geoscientists and full-time employee of Runge Limited. Mr Green 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 Green 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 report that relates to Exploration Results is based on information compiled and reviewed by Mr Richard Hay, who is a Member of the Australian Institute of Geoscientists and the Chief Executive 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Dampier Gold Limited

ABN

43 141 703 399

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (9 Months) \$A'000 |
|---|----------------------------|---|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration & evaluation | (680) | (2,172) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (338) | (1,412) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 30 | 119 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (R&D tax refund) | - | 934 |
| | (988) | (2,531) |
| Net Operating Cash Flows | | |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.9 Proceeds from sale of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | 42 |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (Refund on prior tenement purchase) | - | 60 |
| | - | 102 |
| Net investing cash flows | | |
| 1.13 Total operating and investing cash flows (carried forward) | (988) | (2,429) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (988) | (2,429) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 0 | 1,536 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (Term deposits to secure bank guarantees) | - | - |
| | Net financing cash flows | 0 | 1,536 |
| | Net increase (decrease) in cash held | (988) | (893) |
| 1.20 | Cash at beginning of quarter/year to date | 2,821 | 2,726 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter ** | 1,833 | 1,833 |

** Cash at the end of the quarter is net of \$3.3m of cash deposits used to back environmental bonds provided to the Department of Mines and Petroleum

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 40 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Directors fees (incl PAYG and Superannuation) and out of pocket expense reimbursements exclusive of GST

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

Financing facilities available

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 220 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 360 |
| Total | 580 |

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 1,703 | 2,691 |
| 5.2 Deposits at call | 130 | 130 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,833 | 2,821 |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter | | |
|-----|---|-------------------------------|--|--|------|------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | Full Surrender | | | | |
| | | M52/185 | All tenements were 100% directly owned by Dampier (Plutonic) Pty Ltd, a wholly owned subsidiary of Dampier Gold Ltd. | 100% | - | |
| | | M52/271 | | 100% | - | |
| | | M52/275 | | 100% | - | |
| | | M52/276 | | 100% | - | |
| | | M52/322 | | 100% | - | |
| | | M52/351 | | 100% | - | |
| | | M52/352 | | 100% | - | |
| | | M52/353 | | 100% | - | |
| | | M52/356 | | 100% | - | |
| | | M52/365 | | 100% | - | |
| | | M52/546 | | 100% | - | |
| | | M52/547 | | 100% | - | |
| | | M52/555 | | 100% | - | |
| | | M52/571 | | 100% | - | |
| | | M52/657 | | 100% | - | |
| | | M52/658 | | 100% | - | |
| | | P52/1224 | | 100% | - | |
| | | | Partial Surrender | | | |
| | | | M52/259* | * These tenements were partially surrendered during the period. Dampier Gold Ltd retained a 100% interest in the portion of the tenement not surrendered | 100% | 100% |
| | | | M52/291* | | 100% | 100% |
| | | | M52/292* | | 100% | 100% |
| | M52/293* | 100% | 100% | | | |
| | M52/366* | 100% | 100% | | | |
| | M52/478* | 100% | 100% | | | |
| | M52/572* | 100% | 100% | | | |
| | E52/2072* | 100% | 100% | | | |
| 6.2 | Interests in mining tenements acquired or increased | | | | | |

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|--|------------------|---|--|
| 7.1 Preference +securities <i>(description)</i> | | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities | 65,843,704 | 65,843,704 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Ordinary shares released from escrow | | | | |
| 7.5 +Convertible debt securities | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | 1,450,000 1,125,000 1,000,000 3,000,000 | - - - - | <i>Exercise price</i> \$1.12 \$0.36 \$0.15 \$0.15 | <i>Expiry date</i> 14 December 2013 14 December 2014 19 September 2015 8 February 2016 |
| 7.8 Issued during quarter | 3,000,000 | - | \$0.15 | 8 February 2016 |
| 7.9 Exercised during quarter | - | - | - | - |
| 7.10 Expired during quarter | - | - | - | - |

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

| | | | |
|------|---|---|---|
| 7.11 | Debentures <i>(totals only)</i> | - | - |
| 7.12 | Unsecured notes <i>(totals only)</i> | - | - |

Further to the above securities there are 1,000,000 unquoted Performance Rights on issue. The Performance Rights have vesting provisions subject to achieving agreed performance hurdles. The expiry date of the Performance Rights is 1 April 2016. All Performance Rights held on 1 April 2016 will lapse if the performance hurdles are not met.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does give a true and fair view of the matters disclosed.



Sign here:

Date: 26/04/2013

(Director/Company secretary)

Print name: Susan Hunter

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.