



dampiergold

ASX Announcement

20th February 2012

 Dampier Gold is positioning itself to be among the next generation of Australian gold producers. The Company is evaluating and exploring ~700km² of 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 628,000 ounces of gold.

ASX CODE

DAU

CURRENT

Share Price

\$0.265

Undiluted Market Capitalisation

\$14.6M

ISSUED CAPITAL

Ordinary shares

55.3M

DIRECTORS

Dr Russell Skirrow

Chairman

Mr Richard Burden

Non-Executive Director

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

Dampier Gold Limited

ACN 141 703 399

Level 3, 8 Colin Street,
West Perth WA 6005

PO Box 1981,

West Perth WA 6872

P: (08) 6424 9700

F: (08) 6424 9799

E: info@dampiergold.com

www.dampiergold.com

Exploration Resumes at Apex Copper Discovery

- A Mobile Metal Ion (MMI) soil sampling program is underway at Apex
- Apex geophysical data review to commence shortly

Dampier's CEO Richard Hay commented on the Apex copper prospect "...Dampier is highly enthused by the potential of Apex, particularly in light of the nearby recent copper discoveries at Enigma by Sipa Resources and Degruusa by Sandfire Resources" Richard Hay further commented that "...the Company is keen to explore the wider prospect in a systematic but expedient manner and MMI can achieve the next step very efficiently...."



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Dampier Gold (“Dampier” or the “Company”) is pleased to announce that exploration has recommenced at Apex within its 100% owned Plutonic Dome project located in central WA (Figure 1).

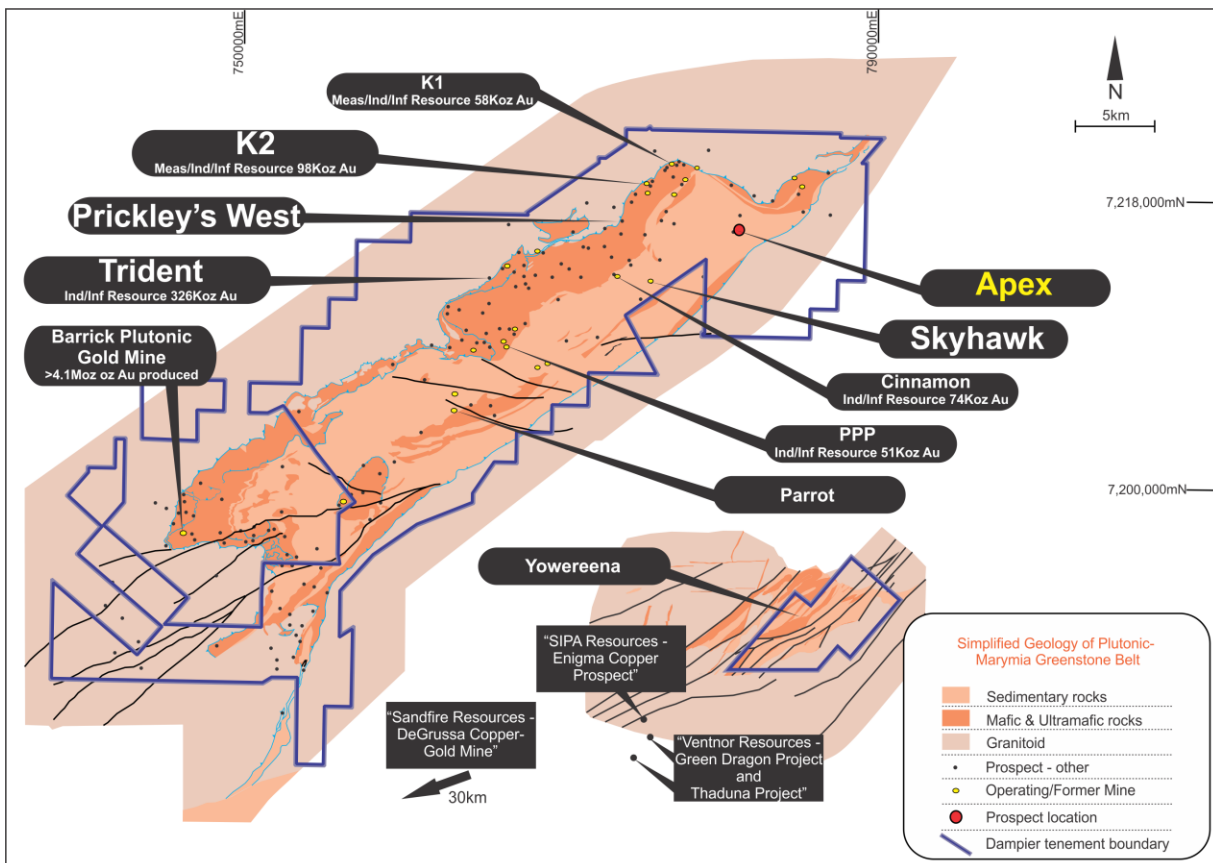


Figure 1. Plutonic Dome Project simplified geology and deposit/prospect locations

Apex Copper Discovery

In 2011, results from the Company’s regional reconnaissance RAB / aircore drill program identified a significant copper anomaly extending over a length of 2.5 kilometres (refer announcement on 8th November 2011). Analysis of the multi-element assay data identified two compelling targets coincident with interpreted underlying structures identified in the aeromagnetic images (Figure 2). The full extent of the copper anomaly was not closed off by the drill program, so a fast and efficient soil sampling program using a technique that can potentially detect primary mineralisation at depth was designed to cover the wider project area.



The Company is highly encouraged by the potential of Apex in light of the recent copper discoveries at the nearby Enigma prospect (Sipa Resources) and DeGrussa project (Sandfire Resources, Figure 1).

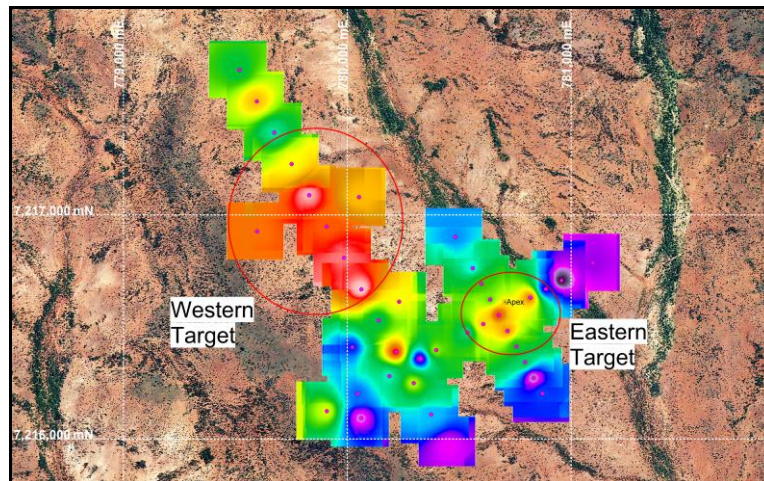


Figure 2. End of hole copper data at Apex showing the Eastern and Western Targets – Hot colours represent elevated copper values (Coordinates in AGD84 – zone 50)

Apex MMI Program

A MMI soil sampling program is currently underway at the Apex copper prospect. Samples will be assayed for a full suite of elements including copper and gold. Analysis of the results will potentially also narrow down the possible styles of primary mineralisation at depth.

The MMI program has three key design objectives:

1. To define the lateral margins of the, already extensive, supergene copper anomaly beyond the limits defined by the 2011 RAB / aircore drill program
2. Further refine the two compelling targets previously identified (Figure 2)
3. Identify further potential drill targets outside the existing anomaly boundary

Sampling is expected to finish shortly with results due in March.

MMI Technique

MMI has the potential to detect “blind” primary mineralisation that lies below stripped regolith or transported cover. The advantage of MMI is that signatures are often spatially more consistent with the location of the mineralisation when compared to conventional soil



techniques (Figure 3). This allows more effective drill testing for potential primary mineralisation at depth.

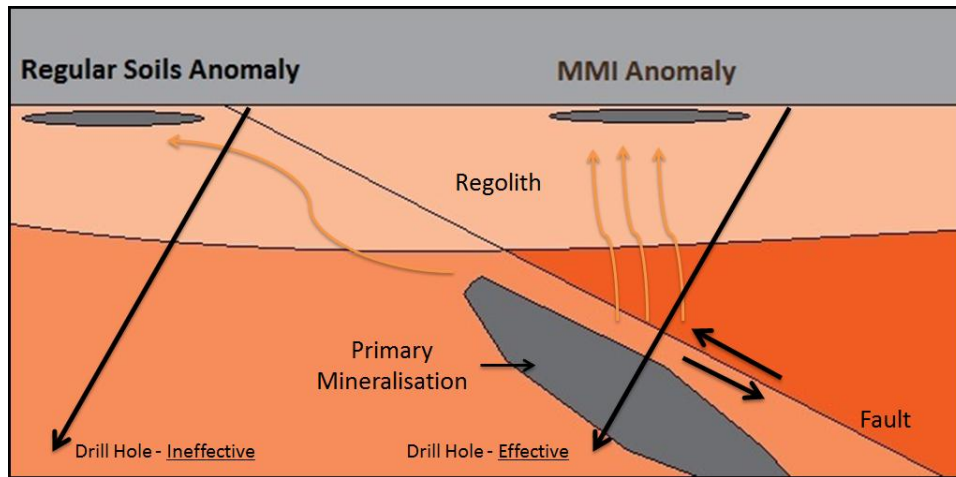


Figure 3. Simplified schematic of the advantage of MMI versus conventional soil sampling

Apex Geophysics

A comprehensive review of the geophysical dataset is expected to commence shortly. Where appropriate, enhancement of current aeromagnetic and gravity data by reprocessing will be undertaken. Additionally, other geophysical techniques that may be effective in detecting deeper targets at Apex will be assessed. This review will then be integrated with the geology and MMI results to select areas for potential high resolution geophysical surveys.

Apex Phase II Activities

Apex Phase II activities					
	Feb-12	Mar-12	Apr-12	May-12	Jun-12
MMI soil sampling	■				
MMI results		■			
Geophysical data review	■				
Potential geophysical survey		■			
Drill targeting			■		
Drilling				■	



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Contacts

Richard Hay – CEO

+61 417 188 984

richard.hay@dampiergold.com

Ben Jarvis – Six Degrees Media

+61 413 150 448

ben@sixdegreesmedia.com.au

About Dampier Gold

Dampier Gold has acquired 100% of the ~700km² Plutonic Dome Project from Barrick Gold, 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 628,000oz Au (comprising a Measured Resource of some 0.5Mt at 2.1g/t Au, an Indicated Resource of some 2.7Mt at 3.9g/t Au and an Inferred Resource of some 1.9Mt at 4.1g/t Au). The Company is actively evaluating its priority resource targets with a view to future 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 modest capital outlay.



Appendix:

Plutonic Dome Mineral Resource Inventory

Plutonic Dome Project Mineral Resource – January 2012

Deposit	OP/ UG	Measured		Indicated		Inferred		Total		Contained metal (oz)
		Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	
***K2, K3	OP	19,000	3.2	197,000	4.7	272,000	2.1	489,000	3.2	50,200
	UG	-	-	158,000	6.5	87,000	5.2	245,000	6.1	47,600
Sub-total		19,000	3.2	355,000	5.5	359,000	2.8	734,000	4.1	97,800
*Trident	OP	-	-	-	-	-	-	-	-	-
	UG	-	-	787,000	6.2	1,072,000	4.9	1,859,000	5.5	326,100
Sub-total		-	-	787,000	6.2	1,072,000	4.9	1,859,000	5.5	326,100
**Albatross Flamingo	OP	-	-	194,000	1.8	103,000	2.8	297,000	2.2	20,800
	UG	-	-	-	-	-	-	-	-	-
Sub-total		-	-	194,000	1.8	103,000	2.8	297,000	2.2	20,800
***K1	OP	504,000	2.1	103,000	2.0	145,000	3.7	752,000	2.4	57,800
	UG	-	-	-	-	-	-	-	-	-
Sub-total		504,000	2.1	103,000	2.0	145,000	3.7	752,000	2.4	57,800
***PPP	OP	-	-	203,000	2.7	70,000	2.4	273,000	2.6	23,000
	UG	-	-	129,000	3.9	92,000	3.9	221,000	3.9	27,900
Sub-total		-	-	332,000	3.2	162,000	3.3	494,000	3.2	50,900
****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	523,000	2.1	1,658,000	2.0	644,000	1.9	2,826,000	2.5	225,900
Total	UG	-	-	1,074,000	6.0	1,251,000	4.8	2,325,000	5.4	401,600
Grand Total		523,000	2.1	2,732,000	3.9	1,895,000	4.1	5,151,000	3.8	627,500

OP = open pit, UG = underground

*Trident resource based on parameters detailed in an ASX announcement on 29th November 2010

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

*** Open pit resources are reported within an optimised pit shell at A\$1,600/oz Au

****Cinnamon resource is reported within an optimised pit shell at A\$1,700/oz Au

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 Exploration Results is based on information compiled and reviewed by Mr Greg Rawlinson, who is a Member of the Australian Institute of Mining and Metallurgy and General Manager Geology of Dampier Gold. Mr Rawlinson 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 Rawlinson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.



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The information in this report that relates to the 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 the Cinnamon Mineral Resource is based on information compiled and reviewed by Mr Craig Allison who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM), and full-time employee of Runge Limited. Mr Allison 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 Allison 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 the Albatross-Flamingo resource is based on information 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.