



29 November 2010

Mineral Resource at Trident increased by over 100%

Dampier Gold is actively exploring 700km² of Archaean greenstone belt in central Western Australia. Dampier's tenements host Mineral Resources of 434,000 ounces of gold and Ore Reserves of 35,000 ounces of gold with an additional substantial inventory of shallow, drill defined gold mineralisation.

ASX CODE: DAU

CURRENT SHARE PRICE: \$0.73

CURRENT UNDILUTED MARKET CAPITALISATION: \$39.7M

ISSUED CAPITAL: 54.4M ordinary shares

DIRECTORS

Dr Russell Skirrow
Chairman

Mr Richard Burden
Non-Executive Director

Mr Phillip Retter
Non-Executive Director

MANAGEMENT

Dr Julian Stephens
Chief Executive Officer

Mr Richard Hay
Chief Operations Officer

Mr Brendan Cocks
Chief Financial Officer

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HIGHLIGHTS

- **New estimate for Trident increases Mineral Resource by over 100%:**

Indicated: 0.8Mt at 6.2g/t Au

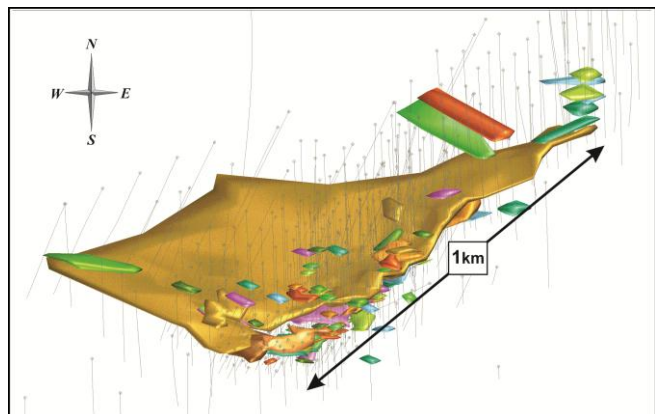
Inferred: 1.1Mt at 4.9g/t Au

Total: 1.9Mt at 5.5g/t Au for 326,000 oz¹

- **New structural interpretation of high-grade shoot geometry**
- **Drilling in progress to test for near-surface shoots to enhance open pit development potential**
- **Total Indicated and Inferred Resource at Dampier's Plutonic Dome Project grows by 57% to:**
3.2Mt at 4.5g/t Au for 469,000 oz²
- **Independent consultants Runge Limited have commenced resource estimation work on the K1-K2-K3 deposits**

1. Trident Mineral Resource estimate reported at 3.0g/t Au lower cut-off grade
2. Total Mineral Resource includes 35,000 oz Probable Reserve at K2 deposit (Table 3)

Figure 1. Oblique view of Trident resource model wireframes (view looking downwards and to the north)





Introduction

Dampier Gold Limited (“Dampier” or the “Company”, ASX:DAU) is pleased to announce the results from the recently completed resource estimate for the Trident deposit located within the Company’s 100%-owned Plutonic Dome project.

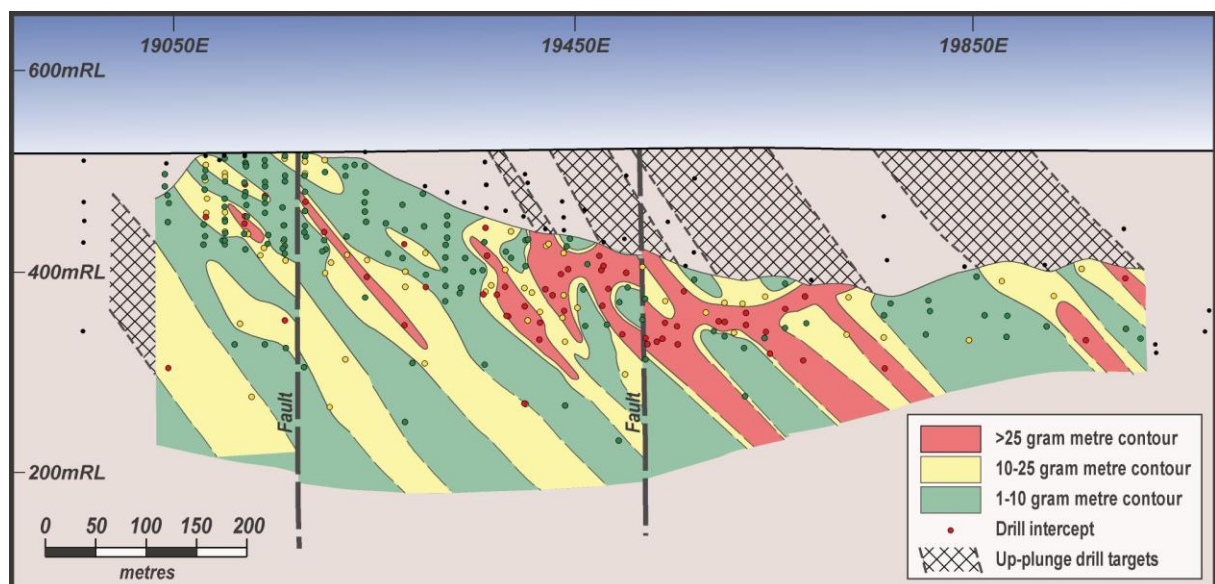
This estimate marks the first stage of Dampier’s methodical review of the previous models generated for the significant gold deposits within the Plutonic Dome project area. Over the next 3 to 6 months, Dampier intends to progressively release new resource estimates for the Trident, K1-K2-K3 and Budgie-Cinnamon deposits to better reflect the current gold price environment and the open pit development strategy of the Company.

Dampier staff, in conjunction with global consulting firm Runge Limited, have completed the first stage of this review, being a new Mineral Resource estimate for the Trident deposit. This estimate is based entirely on drilling completed by the previous owners of the project and incorporates a revised interpretation of the mineralisation.

By way of background, the undeveloped Trident deposit was previously assessed as an underground development opportunity, with the majority of drilling targeting high grade lodes at depth within the more competent primary zone.

A review of the Trident diamond drill core and grade distribution within the adjoining Marwest gold deposit revealed a plunging control to the mineralisation. The following contoured gram/metre long section through the deposit demonstrates this interpreted plunge and highlights several areas where further shallow drilling is required (Figure 2).

Figure 2. Long section through Trident resource





New Mineral Resource Estimate

The new Mineral Resource estimate for Trident reported at a 3.0g/t Au lower cut-off grade is summarised in the following table:

Table 1. Trident November 2010 Mineral Resource Estimate (3.0g/t Au cut-off)

Indicated		Inferred		Total		
Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Contained metal (oz)
787,000	6.2	1,072,000	4.9	1,859,000	5.5	326,100

The 3.0g/t Au lower cut-off will be reviewed once the results of the current and planned drilling programs are to hand and an open pit scoping study is completed. For comparative purposes, the model is reported at a range of cut-off grades in the Appendix to this announcement.

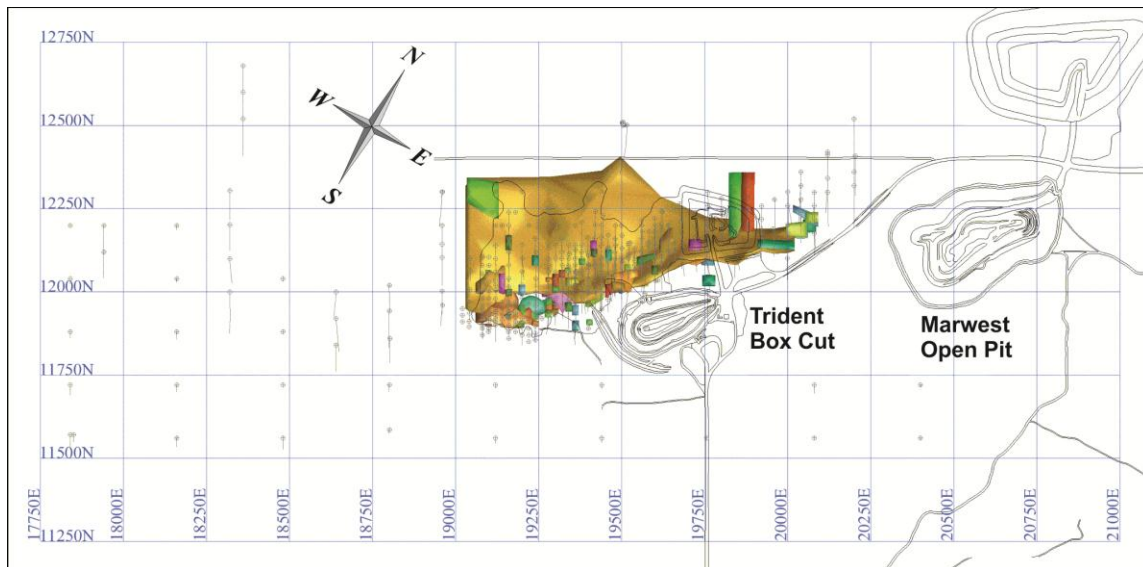
The Trident resource model currently extends over a strike length of approximately 1 kilometre (Figures 1, 2 & 3) and remains open along strike and at depth, below 300 metres (Figure 2). The Company is highly encouraged by the outcome of this work and views Trident as having good potential to support a long-life mining operation, subject to the outcome of the current and planned drilling programs.

RC drilling is currently in progress at Trident with the principal objectives of improving geological confidence in the new structural model and assessing the potential for additional mineralisation in the lightly drilled, shallow up-plunge projection of the deposit as highlighted in Figure 2.

Additional targets include several well-mineralised, but only partially drill-tested, footwall lodes and the intervening 400m long zone between Trident and the former Marwest open pit, situated immediately along strike (Figure 3).



Figure 3. Plan view of the of Trident resource mineralised wireframes in relation to the former Marwest open pit



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About Dampier Gold

Dampier Gold has acquired 100% of the ~700km² Plutonic Dome Project from Barrick Gold, covering the majority of the Plutonic Greenstone Belt, excluding Barrick’s underground mining and processing operation. Dampier’s project area produced some 580,000oz Au from 40 open pits in a generally low gold price environment between 1990 and 2005. The project currently contains a Probable Ore Reserve of 35,000oz (0.2 Mt at 4.9g/t Au) and Mineral Resource of approximately 434,000oz (comprising an Indicated Resource of some 1.8 Mt at 4.3g/t Au and an Inferred Resource of some 1.3 Mt at 4.6g/t Au) with an additional substantial inventory of drill defined gold mineralisation. The Company is targeting a decision to mine within 18 months of listing. Framework terms are in place for a proposed ore purchase agreement to access Barrick’s Plutonic processing facility. If agreed, this will help fast-track Dampier to producer status with modest capital outlay.



Plutonic Dome Project Mineral Resources - November 2010

Deposit	OP/UG	Indicated		Inferred		Total		
		Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Contained metal (oz)
K2	OP	88,000	2.8	9,000	2.1	97,000	2.8	8,600
	UG	104,000	5.1	32,000	4.9	136,000	5.1	22,300
Sub-total		192,000	4.1	41,000	4.3	233,000	4.1	30,900
*Trident	OP	-	-	-	-	-	-	-
	UG	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 SE	OP	311,000	2.7	27,000	2.3	338,000	2.7	29,000
	UG	-	-	-	-	-	-	-
Sub-total		311,000	2.7	27,000	2.3	338,000	2.7	29,000
Triple P	OP	283,000	2.8	11,000	3.6	294,000	2.8	26,700
	UG	-	-	-	-	-	-	-
Sub-total		283,000	2.8	11,000	3.6	294,000	2.8	26,700
Total		1,767,000	4.3	1,254,000	4.6	3,021,000	4.5	433,500

Mineral Resources are exclusive of Ore Reserves

OP = open pit, UG = underground

*Trident resource based on parameters detailed in this announcement

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

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

100% equity basis

Plutonic Dome Project Ore Reserves - November 2010

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

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

100% equity basis

Reserve is additional to above Resources

Competent Persons

The information in this report that relates to the Trident Mineral Resource is based on information compiled and reviewed by Mr Graham de la Mare, who is a Member of the Australian Institute of Geoscientists and full-time employee of Runge Limited. Mr de la Mare 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 de la Mare 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 all other Exploration Results, Mineral Resources and Ore Reserves is based on information compiled and reviewed by Mr Richard Hay, who is a Member of the Australian Institute of Geoscientists and the Chief Operating Officer of Dampier Gold. Mr Hay has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2004 JORC Code. Mr Hay consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.



APPENDIX

Key Features of New Resource Estimate

Differences with previous (2005) resource model

Trident was previously assessed as a high-grade, underground resource in 2005. Dampier's new model differs from the 2005 model in the following areas:

- Four additional deep drill holes that intersected significant mineralisation have been incorporated into the database.
- Mineralised lodes have been simplified and remodelled.
- Additional tonnes have been modelled at depth, mainly in the Inferred category, due to increased confidence in the continuity of the main mineralised lode.
- A lower cut-off grade of 3.0g/t Au was selected to reflect a higher gold price environment, as opposed to the 3.5g/t previously adopted.

Geological/Structural Interpretation

Key features of the gold mineralisation at Trident:

- Hosted in an ultramafic sequence of basaltic komatiite, serpentinite, and komatiitic schist bound to the SE by mafic units and NW by overthrust granite.
- Gold mineralisation occurs in sheared, biotite-altered komatiitic schist and is usually associated with native bismuth, joesite and pyrrhotite.
- Mineralised sheets strike to the ENE and dip ~ 30° to the NNW.
- Variography shows a major plunge direction of -10°→043° (AMG grid), generally parallel to long axis of the modelled major lode geometry.
- Areas of apparent stacking and/or thickening of mineralisation and distinct changes in foliation orientation, suggest possible localised tight folding of the lodes.
- Dampier has identified additional high-grade shoots that exhibit a slightly different geometry, and appear to plunge more steeply than the major lode, with an approximate orientation of -20°→018° (AMG grid).



Grade-tonnage distribution

The Trident Deposit is a large mineralised system. The following table provides a breakdown of the grade-tonnage distribution using a range of cut-offs.

Trident grade-tonnage breakdown

Lower cut-off grade (g/t Au)	Indicated		Inferred		Total		
	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Contained metal (oz)
3.0	787,000	6.2	1,072,000	4.9	1,859,000	5.5	326,100
2.0	1,323,000	4.6	1,627,000	4.1	2,951,000	4.4	412,000
1.0	2,678,000	3.0	3,158,000	2.8	5,836,000	2.9	544,000



RUNGE RESOURCE STATEMENT AND PARAMETERS

Executive Summary

A Mineral Resource estimate for the Trident Gold Deposit was completed during October 2010 by Runge Limited (Runge) for Dampier Gold Limited (DAU). The estimate is a result of re-interpretation and re-modelling of historical data collected between 1996 and 2007. The deposit occurs within DAU's Plutonic Dome Gold Project located approximately 200km north northeast of Meekatharra in the North Eastern Goldfields region of Western Australia.

The Trident deposit was discovered by Resolute Exploration (Resolute) in 1996 by testing strike extensions to the Marwest deposit northeast of the Plutonic gold deposit. Other companies to have held the tenements include Homestake Gold of Australia Limited (HGAL) and Barrick Gold Limited (Barrick). The project was acquired by DAU from Barrick in 2010.

The Plutonic Dome Project lies within the Plutonic Well gneiss-granite greenstone belt located along the northern margin of the Yilgarn Craton. The Trident deposit is situated within a northeast trending ultramafic sequence comprising basaltic komatiite, serpentinite and komatiitic schist, bound to the southeast by mafic units and to the northwest by overthrust granite. Gold (Au) mineralisation is hosted within strongly sheared, biotite-altered komatiitic schist and is usually associated with native bismuth, joesite and pyrrhotite. The mineralisation occurs as interstitial infill between silicate grains, or as fine coatings along shear planes and foliation.

Drilling in the resource extends to a vertical depth of approximately 740m and the mineralisation was modelled from surface to a depth of approximately 315m below surface. The estimate is based on good quality, surface RC and diamond core drilling data. Drill hole spacing varies from approximately 20m by 20m in the upper part of the deposit to 100m by 100m in the deeper parts.

The Mineral Resource estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC). Therefore it is suitable for public reporting. The Runge Mineral Resource estimate is summarised in Table A.

Table A: Trident November 2010 Mineral Resource Estimate (3g/t Cut-off)

Indicated			Inferred			Total		
Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
t	g/t	Ounces	t	g/t	Ounces	t	g/t	Ounces
787,000	6.2	155,600	1,072,000	4.9	170,400	1,859,000	5.5	326,100

The deposit was estimated by Runge using Ordinary Kriging (OK) grade interpolation for the 5 larger lodes, constrained by resource outlines based on mineralisation envelopes prepared using a nominal 0.3g/t Au cut-off grade and a minimum down hole length of 2m. The 89 smaller lodes were estimated using Inverse Distance Squared (ID²) interpolation.

The block dimensions used in the model were 10m NS by 10m EW by 5m vertical with sub-cells of 2.5m by 2.5m by 1.25m. Statistical analysis of the resource composites determined that a high grade cut of 45g/t was appropriate for the main zone of the deposit. Another



large lode was assigned a high grade cut of 35g/t while smaller peripheral lodes were assigned high grade cuts of 20g/t.

The resource was classified as Indicated and Inferred Mineral Resource. The Indicated portion of the resource was defined where the drill spacing was less than 40m by 40m (predominantly 20m by 20m), continuity of mineralisation was robust and kriging efficiencies were predominantly greater than 60%. The Inferred Resource included those areas of the resource where sampling was greater than 40m by 40m.

The Trident deposit appears to have good potential for profitable exploitation by medium scale underground mining and for extension of the defined resource with further exploration drilling.

The resource model is undiluted, so appropriate dilution needs to be incorporated in any evaluation of the deposit.

Shaun Searle
Consultant Geologist



Resource Statement and Parameters

Class	Tonnes (t)	Au (g/t)	Au (oz)
Measured			
Indicated	787,000	6.2	155,600
Inferred	1,072,000	4.9	170,400
Total	1,859,000	5.5	326,100

The resource estimate was completed using the following parameters:

- The Trident resource area extends over a strike length of 1,060m (from 19,030mE – 20,090mE) and includes the 315m vertical interval from 520mRL to 205mRL.
- A site visit was conducted in November 2010 by Graham de la Mare (Runge) to review the project and deposit geology, drilling and site procedures.
- Drill holes used in the resource estimate included 235 RC holes and 35 diamond holes for a total of 3,533m within the resource wireframes. The full database contained records for 406 drill holes for 63,855m of drilling. Drilling in 1996/97 was completed by Resolute, in 1999/2000 by HGAL and 2007 by Barrick.
- Holes were drilled at 20 to 40m spacings on 20 to 40m spaced north south orientated drill sections.
- RC drilling in by HGAL in 1999/2000 used 5^{1/2} inch drill bits with samples collected at 1m intervals at the rig using a riffle splitter. Approximate 2kg samples were collected in calico bags, with the remaining sample retained on site in plastic bags. Four metre composite samples were also collected with any samples assaying greater than 0.1g/t Au being re-split to 1m intervals. Drilling and sampling methods from programs prior to 1999 are not known.
- Diamond drilling by HGAL in 1999/2000 used NQ2 rods. The core was halved using a diamond saw and sampled at 1m intervals, or to geological contacts.
- For the 1999/2000 drilling programs, RC holes were surveyed at the collar and the end-of-hole with an Eastman single-shot camera. A number of the deeper RC holes were surveyed down hole by Surtron on completion of the drilling using a gyroscopic tool. Accurate down hole surveys for the 1996/97 and 2007 programs were not provided and affect 66 holes in the resource (24%).
- Holes in the 1996/97 and 2000 programs were accurately surveyed by mine surveyors using DGPS equipment. Accurate collar surveys for the 1999 and 2007 programs were not provided and affect 81 holes in the resource (30%).
- Logging and sampling methods for the HGAL drilling have been reviewed by Runge and are considered to be of an acceptable standard.



- For the 1999/2000 drilling programs, the assay method used was 50g charge fire assay with AAS finish for Au and As. Assaying for all HGAL drilling was undertaken at the Amdel Laboratory in Perth, Western Australia.
- QAQC programs were in place for all HGAL drilling. A comprehensive review of results suggests that no bias is present in the data set and that the assay data is suitable for resource estimation.
- Samples within the wireframes were composited to even 1m intervals based on analysis of the sample lengths in the database. Statistical analysis of the resource composites determined that a high grade cut of 45g/t was appropriate for the main zone of the deposit. Another large lode was assigned a high grade cut of 35g/t while smaller peripheral lodes were assigned high grade cuts of 20g/t. These values resulted in a total of 43 samples being cut for all objects.
- A Surpac block model was used for the estimate with a block size of 10m EW by 10m NS by 5m vertical with sub-cells of 2.5m by 2.5m by 1.25m.
- Ordinary Kriging (OK) interpolation with an oriented 'ellipsoid' search neighbourhood adjusted to reflect the dip at various locations through the deposit was used to estimate Au in the 5 larger lodes. Inverse Distance Squared (ID2) grade interpolation with an oriented 'ellipsoid' search neighbourhood was used to estimate Au in the 89 smaller lodes. A first pass search radius set to 30m was used for all wireframe objects with a minimum sample number of 10 and maximum sample number of 40, based on variography and drill hole spacing. The search radius was doubled for the second pass and minimum sample number reduced to 6. Greater than 93% of the blocks were filled in the first two passes. A third pass radius of 160m was used to fill any unestimated blocks with a minimum sample number of 2.
- Using logged geology codes, weathering surfaces were created for base of laterite (LATR), base of complete oxidation (BOCO) and top of fresh rock (TOFR). Bulk density values of 2.40t/m³ and 2.80t/m³, were assigned to transitional and fresh material in the Mineral Resource. Density values were based on measurements taken on HQ triple tube core and apparent relative density testing on NQ2 core by HGAL in 1999/2000. Measured densities are consistent with those used at the nearby Plutonic Gold Mine.
- The resource was classified as Indicated and Inferred Mineral Resource. The Indicated portion of the resource was defined where the drill spacing was less than 40m by 40m (predominantly 20m by 20m), continuity of mineralisation was robust and where the kriging efficiencies were predominantly greater than 60%. This classification was confined to Objects 1, 4, 7, and part of Object 2 within the Main Lode. The Inferred Resource included those areas of the resource where sampling was greater than 40m by 40m.