



19 May 2011

## Plutonic Dome Project Update

*Early exploration encouragement at Trident and continued growth of project resource base*

Dampier Gold is positioning itself to be among the next generation of Australian gold producers. The Company is evaluating and exploring ~700km<sup>2</sup> 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 553,000 ounces of gold.

**ASX CODE:** DAU

**CURRENT SHARE PRICE:** \$0.49

**CURRENT UNDILUTED MARKET CAPITALISATION:** \$26.6M

**ISSUED CAPITAL:** 54.4M ordinary shares

### DIRECTORS

Dr Russell Skirrow  
*Chairman*

Mr Richard Burden  
*Non-Executive Director*

Mr Philip Retter  
*Non-Executive Director*

### MANAGEMENT

Dr Julian Stephens  
*Chief Executive Officer*

Mr Richard Hay  
*Chief Operations Officer*

Mr Brendan Cocks  
*Chief Financial Officer*

[www.dampiergold.com](http://www.dampiergold.com)

PO Box 1981  
West Perth 6872  
Western Australia

## HIGHLIGHTS

- **Total Mineral Resource grows to 553,000 ounces of gold**
- **Updated resource estimate received for PPP deposit. Increases contained gold by 24,000 ounces or 90%**
- **PPP Inferred and Indicated Resource now stands at;**
  - OP: 0.27Mt at 2.6g/t Au for 23,000 oz
  - UG: 0.22Mt at 3.9g/t Au for 28,000 oz
  - Total: 0.49Mt at 3.2g/t Au for 51,000 oz**
- **First results received for 2011 drilling program**
- **5 wildcat holes targeting up-dip extensions to the Trident resource successfully intersects high grade mineralisation in one hole;**
  - DTRRC0006: 4m at 8.0g/t Au from 91m**
- **RC drilling completed to date totals 31 holes for ~4,300m at Trident, Cinnamon, Keillor East and K1**
- **Further assay results from Cinnamon and Keillor East expected in coming weeks**



## Resource Estimate - PPP

Dampier Gold Limited (“Dampier” or the “Company”, ASX:DAU) is pleased to announce the results of a recently completed resource estimate for the PPP deposit located within the Company’s 100%-owned Plutonic Dome project. This updated estimate continues Dampier’s methodical review of previous models generated for the gold deposits within the project area.

The updated resource for PPP is summarised in the following tables:

**Table 1. PPP open-pit Mineral Resource estimate as at May 2011 (0.5g/t Au cut-off)\***

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)	
-	-	203,000	2.7	70,000	2.4	273,000	2.6	<b>23,000</b>

**Table 2. PPP underground Mineral Resource estimate as at May 2011 (3.0g/t Au cut-off)**

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)	
-	-	129,000	3.9	92,000	3.9	221,000	3.9	<b>27,900</b>

**Table 3. PPP total Mineral Resource estimate as at May 2011**

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)	
-	-	332,000	3.2	162,000	3.3	<b>494,000</b>	<b>3.2</b>	<b>50,900</b>

\* Open-pit component of the resource constrained by A\$1,600 per ounce conceptual pit shell.

## Drilling Program

The Company’s 2011 RC drilling program is now well underway. To date, 5 holes have been completed at Trident, 9 holes at Cinnamon, 8 holes at Keillor East and 9 holes at K1.

Of the 5 wildcat holes completed at Trident, one hole successfully identified high grade gold mineralisation up-dip of the current resource model, consistent with the Company’s recently developed geological model of the deposit.

### **DTRRC0006: 4m at 8.0g/t (from 91m) incl. 1m at 21.7g/t Au (from 91m)**

This intercept is highly significant because it occurs in close proximity to the existing box-cut excavated during the 1990s for a proposed underground development. This area is now considered a valid target for follow-up drilling to target mineralisation that could potentially fall within an open pit.

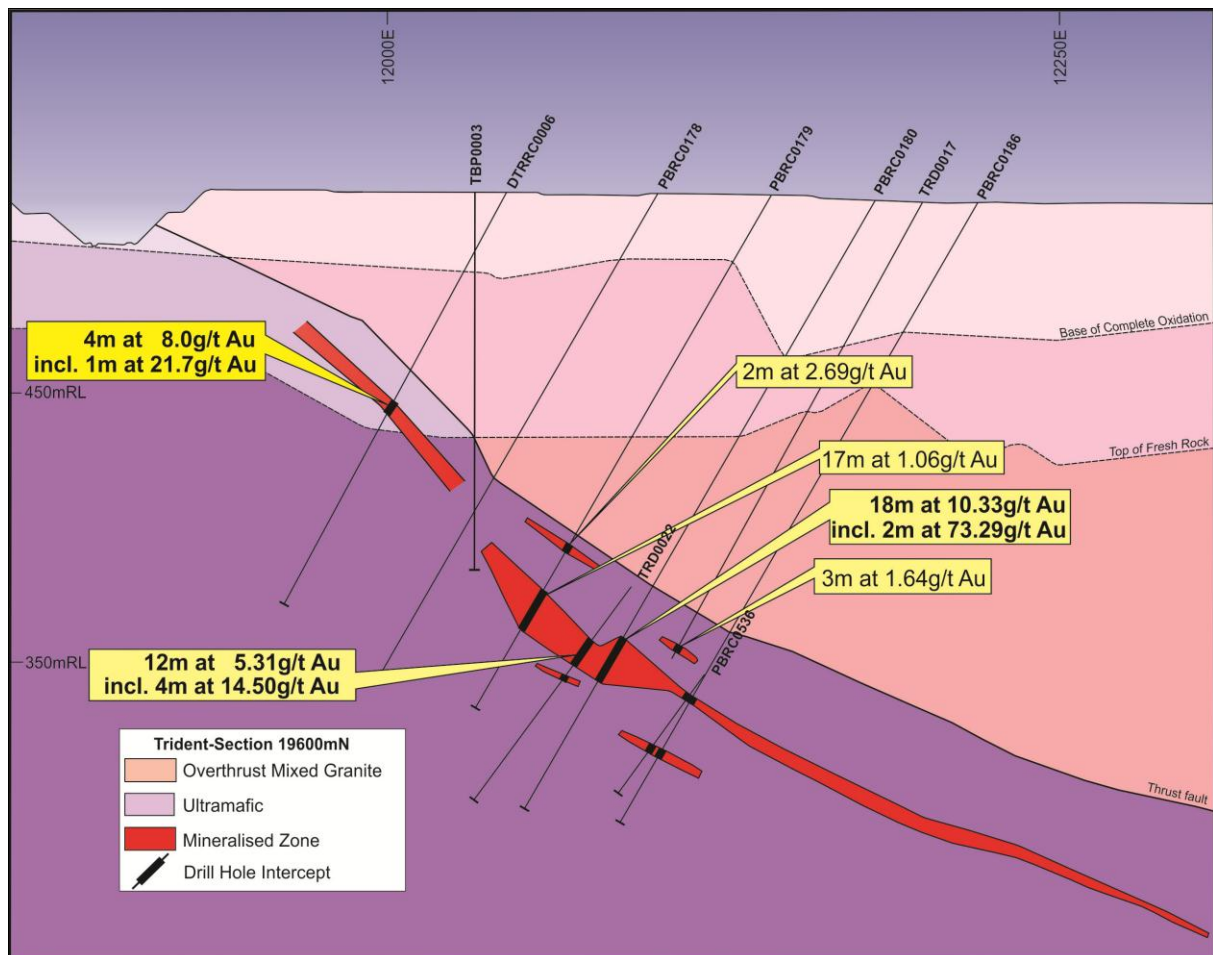


The 4 other holes did not return any assay results greater than 1g/t Au, however zones of anomalous gold mineralisation confirm that the system extends to shallower levels.

**Table 4. Trident drill-hole collar details DTRRC0004-0008.**

Hole ID	Local E	Local N	Dip	Local Azimuth	Total Depth (m)
DTRRC0008	12048	19880	-60°	180°	196
DTRRC0005	12048	19840	-60°	180°	168
DTRRC0007	12048	19660	-60°	180°	180
<b>DTRRC0006</b>	<b>12048</b>	<b>19600</b>	<b>-60°</b>	<b>180°</b>	<b>180</b>
DTRRC0004	12008	19560	-60°	180°	174

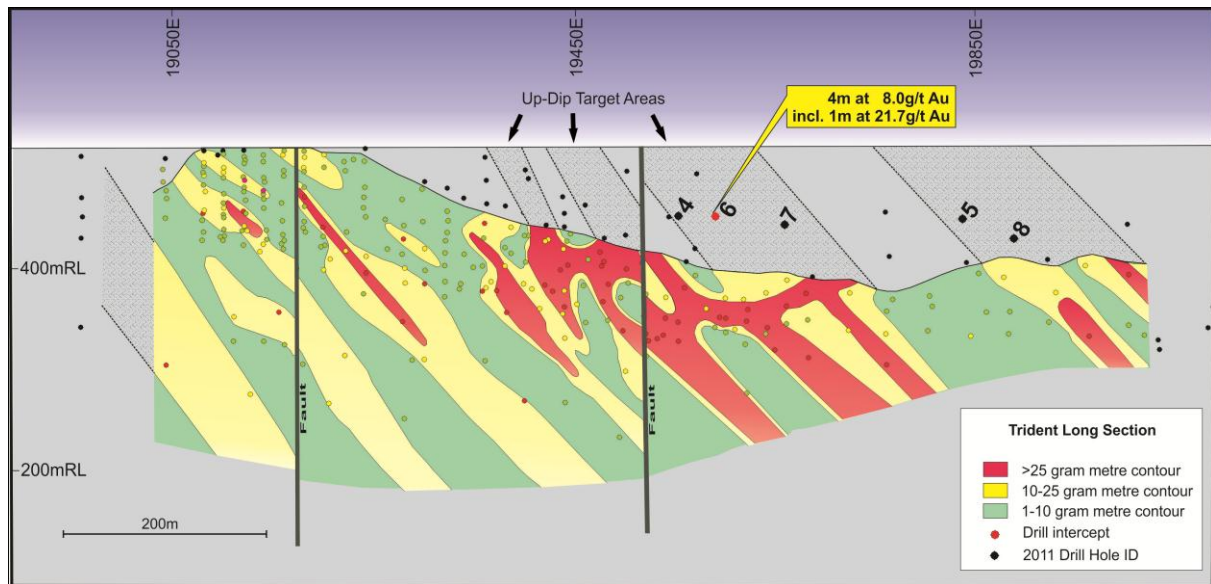
**Figure 1. Cross-section 19600mN showing DTRRC0006 intercept above current Trident resource model**





The Company has further drilling planned for Trident over the next 3-4 months which will mainly target near-surface positions and follow-up the shallow intercept in DTRRC0006. Additional holes will infill some of the higher-grade areas currently in the Inferred resource category.

**Figure 2. Trident long-section showing new intercept in DTRRC0006 above the current resource model**



## Exploration

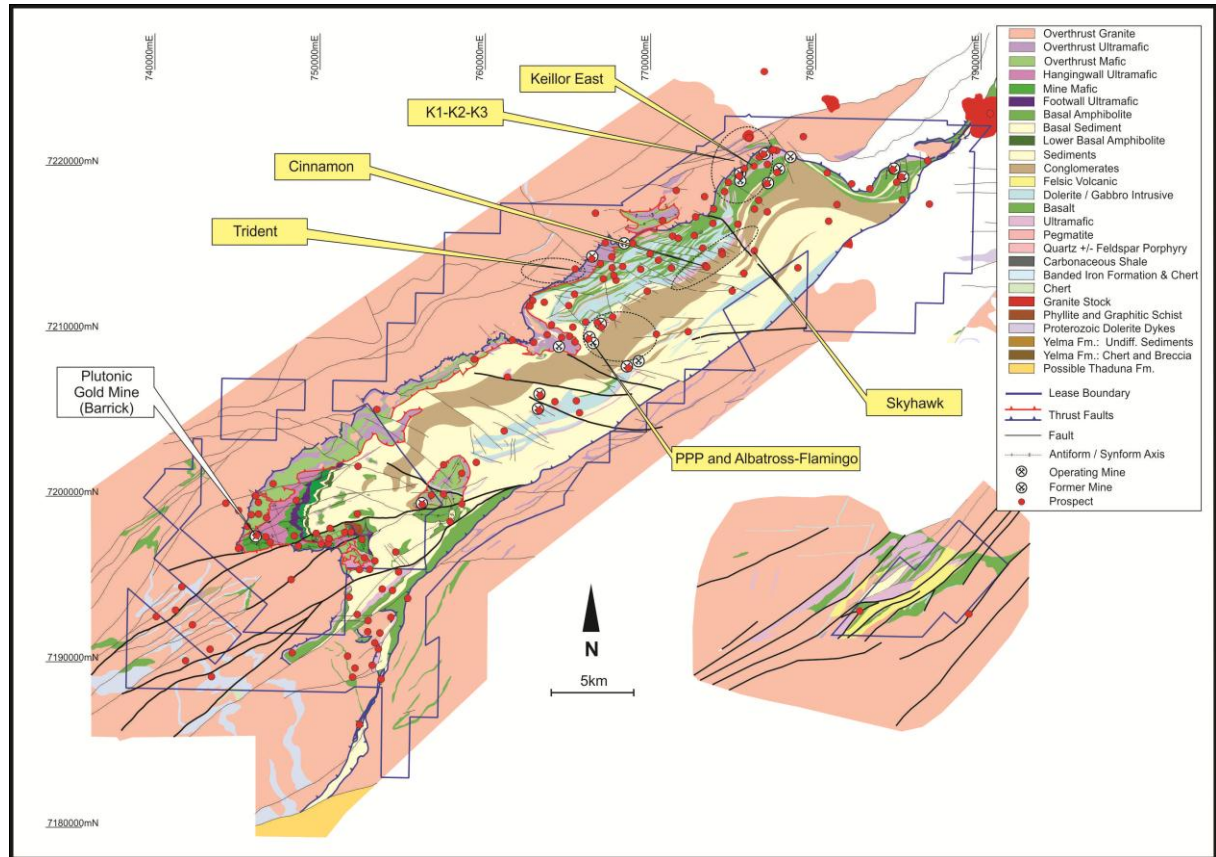
The Company's initial exploration drilling program is designed to test new or less advanced targets at Keillor East and Skyhawk.

To date, 8 holes have been drilled at Keillor East over a strike length of 2km testing previously undrilled IP geophysical targets adjoining the K1 and K2 resources. These holes have successfully intersected pyrite and silica alteration similar in style to the K1 and K2 mineralisation over downhole widths of up to 6m. Further drilling at Keillor East and other IP chargeability targets identified in the immediate area is now warranted. The Company expects results from the initial Keillor East drilling to be available in coming weeks.

At Skyhawk, previous limited shallow drilling extending below a small laterite pit mined in the 1990s identified potential for bedrock mineralisation. Dampier is encouraged by the potential of this prospect given the geological similarity to the nearby Cinnamon deposit. Skyhawk represents a priority target for potential open pitable supergene and primary mineralisation. The Company has designed an initial 7 RC drill hole program in advance of more detailed campaign once the bedrock geology is more clearly understood.



**Figure 3. Location map showing the main deposits and exploration targets at the Plutonic Dome Project**



**Contacts**

Dr Julian Stephens – CEO  
 +61 411 144 531  
[julian.stephens@dampiergold.com](mailto:julian.stephens@dampiergold.com)

Ben Jarvis – Six Degrees Media  
 +61 413 150 448  
[ben@sixdegreesmedia.com.au](mailto:ben@sixdegreesmedia.com.au)

**About Dampier Gold**

*Dampier Gold has acquired 100% of the ~700km<sup>2</sup> 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 Mineral Resource of approximately 553,000oz Au (comprising a Measured Resource of some 0.5 Mt at 2.1g/t Au, an Indicated Resource of some 1.8 Mt at 4.8 g/t Au and an Inferred Resource of some 1.8Mt at 4.1g/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.*



Appendix:

**Plutonic Dome Project Mineral Resource – April 2011**

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
<b>Sub-total</b>		<b>19,000</b>	<b>3.2</b>	<b>355,000</b>	<b>5.5</b>	<b>359,000</b>	<b>2.8</b>	<b>734,000</b>	<b>4.1</b>	<b>97,800</b>
*Trident	OP	-	-	-	-	-	-	-	-	-
	UG	-	-	787,000	6.2	1,072,000	4.9	1,859,000	5.5	326,100
<b>Sub-total</b>		<b>-</b>	<b>-</b>	<b>787,000</b>	<b>6.2</b>	<b>1,072,000</b>	<b>4.9</b>	<b>1,859,000</b>	<b>5.5</b>	<b>326,100</b>
**Albatross - Flamingo	OP	-	-	194,000	1.8	103,000	2.8	297,000	2.2	20,800
	UG	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>		<b>-</b>	<b>-</b>	<b>194,000</b>	<b>1.8</b>	<b>103,000</b>	<b>2.8</b>	<b>297,000</b>	<b>2.2</b>	<b>20,800</b>
***K1	OP	504,000	2.1	103,000	2.0	145,000	3.7	752,000	2.4	57,800
	UG	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>		<b>504,000</b>	<b>2.1</b>	<b>103,000</b>	<b>2.0</b>	<b>145,000</b>	<b>3.7</b>	<b>752,000</b>	<b>2.4</b>	<b>57,800</b>
***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
<b>Sub-total</b>		<b>-</b>	<b>-</b>	<b>332,000</b>	<b>3.2</b>	<b>162,000</b>	<b>3.3</b>	<b>494,000</b>	<b>3.2</b>	<b>50,900</b>
<b>Total</b>	<b>OP</b>	<b>523,000</b>	<b>2.1</b>	<b>697,000</b>	<b>2.9</b>	<b>590,000</b>	<b>2.6</b>	<b>1,811,000</b>	<b>2.6</b>	<b>151,800</b>
<b>Total</b>	<b>UG</b>	<b>-</b>	<b>-</b>	<b>1,074,000</b>	<b>6.0</b>	<b>1,251,000</b>	<b>4.8</b>	<b>2,325,000</b>	<b>5.4</b>	<b>401,600</b>
<b>Grand Total</b>		<b>523,000</b>	<b>2.1</b>	<b>1,771,000</b>	<b>4.8</b>	<b>1,841,000</b>	<b>4.1</b>	<b>4,136,000</b>	<b>4.2</b>	<b>553,400</b>

OP = open pit, UG = underground

\*Trident resource based on parameters detailed in an ASX announcement on 29<sup>th</sup> November 2010

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

\*\*\* Open pit resources are reported within an optimized pit shell at A\$1,600/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.

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 all other Mineral Resources 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.