

ASX CODE DOM

ISSUED CAPITAL

103,009,351 fully paid ordinary shares

DIRECTORS

Peter Joseph – Chairman
Jonathan Shellabear – Managing Director
Ross Coyle – Exec Director
Peter Alexander – Non-Exec Director
John Gaskell – Non-Exec Director

KEY MANAGEMENT

Jonathan Shellabear – Managing Director
Peter Bamford – GM Operations
Ross Coyle – CFO & Company
 Secretary
Tony Poustie – GM Exploration

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Dominion Mining Limited

ABN 37 000 660 864

QUARTERLY REPORT

30 SEPTEMBER 2009

SUMMARY

Challenger Mine Operations

- Quarterly gold production of **17,605 ounces** at an operating cash cost of **A\$683/ounce** a result of:
 - a focus on developing sufficient underground accesses to enable more areas to be mined to facilitate the plant expansion;
 - the majority of ore mined during the quarter was from the M2 shoot which included a greater portion of development ore;
 - lower gold endowment encountered from the M1 Shoot on the 480 to 440 levels;
- Plant expansion progressing on schedule and on budget with increased annual production rates of around 120,000 ounces from early 2010.
- Diamond drill intersections of the M2 shoot at levels near the current base of the mine, indicate grade increasing with depth. Results include **4.98 metres at 13.63 g/t, 1.13 metres at 161.29 g/t, 1.21 metres at 46.36 g/t, 1.82 metres at 28.74 g/t and 6.0 metres at 8.41 g/t gold.**
- Intersections at depths below current workings reinforce previously reported high grade intersections of the M1 shoot with results including **6.39 metres at 13.76 g/t and 1.00 metre at 172.43 g/t gold.**
- Underground percussion drilling continues to support the continuity of high grade mineralisation. Results include **3 metres at 115.5 g/t, 6.75 metres at 62.3 g/t, 5.25 metres at 167.8 g/t, 4.55 metres at 185.3 g/t and 1.50 metres at 1,071.4 g/t gold.**

Exploration

Challenger

- Challenger Deeps drilling has demonstrated **continuity of the high grade Challenger Shoot system to vertical depths** of at least **1,350 metres** with new intersections including **1.15 metres grading 29.9 g/t and 2.86 metres grading 130.4 g/t gold.** Results for the deepest drilling are pending.
- Drilling has highlighted the potential of two shoot structures, outside of current resources but close to the existing development, with intersection including **0.35 metres grading 57.4 g/t gold (Lower M1)** and **1.00 metres grading 55.8 g/t and 1.26 metres grading 19.7 g/t gold (Aminus).**

Western Australia

- Further shallow, high grade gold mineralisation including **14 metres grading 6.6 g/t (including 4 metres grading 21.4 g/t)** and **7 metres grading 6.3 g/t (including 1 metre grading 22.0 g/t)** returned from the **Bottleneck Prospect (Kukerin Project).**
- A series of new **copper** and **copper-gold geochemical anomalies** have been defined, in a prospective geological setting, within the **Calingiri Project.** Follow up drilling has just commenced.

- **New joint ventures entered into:**
 - **Northling Project** provides access to an exciting target for a **new copper mineralised system** in a little explored area.
 - **Bryah Project** covers untested **copper-gold geochemical anomalies** within the Narracoota Volcanics, the geology that hosts the DeGrussa copper-gold discovery.

Corporate

- Revenue for the quarter of **A\$20.73 million** was generated from the sale of **18,849 ounces** of gold at an average price received of **A\$1,100/ounce** generating a gross cash margin of **A\$8.71 million** and a net operating cash deficit after development and capital expenditure of **A\$3.81 million**.
- Cash and bullion of **A\$29.74 million** at the end of September, consisted of cash of **A\$26.07 million** and bullion of **A\$3.67 million** and was after the payment on 30 September of the final dividend of 8 cents per share (\$8.2 million). Total dividend paid for the 2009 financial year was 14 cents per share.

OPERATIONS (Challenger Gold Project – Dominion 100%)**Production**

Quarterly production of 17,605 oz was achieved from the treatment of 116,981 tonnes at a grade of 4.94 g/t at a cash operating cost of \$683/oz. Tonnes treated included 11,401 tonnes of low grade ore at 1.20 g/t.

Production for the quarter was adversely impacted due to a focus on developing sufficient underground accesses to enable more areas to be mined to facilitate the plant expansion scheduled for completion in early 2010 and lower gold endowment encountered from the M1 Shoot on the 480 to 440 levels. In addition the majority of ore mined during the quarter was from the lower grade M2 shoot which included a greater portion of development ore.

It is anticipated production will improve over the next quarter to around 22,000 ounces due to a lower amount of development ore and the availability of higher grade zones.

The treatment plant achieved plant availability of 97.8% during the quarter which included a 41 hour shutdown during August to allow for a full re-line of the ball mill.

		Quarter Ended 30 September 2009	Quarter Ended 30 September 2008
Tonnes Mined (including low grade)	(tonnes)	116,772	118,052
Ore Processed	(tonnes)	116,981*	106,094
Head Grade	(g/t)	4.94	8.54
Recovery	(%)	93.3%	94.4%
Gold Produced**	(oz)	17,605	27,269
Cash Operating Cost*	(A\$/oz)	\$683	\$401
Mine Development		\$5.89 million	\$4.35 million
Sustaining Capex		\$1.27 million	\$0.93 million
New Tailings Storage Facility		\$1.53 million	-
Ventilation Shaft		\$2.41 million	-
Plant Expansion	\$'000	\$1.42 million	-
Gold Sold	(oz)	18,849	26,396
Average Price Received	(A\$/oz)	\$1,100	\$1,027

* Includes 11,401 tonnes of low grade ore (1.20 g/t).

** Gold production is actual gold poured during the period and does not reflect changes in the balance of gold in circuit. Cash operating cost refers to the cost of gold poured and produced and includes all expenditures directly incurred on mining, crushing and processing net of all movements in deferred mining expenditure and stockpiles plus site overheads. These costs do not include royalty payable to the South Australian Government of 3.5% of revenue (from 1 January 2009, previously \$13/ounce) and a production royalty of A\$4 per ounce to local indigenous groups.

The increase in underground development work resulted in expenditure of A\$5.89 million over the quarter. In addition \$1.27 million was incurred on other capital works including expanding the village accommodation and facilities and increasing the power generation capacity.

A second tailings storage facility was completed as planned during the quarter at a cost of \$1.53 million.

Expenditure of \$2.41 million was incurred on the ventilation shaft during the quarter. The raisebore pilot hole was completed by mid-July with 374 metres of the 4.5 metre diameter shaft reamed by the end of September. The shaft designed to be 760 metres deep is scheduled to be completed by the end of December 2009 ready for a primary exhaust fan to be installed at surface.

The plant expansion is progressing on schedule and on budget with expenditure for the quarter of \$2.41 million. Construction on site started with the concrete foundations for the thickener, second ball mill and an emergency feeder conveyor. The manufacture of the thickener shell was completed and steel fabrication and refurbishment of mechanical and electrical equipment progressed on schedule.

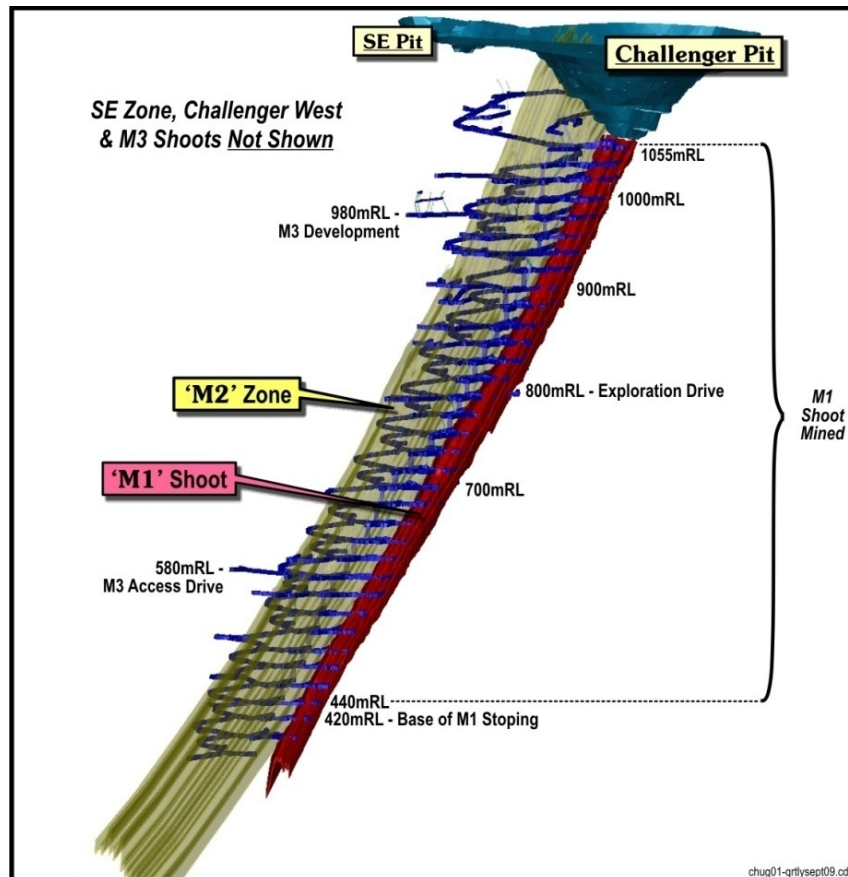
Underground Development & Mining

Decline development had reached below the 380 level by the end of the quarter with development of the M1 and M2 level progressing on the 400 level. Grades mined from the 400 level development M2 shoot exceeded 7 grams per tonne suggesting that this shoot has an increasing gold endowment as the mine deepens. Diamond drill intersections at levels near the current base of the mine, reinforces this assessment indicating grade increasing with depth. This trend of increasing grade from current levels is also apparent within the M1 shoot.

Development ore was sourced primarily from the M2 shoot on 860 and 720 levels supplemented by development to provide small lower grade stopes which were immediately extracted to provide underground voids to deposit raisebore cuttings.

Ore was stoped from the M1 and parts of the M2 shoots on 460 and 440 levels. In addition ore was stoped from part of the M2 shoot on 600, 720, 740, 860, 880 and 900 levels as well as between the 440 to 500 levels created as voids for raisebore cuttings.

Initial extraction of the M3 initial shoot from the 980 level progressed with development on the 1002 and 1012 sublevels ready for stoping to commence in the next quarter.



Challenger underground showing current level development

Evaluation of the Continuity of the Challenger Shoots (currently defined reserves)

Underground drilling has continued to demonstrate the continuity of high grade mineralisation in future mining levels of the Challenger shoots as highlighted by the following intersections.

Underground Diamond Drilling Intersections

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Level/RL	Shoot
09CUD0545	64.32	64.70	0.38	694.56	405	M1
09CUD0525	177.90	184.29	6.39	13.76	330	M1
09CUD0589	164.00	165.00	1.00	172.43	314	M1
09CUD0554	33.59	35.00	1.41	95.83	640	M2
09CUD0568	44.00	45.13	1.13	161.29	410	M2
09CUD0570	41.02	46.00	4.98	13.63	410	M2
09CUD0571	29.10	30.00	0.90	76.06	410	M2
09CUD0545	52.59	53.52	0.93	124.16	405	M2
09CUD0559	21.76	22.56	0.80	52.10	405	M2
09CUD0560	22.79	24.00	1.21	46.36	405	M2
09CUD0562	78.08	79.90	1.82	28.74	390	M2
09CUD0564	81.00	87.00	6.00	8.41	365	M2

Underground Percussion Drilling Intersections

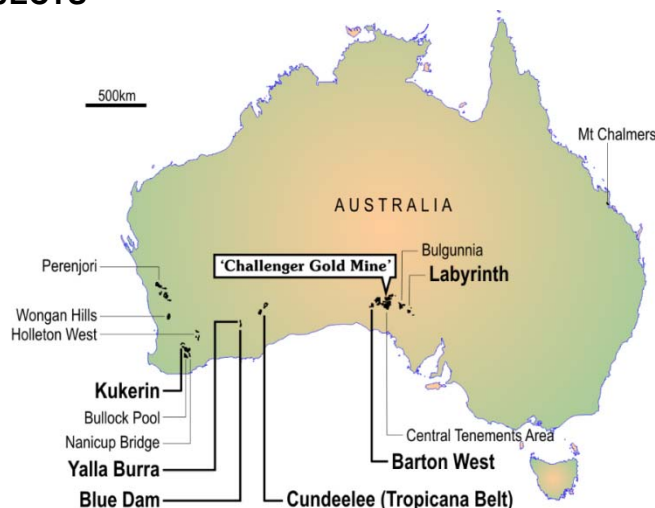
Hole ID	Interval (m)	Au (g/t)	Level/RL	Shoot
09CUS5301	1.50	153.9	440	M1
09CUS5799	7.50	25.9	435	M1
09CUS5793	3.05	67.6	430	M1
09CUS5795	1.55	137.9	430	M1
09CUS5448	2.25	70.9	425	M1
09CUS5892	3.75	43.9	905	M2
09CUS5716	1.50	94.6	900	M2
09CUS5718	3.00	115.5	900	M2
09CUS5719	3.00	106.4	900	M2
09CUS5828	6.75	62.3	900	M2
09CUS5829	1.50	79.6	900	M2
09CUS5833	3.00	45.9	900	M2
09CUS5839	8.25	44.5	900	M2
09CUS5308	1.80	109.4	895	M2
09CUS5320	3.90	32.1	895	M2
09CUS5304	5.40	22.3	890	M2
09CUS5382	6.75	43.9	890	M2
09CUS5475	2.25	220.1	885	M2
09CUS5478	5.25	167.8	885	M2
09CUS5341	3.00	44.9	875	M2
09CUS5452	2.25	108.9	875	M2
09CUS5467	2.25	282.7	875	M2
09CUS5329	9.80	17.7	870	M2
09CUS5332	1.50	76.1	870	M2
09CUS5336	5.25	33.7	870	M2
09CUS5337	6.05	68.7	870	M2
09CUS5666	3.00	130.4	860	M2
09CUS5668	1.50	70.5	860	M2
09CUS5670	1.50	93.4	860	M2
09CUS5670	3.00	109.2	860	M2
09CUS5676	1.50	154.5	860	M2
09CUS5685	3.75	58.8	860	M2

Hole ID	Interval (m)	Au (g/t)	Level/RL	Shoot
09CUS5687	3.75	121.6	860	M2
09CUS5692	3.75	51.5	860	M2
09CUS5738	1.50	85.4	860	M2
09CUS5166	4.55	185.3	850	M2
09CUS5361	1.50	81.6	850	M2
09CUS5622	3.75	23.9	740	M2
09CUS5645	2.30	39.9	740	M2
09CUS5654	2.25	211.2	740	M2
09CUS5786	3.60	122.6	615	M2
09CUS5290	1.50	1071.4	610	M2
09CUS5562	9.00	111.7	600	M2
09CUS5436	7.50	105.3	510	M2
09CUS5404	1.50	191.6	500	M2
09CUS5428	2.30	83.1	500	M2
09CUS5301	1.55	421.6	425	M2
09CUS5611	3.75	108.7	420	M2
09CUS5409	1.55	45.5	1035	M3
09CUS5410	1.55	104.9	1035	M3
09CUS5405	1.55	69.4	1030	M3
09CUS5571	3.75	15.9	620	M3

Occupational Health and Safety

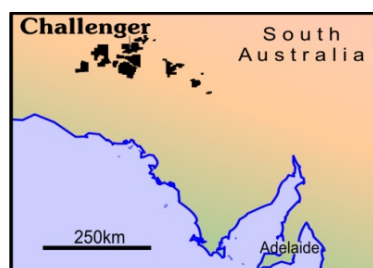
There were no Lost Time Injuries during the quarter.

EXPLORATION PROJECTS



South Australia

Challenger (100%)



The **Challenger Deeps surface drilling** programme, designed to evaluate depth extensions of the **Challenger Shoot system**, has continued with the completion of the 87 Series (09CDDH0087W4) and the start of the 88 Series (09CDDH0088 parent hole, and daughter holes 09CDDH0087W2 and W3).

Results for the 87 Series holes are tabulated below (some of these intersections were reported in the June 2009 Quarterly report):

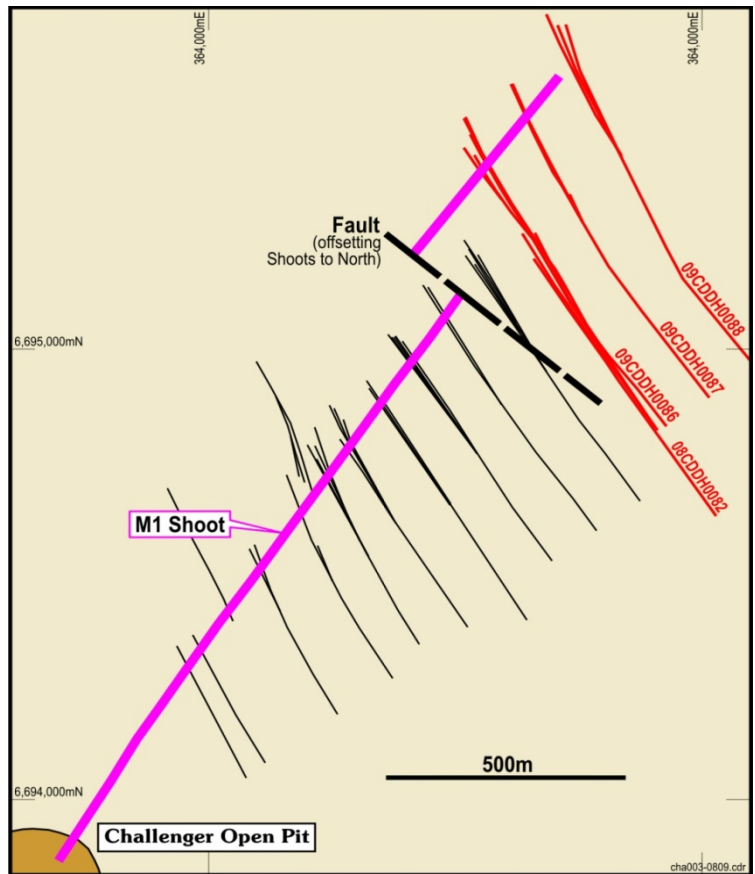
Surface Diamond Drilling Intersections – Challenger Deeps

Hole ID	Coords	Dip/Azi	From (m)	To (m)	Interval (m)	Au (g/t)	Depth of Intersection	
							m RL	Vertical depth (m)
09CDDH0087	10825N/21810E	-42/004	1363.50	1366.36	2.86	130.4	83	1112
09CDDH0087W1*	10825N/21810E	-45/002	1340.00	1341.00	1.00	79.7	82	1113
09CDDH0087W1*	10825N/21810E	-45/002	1358.16	1364.00	5.84	5.6	73	1122
09CDDH0087W2*	10825N/21810E	-47/002	1349.00	1350.05	1.05	34.2	69	1126
09CDDH0087W2*	10825N/21810E	-47/006	1467.95	1469.00	1.05	108.6	-30	1225
09CDDH0087W2*	10825N/21810E	-47/004	1480.00	1482.00	2.00	6.00	-38	1233
09CDDH0087W3	10825N/21810E	-46/002	1384.00	1385.22	1.22	8.4	34	1161
09CDDH0087W3	10825N/21810E	-45/004	1466.00	1467.15	1.15	29.9	-22	1217
09CDDH0087W3	10825N/21810E	-45/005	1515.70	1516.00	0.30	15.8	-56	1251
09CDDH0087W4	10825N/21810E	-49/002	1371.00	1374.00	3.00	6.7	24	1171

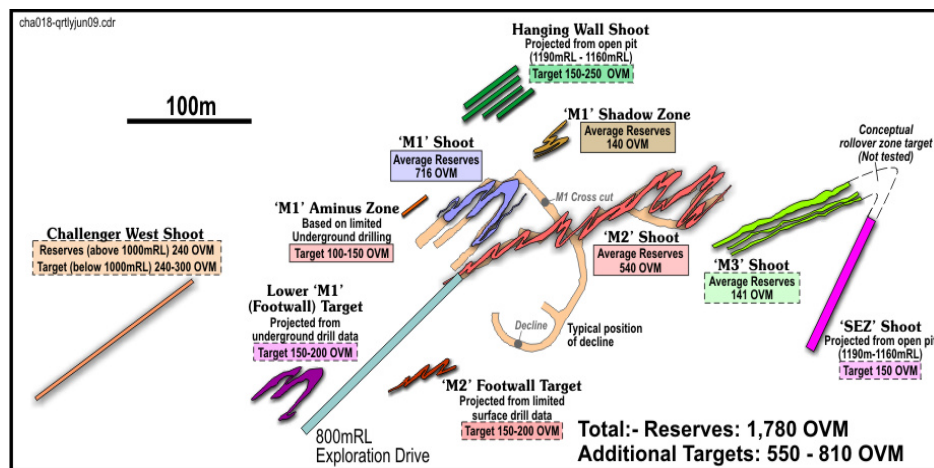
* Intersections previously reported in the June 2009 Quarterly Report.

The 88 Series holes completed to date have confirmed the continuity of the shoot system, at least to the minus 150m RL (1,350 metres vertical depth). Results are pending.

The 86, 87 and 88 Series sections have now confirmed continuity of the **Challenger Shoot system** for at least 500 metres along strike (comprising an additional 300 metres vertical depth), beyond what is now interpreted as a fault, intersected in the 79 Series holes. This '79 Fault' appears to have offset the shoot system by about 150 metres to the north - west.



Challenger Deeps Drilling - Plan projection view



Schematic plan of shoots (part of reserves) and additional target shoots

Underground exploration has targeted the **Lower M1 (Footwall) Target** and the **Aminus Zone** (a newly defined structure located within 15 – 20 metres of the M1 Shoot). Significant intersections are tabulated below:

Underground Diamond Drilling Intersections Lower M1 (Footwall) Target

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Level/RL
09CUD0547	34.83	35.03	0.20	15.7	790
09CUD0548	35.68	36.03	0.35	57.4	785
09CUD0580	40.00	42.00	2.00	8.8	785

These holes were drilled from the 800m RL exploration drive and are additional to intersections (including **1.2 metres grading 23.8 g/t** and **0.38 metres grading 39.4 g/t gold**) reported in the June 2009 Quarterly report. Results received to date have defined a narrow, high grade structure, analogous to the M3 Shoot. Further evaluation is planned.

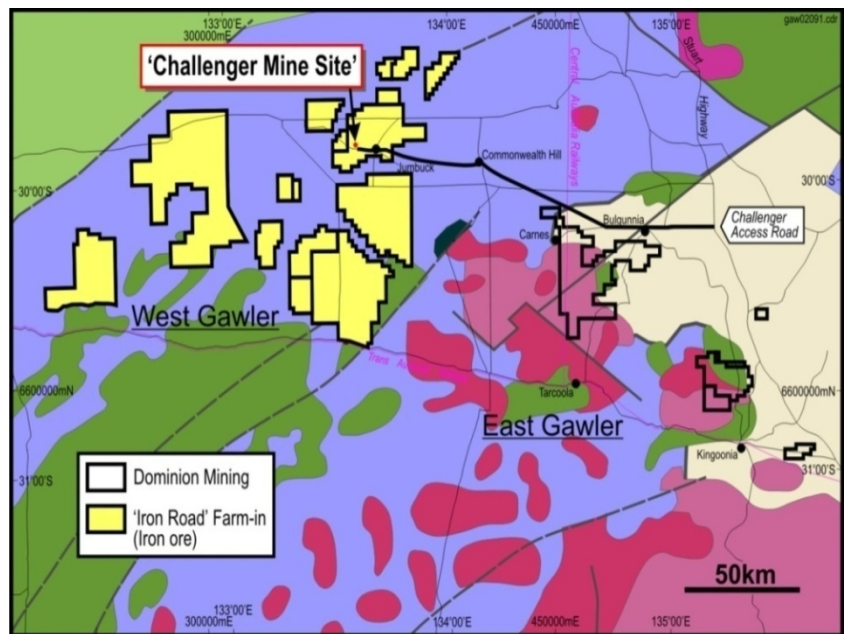
Underground Diamond Drilling Intersections Aminus Zone Target

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Level/RL
09CUD0561	133.00	134.00	1.00	55.8	380
09CUD0566	222.74	224.00	1.26	19.7	375

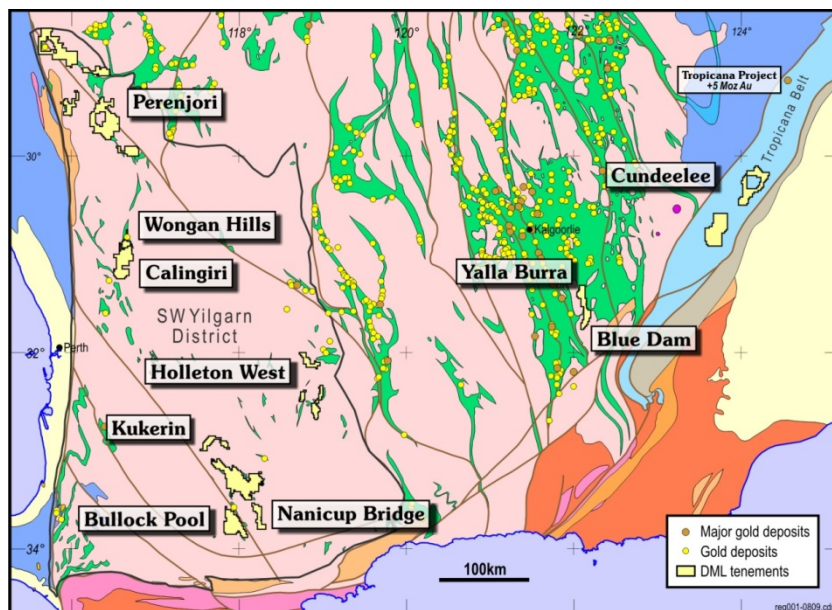
The **Aminus Zone** appears to be a narrow, but consistently high grade, structure on the hanging wall, northern edge of the M1 Shoot. Further evaluation, including possible trial development, is planned.

Iron Road Joint Venture

Iron Road Limited can earn a 90% interest in the iron ore rights within the Central Tenements Area (CTA) by both sole funding exploration and issuing \$1 million worth of stock (or 2% of the company's equity, if a higher value). They are targeting magnetite mineralization similar to that in their Warramboob Project area.

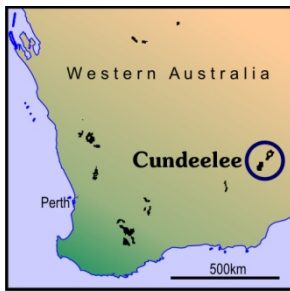


Western Australia



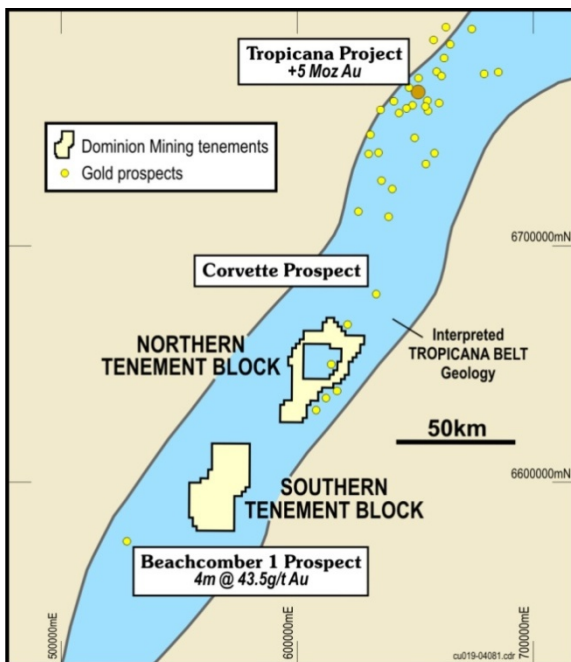
Western Australia Projects - Geological districts and gold deposits

Cundeelee Project (Tropicana Belt) (100%)

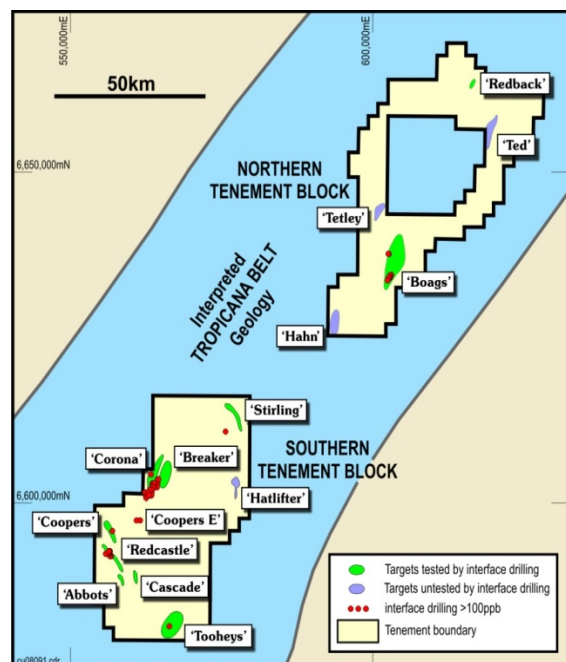


Dominion's Cundeelee Project comprises an area of approximately 1,260 square kilometres and lies within a distinctive NE-SW trending geological belt that hosts the relatively recently discovered + 5 million ounce Tropicana Deposit, and a number of recently discovered gold prospects. Unlike other gold districts in WA this belt had no historical gold mining and, until the last few years, very little exploration activity.

Dominion's initial strategy involved systematic geochemical sampling over the entire project area, comprising the collection of over 31,000 samples. This resulted in the definition of 14, often large, areas of gold anomalism. An unusual feature is that there are no well defined trends, as might usually be defined by peak values. While this is indicative of the development of underlying gold mineralised systems, there is relatively poor definition of targets for follow up drilling.



Cundeelee Project - Regional location



Cundeelee Project - target areas

The follow up strategy has been to undertake broad spaced 'interface' drilling over selected parts of the geochemical anomalies. This was designed to gain an understanding of the 'regolith' profile (i.e. the nature of the cover material between the surface and the underlying fresh bedrock), the geology of the bedrock and, hopefully, to demonstrate a link between the surface geochemical anomalism and regolith and/or bedrock gold mineralisation.

10 areas of gold geochemical anomalism have been evaluated by interface drilling with significant gold values (+ 100 ppb gold) being returned at 6 of the areas. This level of gold anomalism is seen as significant and is comparable to values returned from the early interface drilling at Tropicana.

However, in many areas, the anomalous gold values are developed within a complex regolith profile, with variable thicknesses of both transported cover and deeply weathered 'in situ' material. Again this makes the targeting of follow up drilling more difficult.

During the quarter two reverse circulation drill holes were completed, one each at the **Boags** and **Corona Prospects**. These holes were designed to test the bedrock underlying parts of the extensive 'interface' gold anomalies. However, although intersecting some alteration and sulphide mineralisation, no significant gold values were returned.

The focus of future exploration is to trace the regolith gold values back to a bedrock source.

Kukerin Project (100%)

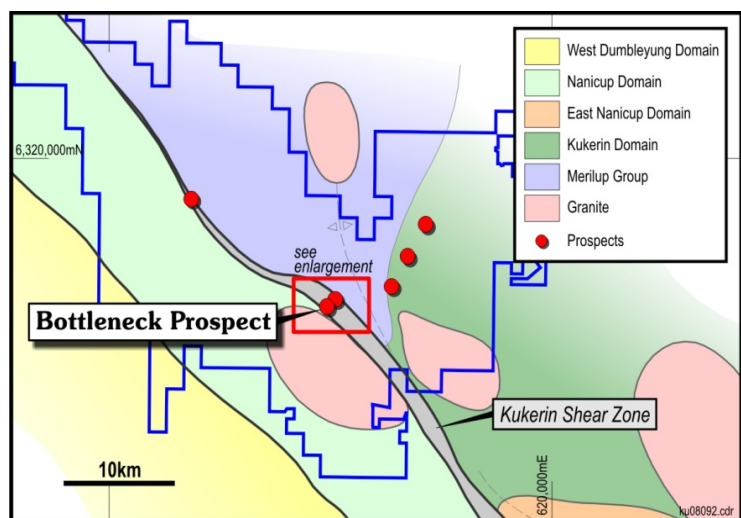


Interface drilling to follow up the previously reported high grade gold intersections, including **21 metres @ 3.5 g/t, 22m @ 3.67 g/t (inc. 15m @ 5.30 g/t), 15m @ 3.54 g/t and 18m @ 3.51 g/t (inc. 3m @ 18.8 g/t)**, have returned further high grade results as tabulated below:

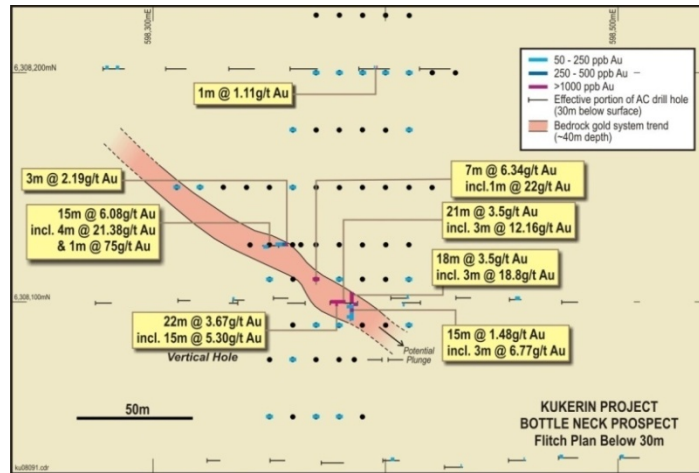
Hole ID	Coordinates (GDA 94)	Dip/Azi	From (m)	To (m)	Width (m)	Au (g/t)
09KUAC164	6308125N / 598350E	-90 / 000	14	28	14	6.57
		<i>including:</i>	<i>22</i>	<i>26</i>	<i>4</i>	<i>21.38</i>
		<i>including:</i>	<i>24</i>	<i>25</i>	<i>1</i>	<i>75.00</i>
09KUAC158	6308110N / 598370E	-90 / 000	24	31	7	6.34
		<i>including:</i>	<i>24</i>	<i>25</i>	<i>1</i>	<i>22.00</i>

Table 1 - Bottleneck Prospect –Significant intersections from recent aircore drilling

All of these high grade intersections are at, or close to, the interface with fresh bedrock at vertical depths of between 30 – 45 metres. They occur along a NW-SE trending zone which is parallel to the regional Kukerin Shear Zone. The mineralised system is open to the NW and has not been tested into the underlying fresh bedrock.



Kukerin Project

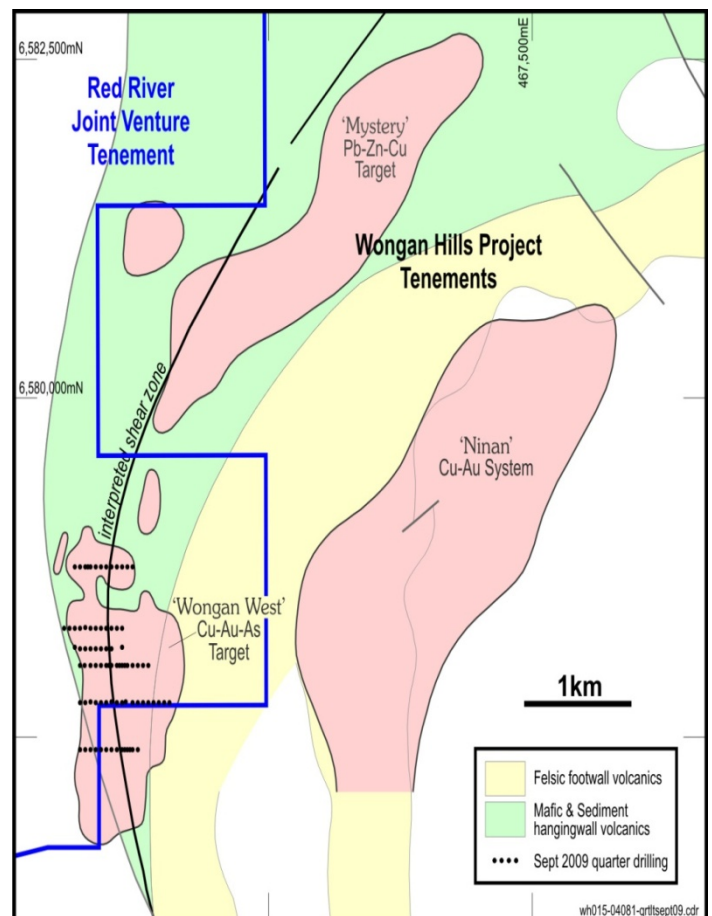


Wongan Hills Project (80%)



Previous exploration at Wongan Hills has defined both a very extensive system of copper-gold mineralisation (the **Ninan Prospect**) and outlined a parallel multielement geochemical anomaly (zinc, lead, copper, gold, arsenic, tin, and tungsten as well as important 'pathfinder elements indium, bismuth and antimony) at the **Mystery Prospect**. It is thought that these results demonstrate regional prospectivity for Golden Grove style volcanogenic hosted massive sulphide (VHMS) copper-gold and copper, lead, zinc and silver deposits.

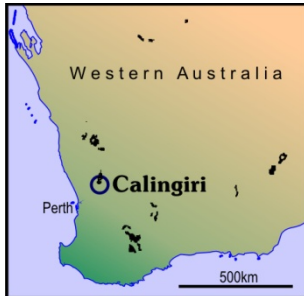
Further exploration is planned to test the interpreted western continuity of these systems where they merge along a north-south oriented shear zone (the **Wongan West target**). This previously undrilled target is defined by a strong copper geochemical anomaly with supporting gold and arsenic values. This area is subject to a new farm-in agreement with Red River Resources and Iron Mountain Limited under which Dominion can earn an 80% interest.



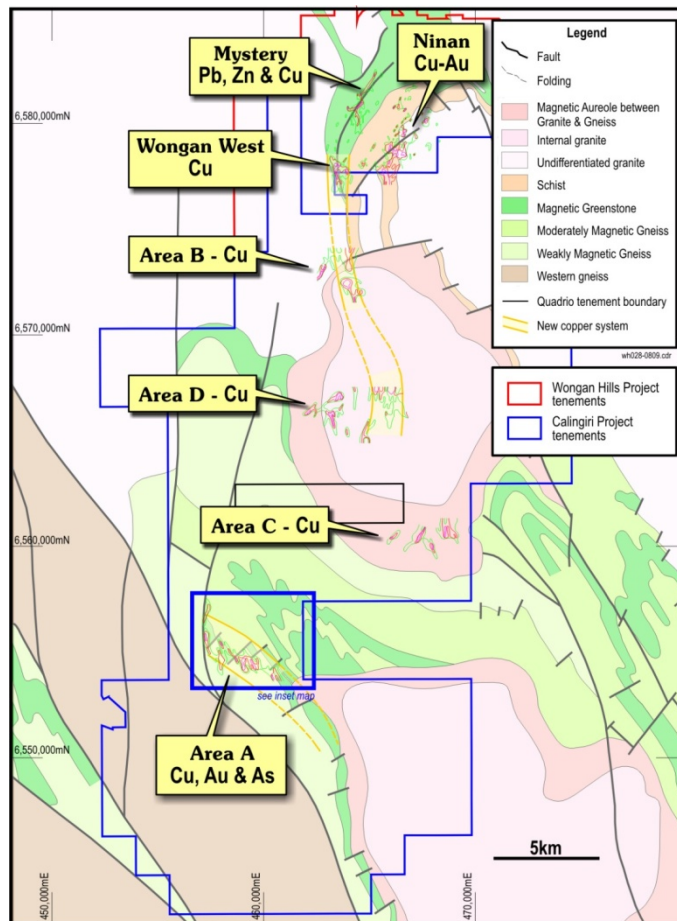
Wongan Hills Project

During the quarter a first phase interface drilling programme has been carried out to test the **Wongan West** target. This drilling, which has just been completed, and several holes have intersected chlorite alteration and disseminated chalcopyrite mineralization at the bottom of the hole. Assays are pending.

Calingiri Project (100%)



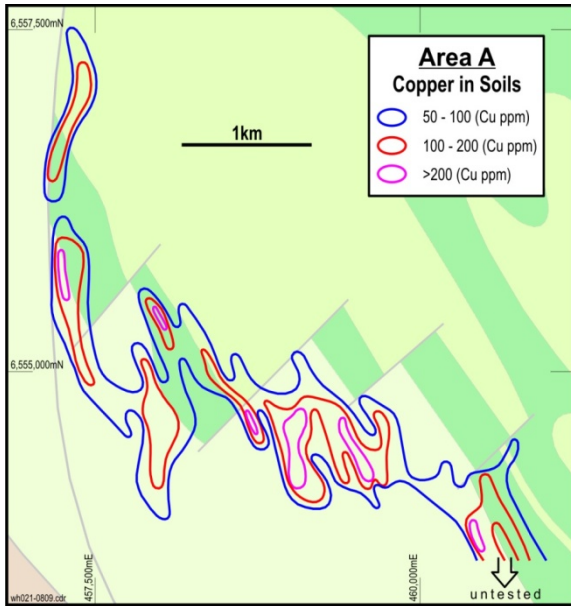
Initial reconnaissance roadside geochemical sampling in the area to the south of Wongan Hills outlined a series of, mainly, copper anomalies. Follow - up, off road sampling has subsequently defined at least 4 distinct anomalous zones (Anomalies **A – D**). New airborne magnetic data has enabled a much more detailed interpretation of the geological setting of these zones.



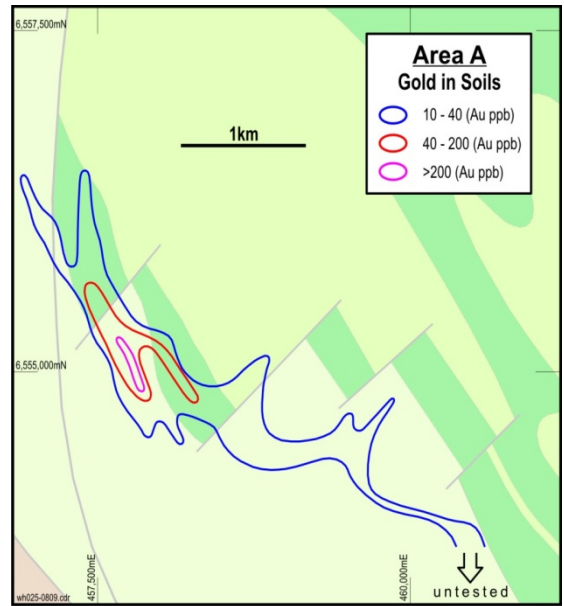
Wongan Hills and Calingiri Projects

Area A

The Area A anomaly is a coincident copper-gold-arsenic-lead soil anomaly, open to the south. The anomaly is 4km long and lies adjacent to a magnetic high lineament that appears to be truncated by a regional north-south fault zone. The coincidence of the anomaly with this geological occurrence is considered to be very favourable for a copper-gold system.



Calingiri Project - Area A



Calingiri Project - Area A

Areas B, C and D

Areas B, C and D all display broad copper soil anomalies that are open to the north and south. Areas B and D are possibly the southern extension of the Wongan West anomaly and further geochemistry between the two areas may define them as one single large copper anomaly.

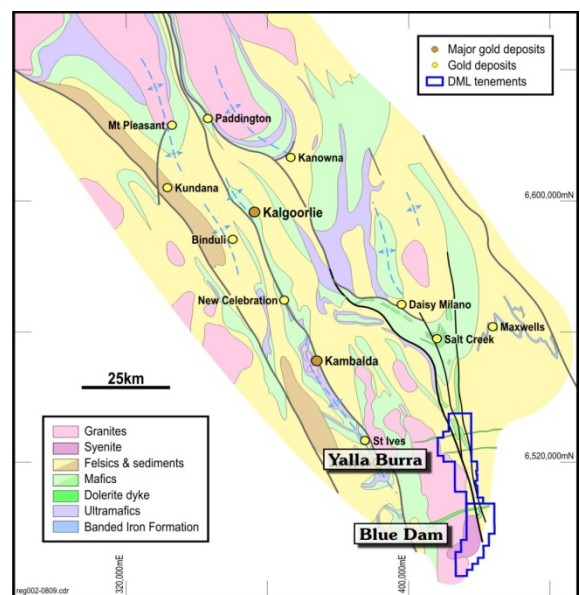
Initial interface drilling of these targets is planned for the December quarter.

Yalla Burra Project (earning 70%)



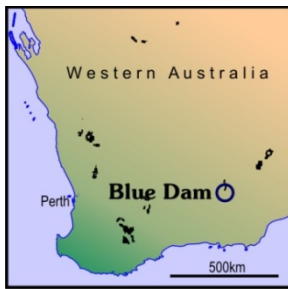
Reconnaissance (800mN x 50mE) auger geochemical sampling has defined a number of areas of gold anomalism adjacent to the interpreted Kanowna Shear Zone and Salt Creek Fault structures.

Infill geochemistry and initial interface drilling is planned for the December quarter.



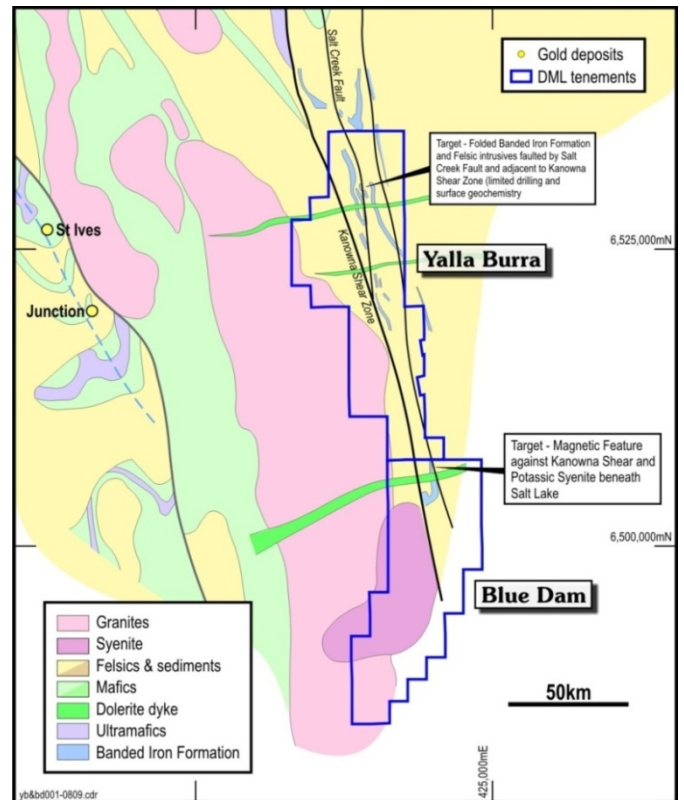
Eastern Goldfields - Regional setting showing Yalla Burra and Blue Dam prospects

Blue Dam Project (option to acquire 90%)



A geological interpretation for the Blue Dam Project has identified a folded magnetic unit, which is truncated by the Kanowna Shear, and which also lies adjacent to a magnetic syenite intrusive. This target lies beneath lake sediments and is untested by drilling. Planned evaluation will involve aircore drilling using a track mounted drill rig.

A heritage survey is planned for early November and it is hoped that the tenement will be granted by the end of the December 2009 with initial drilling in the March 2010 quarter.



Yalla Burra and Blue Dam Projects

NORTHLING JV PROJECT – (earning 70%)

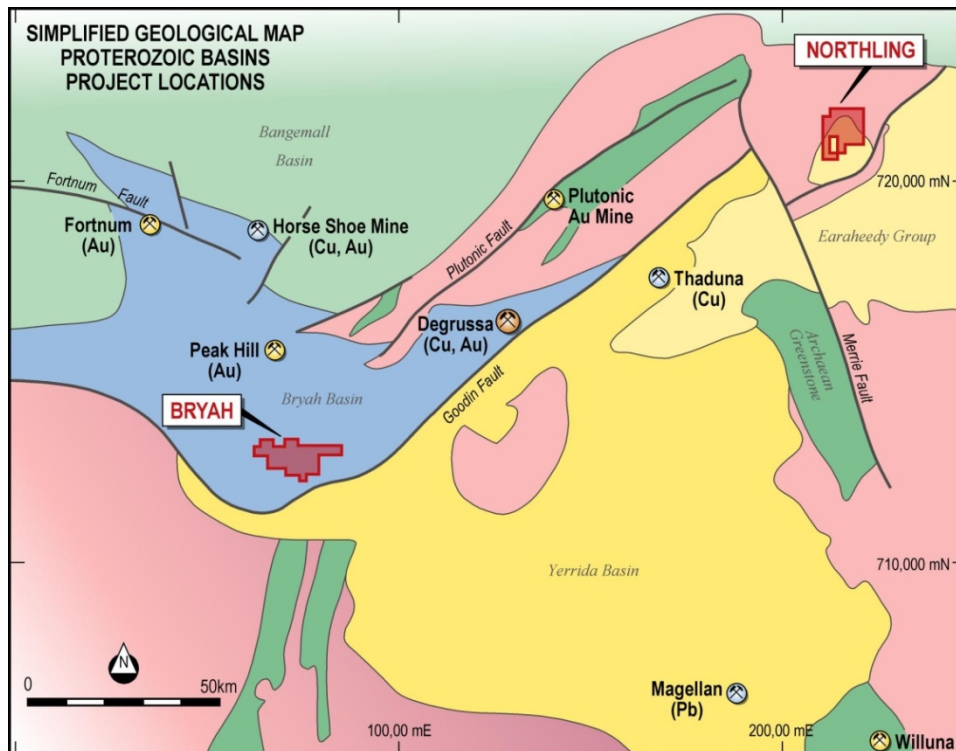


Dominion have agreed terms to earn an initial 70% equity through expenditure of \$750,000 in the Northling Project and by paying PacMag Metals Limited \$100,000 cash and committing to \$130,000 in the first 12 months.

The project represents an opportunity for quick success as limited drilling has intersected 4m @ 2.43% Cu in a chlorite+sericite schist at the end of hole and adjacent to a underlying magnetic unit (originally thought to be a kimberlite).

The Northling Copper project, located 170km north of Wiluna in Western Australia, occurs in an area of limited outcrop on the western edge of the Earraheedy Basin within the Stanley Fold Belt. Local geology indicates a folded and steep dipping sedimentary package of rocks.

Exploration in the area has solely been for diamonds, with the most comprehensive work carried out by DeBeers in the early '90s and subsequent diamond exploration by Northling Pty Ltd in the mid 90's. Since this time no other exploration is reported to have occurred.

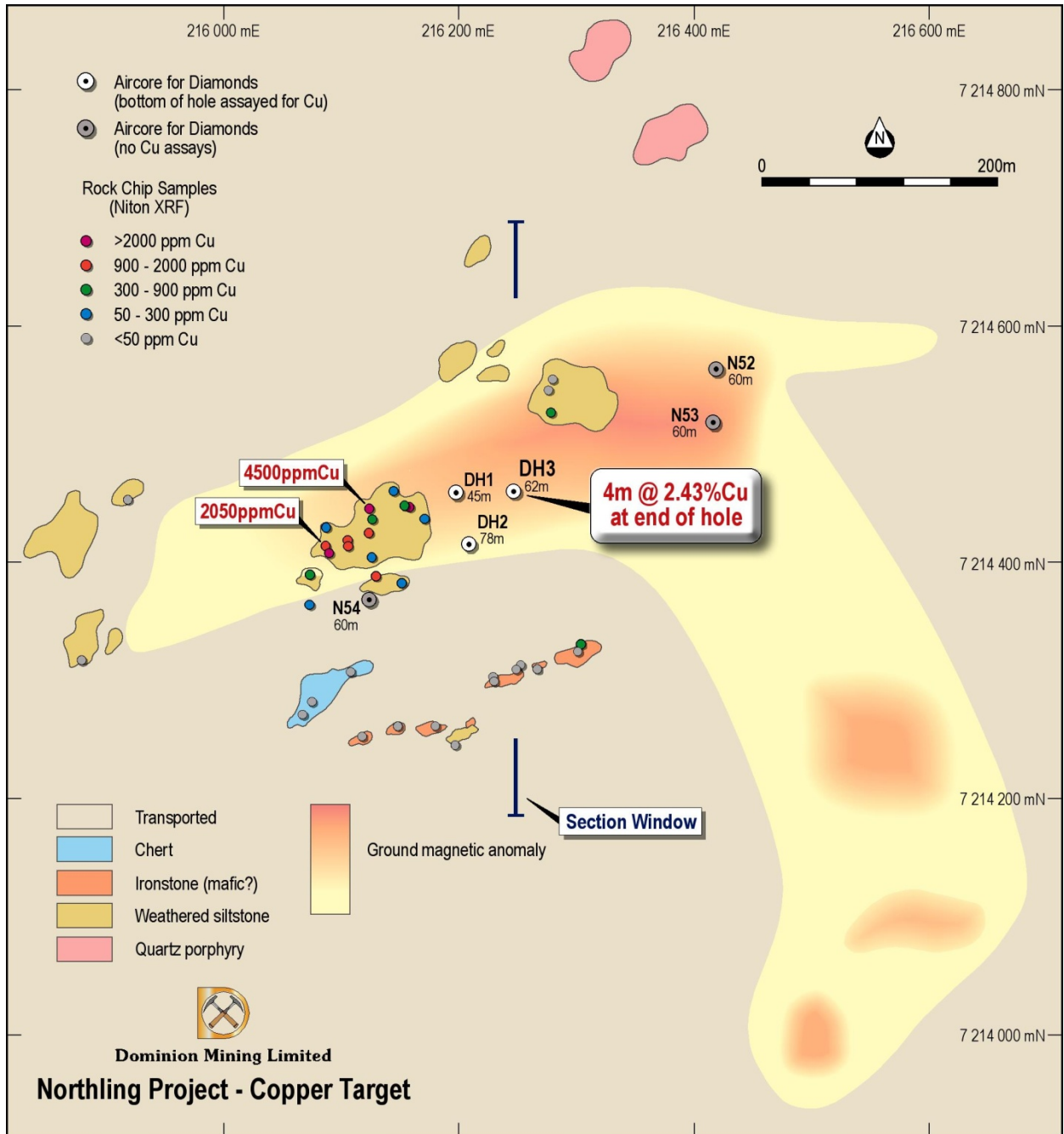


A number of discrete aeromagnetic anomalies within the area were targeted for diamonds by DeBeers and Northling. Several of these magnetic anomalies have subsequently been identified as kimberlites (diamondiferous host rocks such as the Nabberu 1 Pipe, located immediately west of the project area). Other magnetic anomalies were not explained, with shallow RAB drilling intersecting altered sedimentary rocks interpreted as part of the Earraheedy Basin sequence.

Of interest to Dominion is a magnetic feature in the centre of the tenement. This feature was tested with ground magnetics and drilling by De Beer's in 1991 (no assaying for copper) and additional drilling by Northling in 1994 (only 1 bottom of hole assay for copper per hole). One of the Northling RAB holes (DH3), intersected copper sulphide mineralisation at the bottom of the hole grading 4m @ 2.43% copper from 58 – 62 metres (the end of hole) and associated with a strongly altered chlorite sericite schist (determined from petrography). The geology above this mineralised interval, and also encountered in the other (shallow) holes was a quartz rich sediment. The mineralised zone appears to be different to the overlying arenite. Unfortunately drill cuttings are limited to remnant chips around the collar and all other sample has been rehabilitated. Also it appears no magnetic susceptibility work has been completed at the bottom of these drill holes. It does seem likely that the magnetic anomaly remains unexplained.

A recent field visit by Dominion confirmed (by handheld XRF unit) anomalous copper values from weathered and ferruginous sediments, up to 4,500ppm Cu, overlying the magnetic feature (see figure below). These copper values are considered to be highly anomalous on their own.

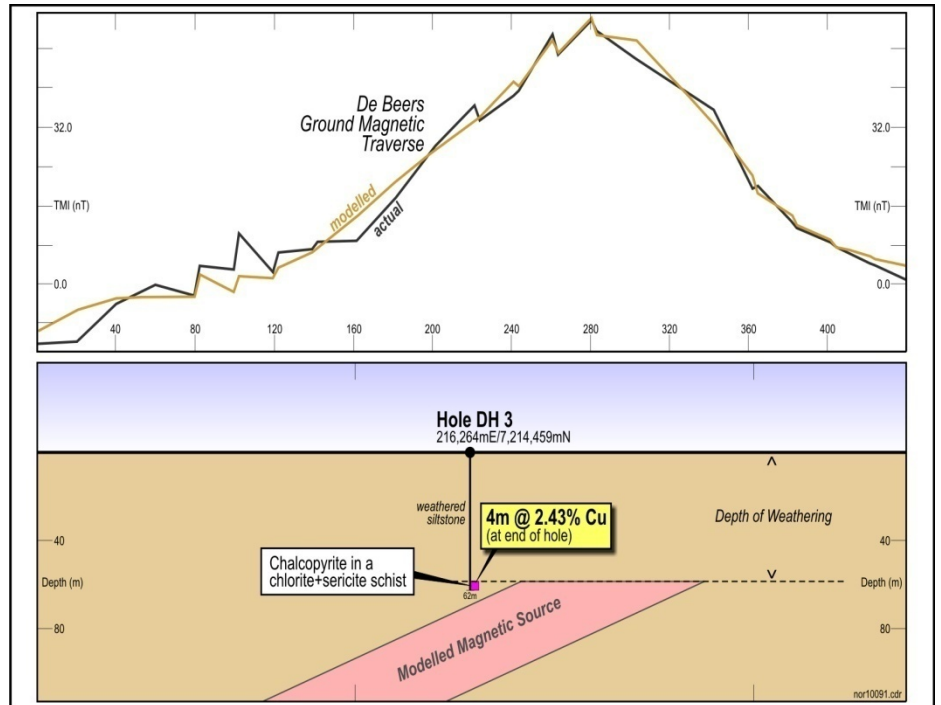
Stratigraphy appears to be tightly folded nearest the hinge of the magnetic feature and dips to the south in the area of anomalous copper in rock chips.



Modelling of the ground magnetics also support the concept that the target magnetic feature is dipping to the south just beneath the anomalous intercept (refer to figure).

PacMag Metals Limited has an exploration licence application (ELA52/2314) over the project area covering 100km² and recently completed a heritage surveys directly over the anomaly. The tenement is scheduled for grant in early December.

This is clearly a priority target for early drilling.



Northling Project: Ground magnetic traverse

BRYAH JV PROJECT (earning 70%)



Dominion has agreed terms to earn an initial 70% equity by expenditure of \$600,000 in the Bryah Project and committing to \$70,000 in the first 12 months once granted.

Dominion have identified the tenement application (E51/1290) held by Sammy Resources Pty Ltd, a wholly owned subsidiary of Cazaly Resources Limited, to be prospective for copper - gold VMS deposits similar to the DeGrussa discovery.

Historical exploration on the tenement has focussed on identifying lode gold mineralisation and only limited copper exploration has been completed.

Recent shallow vacuum holes (~2m deep) by the previous tenement holder did assay for copper and gold. This programme identified several +100ppm Cu soil anomalies. These copper anomalies are coincident with elevated arsenic and gold.

An aggressive exploration programme will commence as soon as the tenement is granted.

EXPLORATION/EVALUATION EXPENDITURE

Group exploration (A\$1.11 million) and Challenger resource/reserve evaluation expenditure (A\$1.58) million) totalled A\$2.69 million for the quarter.

CORPORATE

Attributable revenue for the quarter was A\$20.73 million, generated from the sale of 18,849 ounces of gold at an average price received of A\$1,100 per ounce.

Group cash (A\$26.07 million) and bullion on hand accounted as revenue (A\$3.67 million) totalled A\$29.74 million at 30 September 2009. This was after the payment on 30 September of the final dividend declared on 31 August 2009 of \$8.2 million (8 cents per share).

At the end of the quarter 23,500 ounces (representing around 3% of current reserves) with an average delivered price of A\$1,025 per ounce were sold under forward sales contracts. These are currently scheduled to be delivered between October 2009 and June 2010. Deliveries into these contracts will be dependent on the spot gold price prevailing over this period.



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ATTRIBUTION

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Bamford, Tony Poustie and Paul Androvic who are full-time employees of the Company, members of the Australasian Institute of Mining and Metallurgy. Peter Bamford, Tony Poustie and Paul Androvic have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Peter Bamford, Tony Poustie and Paul Androvic, consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.