



31 August 2009

DOMINION ACHIEVES A GROSS PROFIT OF \$51.5 MILLION, AN AFTER TAX PROFIT OF \$31.1 MILLION AND FINAL DIVIDEND OF 8 CENTS PER SHARE

KEY POINTS

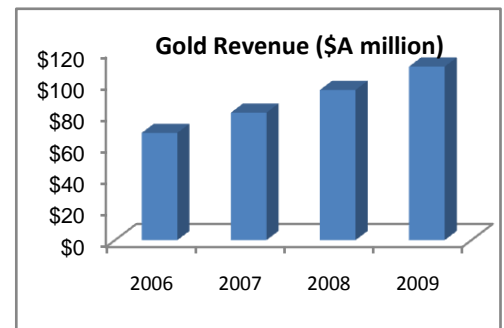
- **Gross Profit of \$51.5 million and Net Profit After Tax of \$31.1 million achieved from production of 98,755 ounces.**
- **EBITDA of \$55.4 million (increase of 28%) and EBIT of \$42.4 million (increase of 35%).**
- **Final dividend of 8 cents per share declared (14 cents for the year).**
- **26% increase in gold resources to 1,461,140 ounces and after taking into account annual production a net increase in reserves of 73,465 ounces.**

FY 2009 Financial Results, Production & Resources/Reserves

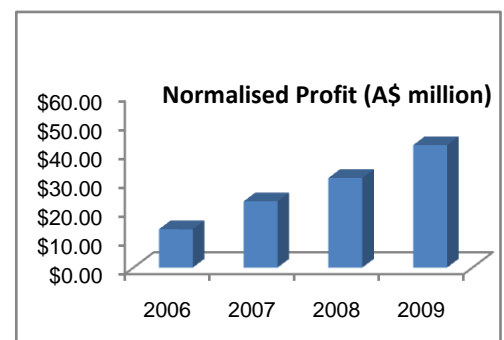
	June 2009	June 2008	% Variance
Revenue From Gold Sales(A\$)	\$109.9m	\$95.1m	+16%
Gold Price Received per ounce	\$1,128	\$872	+29%
EBITDA (A\$)	\$55.6m	\$43.4m	+28%
EBIT (A\$)	\$42.4m	\$31.3m	+35%
NPAT (A\$)	\$31.1m	\$33.4m	-7%
EPS (diluted)	30.33 cents	32.59 cents	-7%
Dividend (c/share)	14c	12c	+17%
Gold Production	98,755 ozs	109,326 ozs	-10%
Resources	1,461,140 ozs	1,159,830 ozs	+26%
Reserves	702,570 ozs	727,860 ozs	-3%

2009 FINANCIAL RESULTS

Dominion Mining Limited (ASX: **DOM**) today announced a \$31.1 million net profit after tax for the 12 months to 30 June 2009. (2008: \$33.4 million). The strong performance was achieved with a 16% increase in gold sales revenue to \$109.9 million (2008: \$95.1 million) from the sale of 97,443 ounces at an average price received of \$1,128 per ounce (2008: 108,992 ounces sold at an average price received of \$872 per ounce).

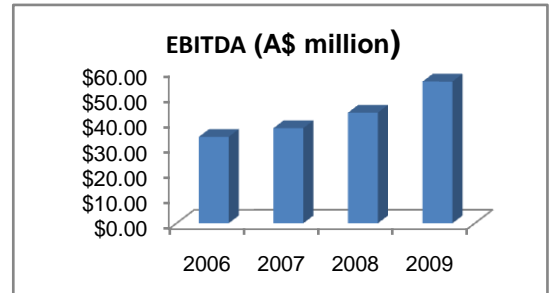


The net profit was after taking into account non-cash charges of \$11.3 million consisting of \$1.9 million relating to the negative mark to market of gold forward sale contracts, \$4.9 million that represents the notional value of options and performance rights issued to employees as required by Australian Accounting Standards and an income tax expense of \$4.5 million resulting from utilisation of tax losses to offset taxable income. The normalised profit for the year before taking into account these accounting adjustments was \$42.4 million (2008: \$31.3 million).

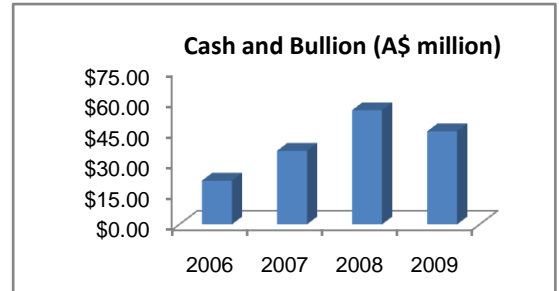


The positive result for the year has enabled the Company to declare a final unfranked dividend of 8 cents per share taking the full year dividend to 14 cents per share. The record date for the dividend is 16 September 2009 with the dividend to be paid on 30 September 2009.

EBITDA of \$55.6 million (2008: \$43.4 million) was achieved after expensing exploration and evaluation expenditure of \$5.1 million, administration costs of \$3.9 million and \$4.2 million in royalty payments. Depreciation and amortisation charges totalled \$13.1 million.



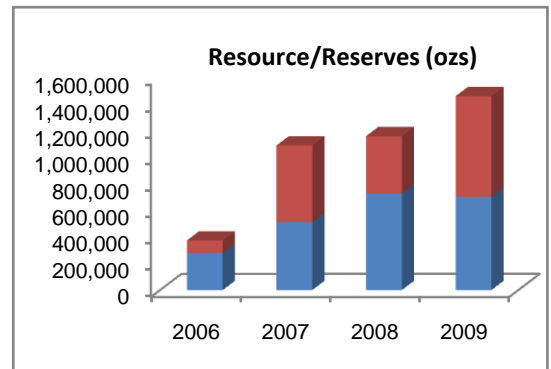
Cash and bullion at year end totalled \$45.3 million and comprised \$42.3 million of cash and bullion sold (treated as a receivable in the balance sheet) of \$3.0 million and was after the \$11.8 million payment in March 2009 to Resolute Resources Pty Ltd to acquire the Challenger Gold Production Royalty.



The Company remains debt free with the exception of some minor hire purchase arrangements.

RESERVES & RESOURCES

Dominion recently announced a 26% increase in the gold resource inventory to 1,461,140 ounces (including 719,590 ounces that are additional to reserves). This equates to \$19.00 per ounce of exploration discovery costs and takes into account the resource depletion relative to the annual production of 98,755 ounces.



In addition, reserves at 30 June 2009 were 702,570 ounces reflecting a net increase of 73,465 ounces over the previous 12 months.

The emphasis of exploration at Challenger will be on surface drilling directed on targeting depth extensions of the M1, M2 and M3 Shoots and conversion of resources into reserves. Underground exploration will focus on evaluating other well defined targets, including the Challenger West Shoot, M1 Shadow Zone, Aminus and Hanging Wall Shoot.

OUTLOOK

Commenting on the financial results, Dominion's Managing Director, Mr Jonathan Shellabear, said:

"These results represent a solid performance by the Dominion team with our Challenger operation continuing to deliver positive operational results and exploration success in maintaining our reserve position. The increase in resources and historically high conversion rate of resources to reserves under pins confidence in extending the mine life at Challenger."

"With work on the plant expansion to production levels of around 120,000 ounces per annum from early 2010 progressing on schedule and on budget we are expecting another solid result for the 2010 financial year.

With a strong cash position, increasing production profile and positive cash flow, Dominion is well placed to continue delivering strong growth into the future."

Jonathan Shellabear
Managing Director
Tel: 08 9426 6400



ABN 37 000 660 864

**PRELIMINARY FINAL REPORT
Appendix 4E**

Financial Year Ended 30 June 2009

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Gross profit for the year of **\$51.5 million** (2008: \$40.4 million) with a net profit after tax of **\$31.1 million** (2008: \$33.4 million).

The net profit was achieved after taking into account:

- \$5.1 million of exploration expenditure.
- \$3.9 million attributable to administration costs of the consolidated entity.

and **non cash adjustments** consisting of:

- \$1.9 million negative mark to market of gold forward sale contracts (Change in fair value of undesignated gold contracts).
- \$4.9 million which represents the notional value as determined by a binomial valuation model, of options and performance rights issued to employees and expensed through the profit and loss as required by Australian Accounting Standards.
- \$4.5 million income tax expense resulting from utilisation of tax losses to offset taxable income.

Production for the 2009 year totalled 98,755 ounces, with 97,443 ounces sold (2008: 109,326 ounces produced, with 108,992 ounces sold), generating revenue from gold sales of \$109,943,000 (2008: \$95,076,000). The average site cash operating cost of production for the year was \$438 per ounce (2008: \$367 per ounce).

Cash and bullion sold at the end of the year totalled \$45,346,000 with cash of \$42,354,000 and bullion sold (treated as a receivable in the balance sheet) of \$2,992,000.

Total assets have increased by \$22,680,000 over the year to \$146,543,000. The majority of this increase related to Challenger mine development costs, capital expenditure on plant and equipment and resource/reserve evaluation expenditure incurred over the financial year and the acquisition from Resolute Resources Pty Ltd of the Challenger Gold Production Royalty.

A final unfranked dividend of 8 cents per share was declared increasing the full-year payout to 14 cents per share. The record date for the dividend will be 16 September 2009 to be paid on 30 September 2009.

Summary of key production and financial data

	2009	2008	2007
Gross Profit	\$51.5 million	\$40.4 million	\$29.3 million
Net Profit After Tax	\$31.1 million	\$33.4 million	\$51.7 million
Gold produced (ozs)	98,755	109,326	108,191
Site cash operating cost (\$ per oz)	\$438	\$367	\$309
Gold sold (ozs)	97,443	108,992	108,482
Revenue from gold sales	\$109.9 million	\$95.1 million	\$80.7 million
Average price received (\$ per oz)	\$1,128	\$872	\$744
Net cash flow from operations	\$61.2 million	\$46.7 million	\$43.0 million
Cash and bullion	\$45.3 million	\$55.6 million	\$35.8 million
Dividend per share	14 cents	12 cents	10 cents

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	30 JUNE 2009 \$'000	30 JUNE 2008 \$'000	
Sale of gold	109,943	95,076	
Other revenue	2,665	2,567	
Revenue	112,608	97,643	Up 15%
Costs of goods sold	(43,830)	(41,115)	
Royalties	(4,167)	(4,052)	
Depreciation and amortisation	(13,135)	(12,050)	
GROSS PROFIT	51,476	40,426	Up 27%
Gain (loss) on sale of financial investment held for resale	77	(2,473)	
Gain on sale of mineral rights and other assets	59	52	
Exploration expenditure	(5,051)	(5,245)	
Administration costs	(3,962)	(3,838)	
Changes in fair value of undesignated gold contracts	(1,952)	(310)	
Share-based payments to employees	(4,939)	(2,657)	
Finance costs	(29)	(40)	
PROFIT BEFORE INCOME TAX	35,679	25,915	Up 38%
Income tax (expense) / benefit	(4,547)	7,463	
NET PROFIT ATTRIBUTABLE TO MEMBERS OF DOMINION MINING LIMITED	31,132	33,378	Down 7%
Basic earnings per share	30.38	32.73	(note 6)
Diluted earnings per share	30.33	32.59	(note 6)

**BALANCE SHEET
AS AT 30 JUNE 2009**

		30 JUNE 2009	30 JUNE 2008
		\$'000	\$'000
CURRENT ASSETS			
Cash	3(a)	42,354	49,886
Trade and other receivables		5,356	8,321
Inventory		3,523	2,185
Other		181	402
TOTAL CURRENT ASSETS		<u>51,414</u>	<u>60,794</u>
NON-CURRENT ASSETS			
Plant and equipment		17,900	10,825
Mine properties		59,160	29,628
Deferred tax asset		18,069	22,616
TOTAL NON-CURRENT ASSETS		<u>95,129</u>	<u>63,069</u>
TOTAL ASSETS		<u>146,543</u>	<u>123,863</u>
CURRENT LIABILITIES			
Trade and other payables		11,052	14,099
Interest bearing loans and borrowings		140	254
Provisions		2,692	1,367
Derivatives		4,588	2,636
TOTAL CURRENT LIABILITIES		<u>18,472</u>	<u>18,356</u>
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings		75	216
Provisions		1,039	686
TOTAL NON-CURRENT LIABILITIES		<u>1,114</u>	<u>902</u>
TOTAL LIABILITIES		<u>19,586</u>	<u>19,258</u>
NET ASSETS		<u>126,957</u>	<u>104,605</u>
EQUITY			
Issued capital		53,020	52,358
Retained profits		65,077	48,326
Employee equity benefits reserve		8,860	3,921
TOTAL EQUITY		<u>126,957</u>	<u>104,605</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

	Issued Capital	Retained Profits	Employee Equity Benefits Reserve	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2007	49,956	25,126	1,264	76,346
Profit for the period	-	33,378	-	33,378
Total income and expense for the period recognised directly in equity	-	-	-	-
Total income and expense for the period	-	33,378	-	33,378
Cost of share based payment	-	-	2,657	2,657
Issue of share capital	2,402	-	-	2,402
Payment of dividends	-	(10,178)	-	(10,178)
30 June 2008	52,358	48,326	3,921	104,605
Profit for the period	-	31,132	-	31,132
Total income and expense for the period recognised directly in equity	-	-	-	-
Total income and expense for the period	-	31,132	-	31,132
Cost of share based payment	-	-	4,939	4,939
Issue of share capital	662	-	-	662
Payment of dividends	-	(14,381)	-	(14,381)
30 June 2009	53,020	65,077	8,860	126,957

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Notes	30 JUNE 2009 \$'000	30 JUNE 2008 \$'000
CASH FROM/(USED IN) OPERATING ACTIVITIES			
Receipts from gold sales		112,739	92,014
Payments to suppliers and employees		(54,199)	(47,801)
Interest received		2,665	2,566
Interest paid		(29)	(40)
		<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	3(b)	<hr/> 61,176	<hr/> 46,739
CASH FROM/(USED IN) INVESTING ACTIVITIES			
Acquisition of plant and equipment		(10,311)	(5,048)
Resource evaluation and mine development expenditure		(28,904)	(21,491)
Exploration expenditure		(5,052)	(5,245)
Proceeds from sale of plant and equipment		73	68
Proceeds from sale of investments held for resale		77	9,753
Acquisition of Resolute Royalty		(10,623)	-
		<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES		<hr/> (54,740)	<hr/> (21,963)
CASH FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from the issue of shares		662	2,402
Repayment of finance lease principal		(250)	(222)
Payment of dividends		(14,380)	(10,178)
		<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES		<hr/> (13,968)	<hr/> (7,998)
NET (DECREASE)/ INCREASE IN CASH HELD		(7,532)	16,778
OPENING CASH BALANCE		<hr/> 49,886	<hr/> 33,108
CLOSING CASH BALANCE	3(a)	<hr/> <hr/> 42,354	<hr/> <hr/> 49,886

1. BASIS OF PREPARATION

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E and the measurement requirements of Australian equivalents to International Financial Reporting Standards and Interpretations.

2. DIVIDENDS

	30 JUNE 2009		30 JUNE 2008	
	Cents per share	Total \$'000	Cents per share	Total \$'000
<i>Fully paid ordinary shares</i>				
Final dividend for the financial year ended 30 June 2007 (unfranked) (record date 14/09/07)			6.0	6,091
Interim dividend for the financial year ended 30 June 2008 (unfranked) (record date 14/03/08)			4.0	<u>4,087</u>
				10,178
<i>Fully paid ordinary shares</i>				
Final dividend for the financial year ended 30 June 2008 (unfranked) (record date 15/09/08)	8.0	8,201		
Interim dividend for the financial year ended 30 June 2009 (unfranked) (record date 16/03/09)	6.0	<u>6,180</u>		
		14,381		
<i>Dividend declared subsequent to year end</i>				
Final dividend for the financial year ended 30 June 2009 (unfranked) (record date 16/09/09) (refer to note 7)	8.0	8,240		

There is no dividend reinvestment plan in operation.

3. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash	30 JUNE 2009	30 JUNE 2008
	\$'000	\$'000
Cash balances comprise:		
Cash at bank	42,354	49,886
	<hr/>	<hr/>
(b) Reconciliation of profit after income tax to the net cash from operating activities		
<i>Profit after tax</i>	31,132	33,378
Non cash items		
Net loss/ (gain) on sale of non-current assets	(136)	2,421
Depreciation and amortisation	13,211	12,093
Movement in fair value of derivatives	1,952	310
Share-based payment	4,939	2,657
Reclassification to investing activities		
Exploration and evaluation expenditure	5,052	5,245
Changes in assets and liabilities:		
Trade and other receivables	2,965	(3,808)
Inventories	(1,338)	(246)
Other current assets	221	(106)
Deferred tax	4,547	(7,463)
Provisions	1,678	251
Trade and other payables	(3,047)	2,007
<i>Net cash from operating activities</i>	<hr/> 61,176 <hr/>	<hr/> 46,739 <hr/>

4. NET TANGIBLE ASSET PER SHARE	30 JUNE 2009	30 JUNE 2008
	\$'000	\$'000
Net tangible assets	108,888	81,989
	<hr/>	<hr/>
	Number of	Number of
	shares	shares
Number of shares outstanding at end of financial year	102,996,351	102,471,351
	<hr/>	<hr/>
Net tangible asset per share	\$1.06	\$0.80
	<hr/>	<hr/>

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group operates in one business segment, being the mining industry, and one geographical segment, being Australia.

6. EARNINGS PER SHARE

Earnings used in calculating basic and diluted earnings per share

Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share
 Effect of dilution:
 Share options
 Weighted average number of ordinary shares adjusted for the effect of dilution

30 JUNE 2009 **30 JUNE 2008**
\$'000 **\$'000**

	31,132	33,378
	Number of shares	Number of shares
	102,459,401	101,968,767
	178,522	434,121
	102,637,923	102,402,888

7. EVENTS SUBSEQUENT TO BALANCE DATE

On 20 July 2009 a zero cost collar diesel hedge based on Singapore gas oil 0.5% sulphur was entered into. The call option strike is A\$0.7550/litre with a put option strike of A\$0.6224/litre. The hedge which covers a 23 month period commencing August 2009 is for 3,500 barrels (556,500 litres) per month, approximately 74% of monthly diesel usage at the Challenger mine site.

On 27th August 2009 the directors declared a final unfranked dividend of 8 cents per share. The record date for the dividend will be 16 September 2009 to be paid on 30 September 2009 (refer to note 2).

Except for the events noted above, no matter or circumstance has arisen that has significantly affected, or may significantly affect, the operations of Dominion Mining Limited and its controlled entities, the results of those operations or the state of affairs of Dominion Mining Limited and its controlled entities in subsequent years that is not otherwise disclosed in this preliminary final report.

8. AUDIT STATUS

The preliminary final report is based on financial statements that are in the process of being audited.

9. CHANGE IN CONTROL OF ENTITIES

There has been no change in control, either gained or lost, of entities during the period.

10. ASSOCIATES AND JOINT VENTURE ENTITIES

The Group did not have a holding in any associates or joint venture entities during the period.



Ross Coyle
 Finance Director
 Date: 31 August 2009

RESOURCE AND RESERVE STATEMENT
30 JUNE 2009
Challenger Gold Project
(Dominion 100%)

SHOOT/LEVEL	RESOURCES				RESERVES				NOTES
	CATEGORY	TONNES	GRADE (g/t Au)	CONTAINED OUNCES	CATEGORY	TONNES	GRADE (g/t Au)	CONTAINED OUNCES	
Underground Development									
M1 1065 Crown Pillar	Measured	21,000	9.6	6,480	Proven	23,000	7.6	5,620	2
M1 480m RL to 440m RL	Measured	41,400	12.9	17,200	Proven	48,320	10.7	16,550	2
M1 440m RL – 180m RL	Indicated	469,600	12.9	194,700	Probable	559,000	10.4	186,200	3
SUB-TOTAL		532,000	12.8	218,380		630,320	10.3	208,370	
M1 180m RL – -200m RL	Inferred	686,000	12.2	285,000					3
M1 Shadow Zone 760m RL -720m RL	Measured	7,900	10.5	2,660	Proven	9,740	8.2	2,560	2
M1 Shadow Zone 800m RL -760, 720 - 680m RL	Indicated	27,600	9.8	8,700	Probable	33,200	7.8	8,400	2
SUB-TOTAL		35,500	10.0	11,360		42,940	7.9	10,960	
M1 Shadow Zone 900m RL - 800, 680 - 660m RL	Inferred	58,000	9.5	18,000					2
M2 1040 - 880,800 - 780,620 -560m RL	Measured	257,220	7.6	63,170	Proven	328,960	5.7	60,750	2
M2 1060 - 1040, 880 - 800, 780 - 620, 560 - 220m RL	Indicated	1,193,800	8.2	313,100	Probable	1,492,400	6.3	301,100	3
SUB-TOTAL		1,451,020	8.1	376,270		1,821,360	6.2	361,850	
M2 220m RL – -200m RL	Inferred	916,000	8.1	238,000					3
M3 above (1135m RL)	Measured	16,000	8.5	4,370	Proven	12,000	7.3	2,800	1
M3 1070m RL - 980m RL	Measured	27,630	13.5	12,000	Proven	33,150	11.3	11,990	1
M3 1070m RL - 1000m RL, 980m RL - 620m RL	Indicated	199,600	11.5	74,100	Probable	231,800	9.6	71,800	3
M3 620mRL-600mRL	Indicated	6,500	13.5	2,800					
SUB-TOTAL		249,730	11.6	93,270		276,950	9.7	86,590	
M3 600m RL - -100m RL	Inferred	227,500	13.5	99,000					3
Challenger West above 1000mRL	Indicated	63,300	11.1	22,500	Probable	85,500	8.3	22,800	5
Challenger West 1000mRL-800mRL	Indicated	87,300	18.8	52,700					5
SUB-TOTAL		150,640	15.5	75,230		85,480	8.3	22,800	
Challenger West 1000mRL-700mRL	Inferred	23,000	34.1	25,000					5
Open Pit Development									
SEZ Shoot	Indicated	133,000	2.6	11,100	Probable	13,000	4.8	2,000	4
Challenger Area "shallow" deposits									
Challenger 3 above 1120m RL	Indicated	16,000	2.9	1,490					5
TOTAL UG and Pit	Measured & Indicated	2,567,850	9.5	787,080	Proven & Probable	2,870,070	7.5	692,570	
	Inferred	1,910,500	10.8	665,000					
<i>Stockpiles</i>									
ROM	Measured	11,870	6.5	2,480	Proven	11,870	6.5	2,480	
Low grade ROM	Measured	8,000	1.5	390	Proven	8,000	1.5	390	
Low Grade Stockpile	Measured	113,300	1.7	6,190	Proven	113,300	1.7	6,190	
SUB-TOTAL		133,170	2.1	9,060		133,170	2.1	9,060	
OVERALL TOTALS	Measured	504,350	7.1	114,940	Proven	576,340	5.7	106,530	
	Indicated	2,196,700	9.6	681,200	Probable	2,426,900	7.6	595,100	
	Inferred	1,910,500	10.8	665,000					
	TOTAL	4,611,550	9.9	1,461,140	TOTAL	3,003,240	7.3	701,630	
Gold in plant circuit				940				940	
TOTAL RESERVES								702,570	

Notes

1. Based on a 3D Block Model by Dominion Gold Operations (DGO). A top cut of 180 g/t Au has been applied.
2. Based on close spaced grade control data and detailed slope designs carried out by DGO.
3. Based on a 'generic' approach which takes into account both historic reconciled data from underground mining, using a 180 g/t Au top cut, and continuity of orebody geometry as interpreted from both drilling and underground development. This approach, developed by DGO, to deal with the unusual, but very consistent,

folded geometry of the ore shoots, is considered to be a more accurate basis for estimation than traditional block modelling.

4. *Based on 3D Block Models by DGO. Underground M3 Shoot reserve estimated applying a 5 g/t cut off grade and a 180 g/t top cut. SEZ Shoot open pit optimisation based on a resource using a 0.5 g/t cut off grade and a 5 g/t top cut.*
5. *Based on 3D Block Models by DGO. Top cut of 80 g/t Au has been applied.*

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.