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Dominion commits to funding Gold JV with Southern Gold near Challenger gold mine

One of South Australia's most active gold exploration partnerships is to maintain its pace through 2010 with Dominion Mining Ltd (Dominion ASX:DOM) notifying majority partner, Southern Gold Limited (ASX:SAU), that it will commence its co-funding obligations to maintain a 49% stake in their gold joint venture.

The decision will see the two commit in the opening half of next year to at least 7,000 metres of drilling across the exploration footprint held by the joint venture around Dominion's producing Challenger gold mine in far west South Australia.

"We believe Dominion's funding commitment to the Joint Venture reflects Dominion's confidence in discovering more Challenger-style gold deposits in this large project area surrounding the million ounce mine," Southern Gold's Managing Director, Mr Stephen Biggins, said today.

Southern Gold recently moved to a 51% interest in the JV's Challenger Area gold exploration project after spending the required A\$2 million to earn the majority holding, with Dominion reverting to a 49% stake.

Southern Gold, as Manager of the Joint Venture, is currently prioritising and assessing more than 50 gold anomalies within its 5,000km² exploration footprint surrounding the million ounce Challenger Gold Mine, to bring these targets to drill ready status for its planned 2010 drilling program.

For further information contact:

Mr Stephen Biggins **Managing Director** T: +61 (0) 8 8368 8888 F: +61 (0) 8 8368 8899

E: info@southerngold.com.au W: southerngold.com.au

The information in this report has been compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as an employee of Southern Gold and who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. As a Competent Person, he has a minimum of 5 years relevant experience in the style of mineralisation and types of activities being reported and has given written consent to the above report in the form and context in which it appears.

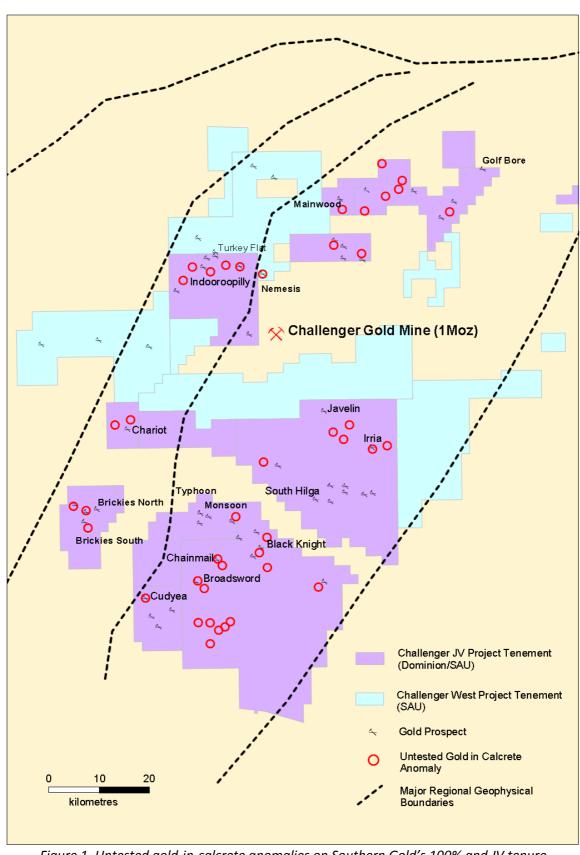


Figure 1. Untested gold-in-calcrete anomalies on Southern Gold's 100% and JV tenure in the vicinity of the Challenger Gold Mine, S.A.