

ASX CODE DOM

ISSUED CAPITAL

103,520,259 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

REGISTERED OFFICE

15 Outram Street
West Perth WA 6005
Australia

POSTAL ADDRESS

PO Box 465
West Perth WA 6872
Australia

WEB: www.dml.com.au

FOR FURTHER INFORMATION
CONTACT

Jonathan Shellabear
Managing Director
PH: +61 (0) 8 9426 6400



Dominion Mining Limited

ABN 37 000 660 864

QUARTERLY REPORT

30 SEPTEMBER 2010

SUMMARY

Challenger Mine Operations

- Quarterly production of **25,902 ounces** of gold at an operating cash cost of **A\$723/ounce**.
- The September quarterly production represented a substantial improvement from each of the quarters over the 2010 financial year. Production for the December quarter 2010 is expected to be similar to the September quarter resulting in **forecast** output of around **50,000 ounces** of gold for the **6 months**.
- A comprehensive drill program from the 320 and 280 levels targeting the **conversion of resources into reserves** at the base of the mine in areas below existing reserves commenced during the quarter.
- Ongoing modeling of the **M2 Shoot**, integrating the latest development and underground drilling data, is continuing to demonstrate **increasing gold endowment** of the shoot in the lower development levels. Results from drilling include **3.60 metres at 168.6 g/t**, **1.50 metres at 262.8 g/t**, **4.50 metres at 178.6 g/t**, **3.75 metres at 71.2 g/t** and **2.25 metres at 154.9 g/t** gold.

Exploration

Western Australia

- Follow up RC drilling at the **Chapman Prospect** (Calingiri Project) has confirmed the development of a **large system of copper mineralisation** with intersections including **94 metres at 0.41% copper** from 21 metres and **50 metres at 0.47% copper** from 12 metres. Higher grade intersections include 3 metres at 1.2%, 2 metres at 1.5%, 2 metres at 1.2%, 5 metres at 1.0% and 2 metres at 1.3% copper. These intercepts remain untested to the south.
- The amount of copper metal in the Chapman system is considered to be significant and underpins the prospectivity of the larger Calingiri Project area.
- A positive aspect of the mineralisation intersected to date at both Bartel and Chapman is that chalcopyrite is the dominant sulphide within the mineralised zones. This is important in that in any development scenario involving sulphide flotation the concentrate has the potential to be of relatively high value in relation to both copper content and lack of deleterious elements.
- Major **drilling** program underway within the **Cundeelee Project** (Tropicana Belt). Results pending.
- Increased foothold within the Bryah Basin District (prospective for Degruusa style copper – gold deposits).

Planned Exploration December Quarter 2010

Challenger

- Resource/reserve conversion drilling program to test priority exploration target of the Inferred Resources (364,000 ounces) contained within the M1 and M2 Shoots, below the 79 Fault.

Calingiri

- Project wide detailed airborne magnetic survey.
- Ongoing metallurgical testwork.

Cundeelee

- Completion of interface drilling programmes at the Corona and Hatlifter Prospects.

Blue Dam

- Commencement of interface drilling.

Corporate

Agreement Announced With Kingsgate Consolidated Limited to form a Premier ASX-Listed Mid-Tier Gold Producer

- On 20 October, **Dominion and Kingsgate Consolidated Limited** ("Kingsgate") announced an agreed transaction by way of a **Scheme of Arrangement** whereby Dominion shareholders will receive 0.31 Kingsgate shares for every one Dominion share held.
- This will provide operational and growth diversification by way of exposure to Kingsgate's prospective Chatree gold mine and exploration tenements in Thailand and create a premier ASX listed mid-tier gold producer with the potential to produce **300,000 ounces per annum** with a market capitalisation of around A\$1.6 billion.
- The arrangement will provide a significantly enhanced financial platform to capture and deliver additional growth opportunities for shareholders from two production bases and a substantial, prospective exploration portfolio and an opportunity to share in the combined entity's improved scale and market presence.
- Dominion Directors unanimously recommend that Dominion Shareholders vote in favour of the Scheme.

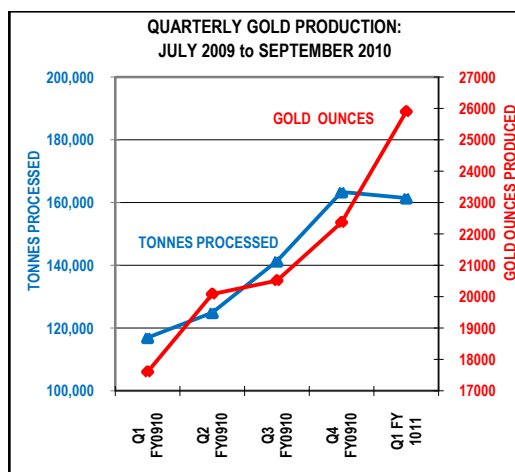
September Quarter Financial Position

- **Revenue** for the quarter of **A\$33.34 million** was generated from the sale of **24,941 ounces** of gold at an average price received of **A\$1,337/ounce** generating a gross cash margin of **A\$15.02 million** and a net operating cash surplus after development and all capital expenditure of **A\$7.70 million**.
- **Final cash dividend of A\$3.60 million** (4 cents per share) for the 2009/10 financial year paid on 30 September. In addition to the payment of the cash dividend, 193,200 new shares were issued under the Company's Dividend Reinvestment Plan.
- After distribution of the dividend, **cash and bullion** was **A\$19.60 million** at the end of September, comprising cash of **A\$17.20 million** and bullion of **A\$2.40 million**.

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

Gold production during the quarter was 25,902 ounces achieved from processing 161,425 tonnes of ore (77 tonnes per hour) at a grade of 5.29 g/t. The site cash operating cost was \$723 per ounce.

The September quarterly production was a substantial improvement from each of the previous quarters in the 2010 financial year as illustrated in the graph below. Production for the December quarter 2010 is expected to be similar to the September quarter resulting in forecast output of around 50,000 ounces of gold for the 6 months.



During the quarter \$6.36 million was incurred on mine development and \$0.95 on sustaining capital.

		Quarter Ended 30-Sep-10	Quarter Ended 30-Jun-10	Quarter Ended 30-Sep-09
<i>Tonnes Mined (including low grade)</i>	<i>(tonnes)</i>	171,993	165,556	116,772
<i>Ore Processed</i>	<i>(tonnes)</i>	161,425	163,418	116,981
<i>Head Grade</i>	<i>(g/t)</i>	5.29	4.81	4.94
<i>Recovery</i>	<i>(%)</i>	92.1%	91.1%	93.3%
<i>Gold Produced</i>	<i>(ounces)</i>	25,902	22,373	17,605
<i>Cash Operating Cost*</i>	<i>(A\$/oz)</i>	\$723	\$745	\$683
<i>Mine Development</i>		\$6.36 million	\$6.21 million	\$5.89 million
<i>Sustaining Capex</i>		\$0.95 million	\$0.35 million	\$1.27 million
<i>Project Capital</i>		\$0	\$0.75	\$5.36 million
<i>Gold Sold</i>	<i>(ounces)</i>	24,921	23,175	18,849
<i>Average Price Received</i>	<i>(A\$/oz)</i>	\$1,337	\$1,293	\$1,100

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 and a production royalty of A\$4 per ounce to local indigenous groups.

Processing

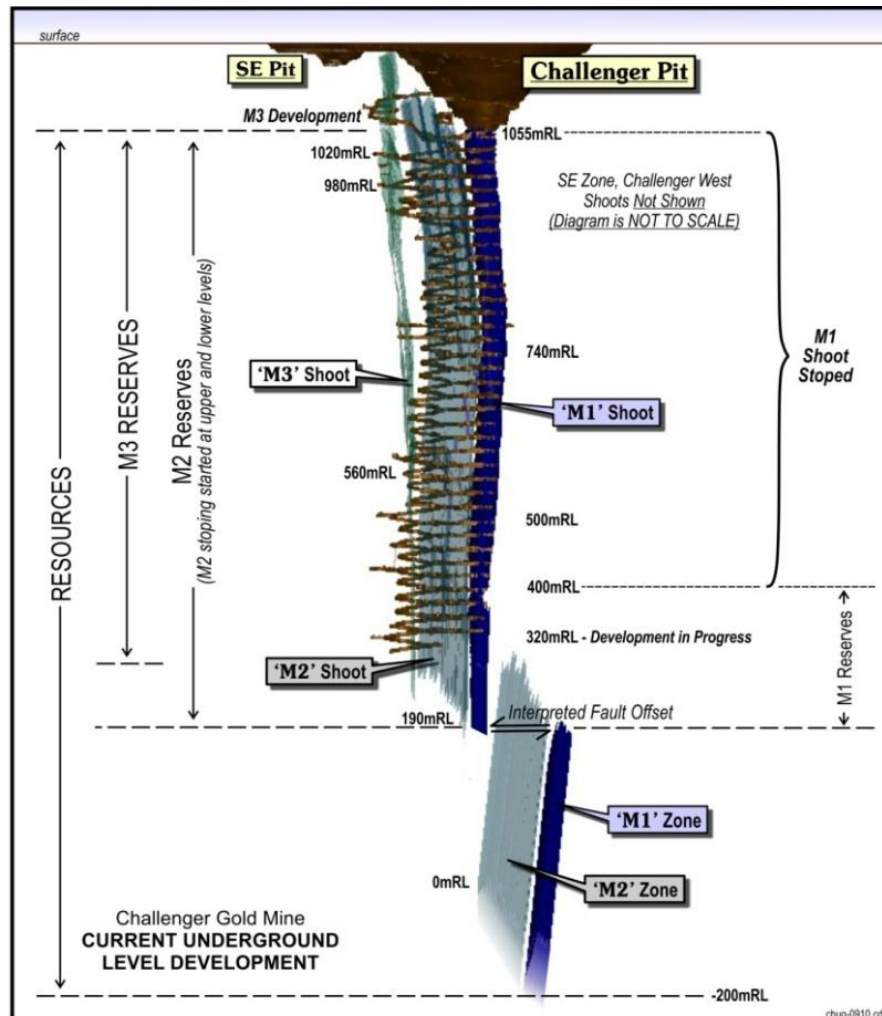
Availability of the plant during the quarter was 95.2% which was marginally lower than the June quarter due to a full relining of the original ball mill completed during September. The mill throughput rate averaged 78.2 tonnes per hour and of the total tonnes treated, 70% were from the M2, 14% were from the M1, with the balance from the M3 and low grade stockpiles.

Underground Development & Mining

Development and stoping of both the M1 and M2 shoots were ongoing between the 420 and 360 levels. Development of the M2 also progressed on the 740 level. Ore was also mined from the M3 shoot with stoping from the 780, 940 and 1020 levels.

The stoping grade from M1 on the 360 level during the quarter averaged 8.2 g/t and development grades from the M2 shoot on the 360 and 340 levels averaged 7.3 g/t and 7.1 g/t respectively.

The focus of development and underground capital infrastructure expenditure was to enable access to higher grade stopes in the second half of the current financial year.



Evaluation of the Continuity of the Challenger Shoots

A comprehensive drill program commenced during the quarter. This program which is planned to continue until April 2011 is from the 320 and 280 levels and is targeting the conversion of resources into reserves at the base of the mine in areas below existing reserves.

Ongoing modeling of the M2 Shoot, integrating the latest development and underground drilling data, is continuing to demonstrate increasing gold endowment of the shoot in the lower development levels. Results from drilling include 3.60 metres at 168.6 g/t, 1.50 metres at 262.8 g/t, 4.50 metres at 178.6 g/t, 3.75 metres at 71.2 g/t and 2.25 metres at 154.9 g/t gold.

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	Interval (m)	Au (g/t)	Level/RL	Shoot
10CUD0718	5.00	13.33	335	M2
10CUD0673	2.00	30.66	334	M2
10CUD0675	10.00	11.43	324	M2
10CUD0671	2.73	33.24	322	M2
10CUD0675	2.00	75.06	290	M2

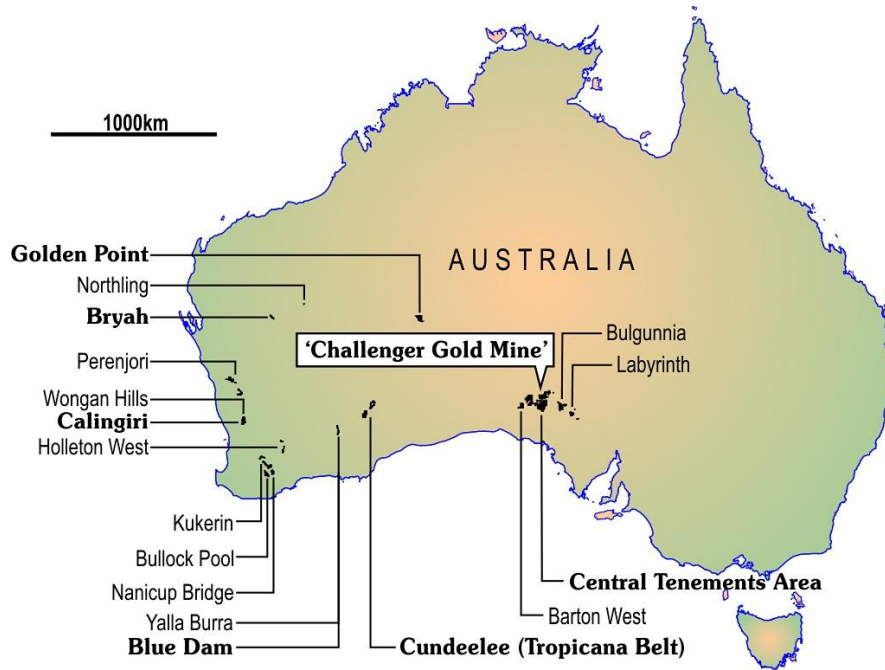
Underground Percussion Drilling Intersections

Hole ID	Interval (m)	Au (g/t)	Level/RL	Shoot
10CUS8140	4.50	19.39	377	M1
10CUS8257	3.60	38.12	370	M1
10CUS8323	2.70	63.78	365	M1
10CUS8328	4.50	34.85	365	M1
10CUS8330	4.50	27.37	365	M1
10CUS8788	1.80	77.69	350	M1
10CUS8545	0.75	55.71	750	M2
10CUS7904	3.00	120.84	747	M2
10CUS8554	0.75	276.92	745	M2
10CUS8165	3.60	201.28	745	M2
10CUS8171	3.60	52.74	745	M2
10CUS8183	2.30	38.82	745	M2
10CUS8707	4.50	27.43	514	M2
10CUS8723	1.80	65.52	501	M2
10CUS8656	3.60	53.38	475	M2
10CUS8735	1.80	58.30	466	M2
10CUS8586	3.60	168.58	395	M2
10CUS8521	1.50	262.78	391	M2
10CUS8283	4.40	24.16	390	M2
10CUS8284	4.50	178.57	390	M2
10CUS8508	0.90	182.67	390	M2
10CUS8281	7.10	15.56	389	M2
10CUS8570	2.70	88.31	389	M2
10CUS8354	4.50	20.92	379	M2
10CUS8494	3.75	71.16	379	M2
10CUS8498	3.00	51.24	378	M2
10CUS8362	6.75	13.57	377	M2
10CUS8380	6.75	17.68	377	M2
10CUS8488	2.25	63.85	377	M2
10CUS8129	4.50	26.23	372	M2
10CUS8320	2.70	54.74	372	M2
10CUS8321	5.30	21.30	372	M2
10CUS8535	6.00	21.81	372	M2
10CUS8532	2.25	95.56	370	M2
10CUS8436	1.80	69.67	353	M2
10CUS8471	2.25	54.79	351	M2
10CUS8426	3.75	26.32	350	M2
10CUS8434	2.70	78.83	350	M2
10CUS8483	2.25	154.93	350	M2

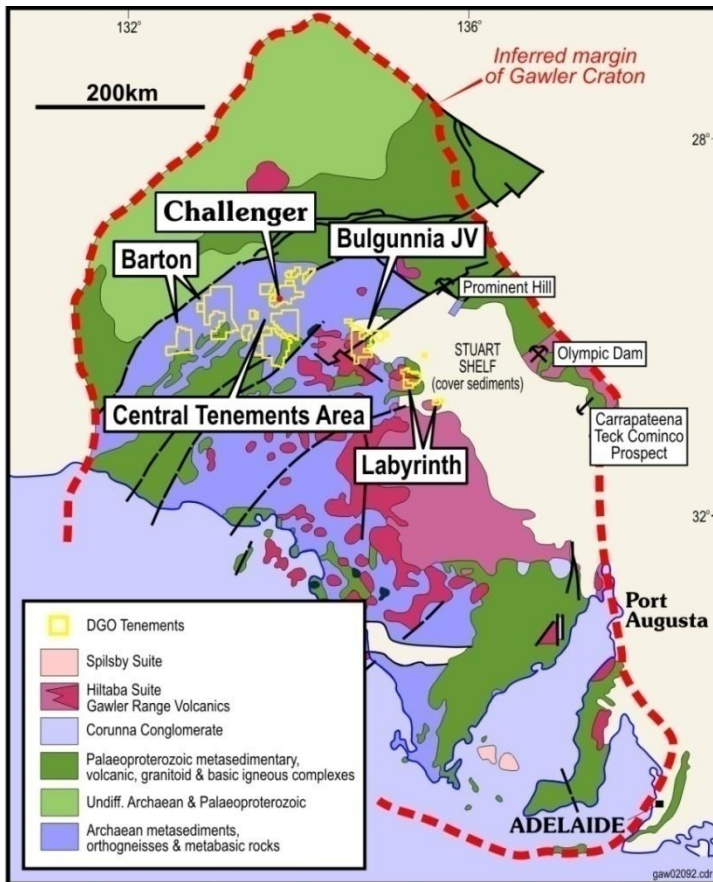
Occupational Health and Safety

There was one Lost Time Injury during the quarter a result of an underground drill operator twisting his knee. He has since returned to work.

EXPLORATION PROJECTS

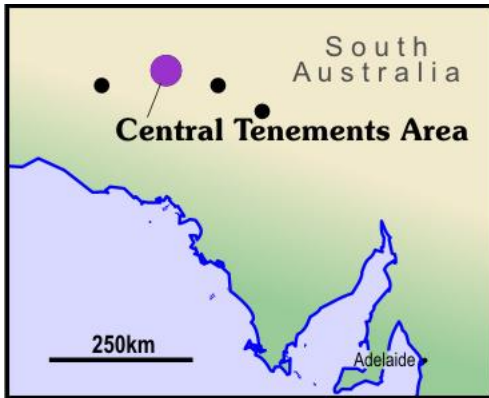


SOUTH AUSTRALIA

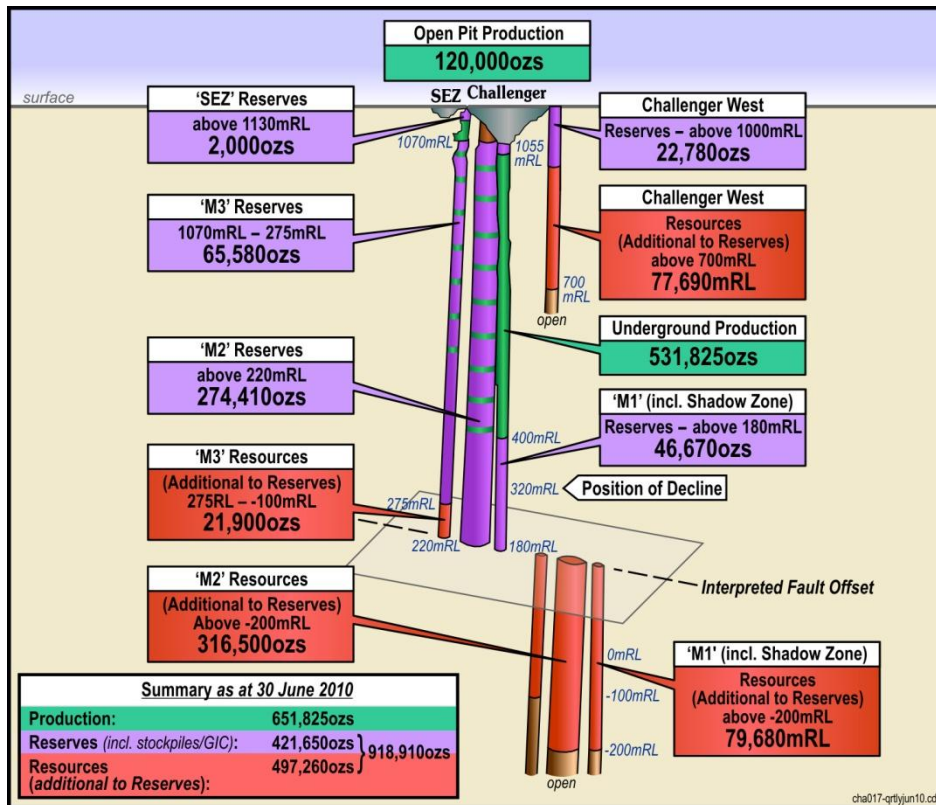


South Australia Projects

Challenger (100%)



As detailed in the June 2010 Resources and Reserves Statement, mineral resources that are outside of areas for which Reserves have been estimated total 490,480 ounces. Of these, the priority exploration target is the Inferred Resources of 364,000 ounces contained within the M1 and M2 Shoots, below the 79 Fault. Conversion of Inferred Resources to Reserves has historically been very high (+90% conversion rate) for both the M1 and M2 Shoots.



Historic Production, and Reserves and Resources as at 30 June 2010

Due to the shallow plunge of the shoots, drilling from underground access can only be carried out from positions that are within 150 – 200 metres vertically above the target depths (below the 200m RL – approximately 1,000 metres below surface).

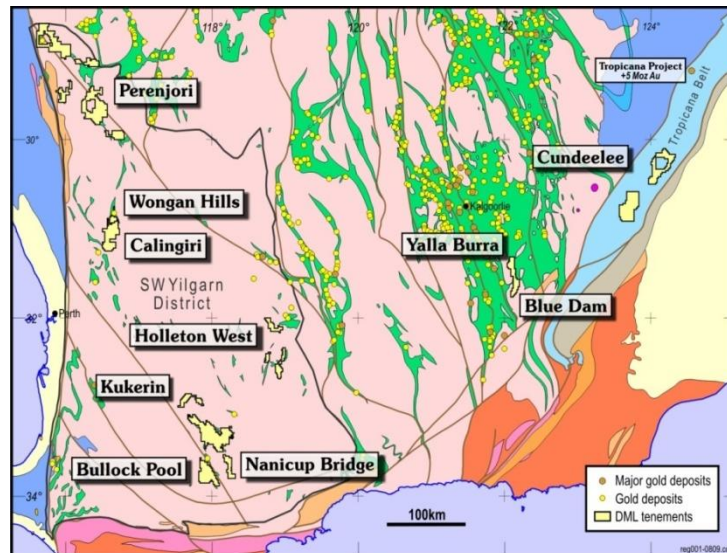
These positions have now been reached and drilling programs have recently commenced. These drilling programs will be the major focus of Challenger exploration activity over the next six months, with an approved budget of \$1.3 million.

Iron Road Joint Venture

Iron Road Limited (IRL) have confirmed that they have met the expenditure requirement to earn a 51% interest in the rights to iron ore within certain of Dominion’s Gawler tenements and that they intend to continue with the farm-in agreement. Under the agreement, IRL are required to issue Dominion with \$500,000 worth of IRL shares and can then earn an additional 39% of the rights to iron ore by additional expenditure of \$2 million and the issue of additional equity by August 2011.

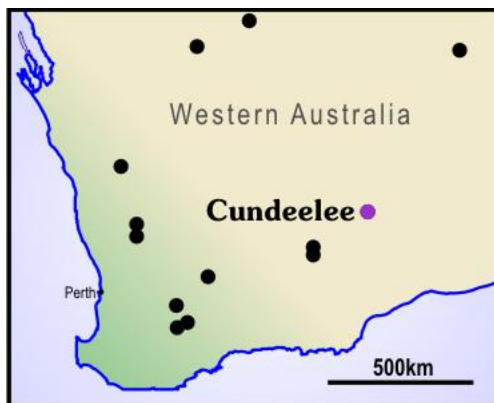
WESTERN AUSTRALIA

Yilgarn and Tropicana Belt Districts



Western Australia Projects - Geological districts and gold deposits

Cundelee Project (Tropicana Belt) (100%)

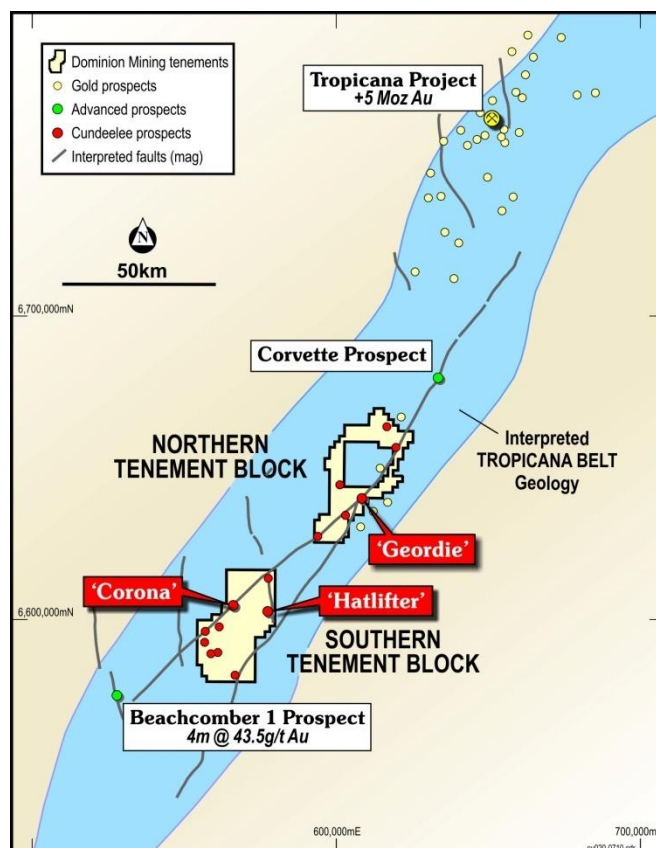


Dominion’s Cundelee Project comprises an area of approximately 1,213 square kilometres and lies within a distinctive NE-SW trending geological belt that hosts the +5 million ounce Tropicana gold project, and a number of recently discovered gold prospects. Unlike other gold districts in WA, this belt had no historical gold mining and, until the last few years, very little exploration activity.

Exploration techniques within the Tropicana Belt remain heavily reliant on surface geochemistry and geological interpretation of the magnetics. An understanding of the distribution of surface gold into the soil profile from an underlying gold system is an emerging science for this district. As seen with the original soil anomaly over the Tropicana gold deposit (which peaked at 31ppb Au) what gold anomaly there is, is at best subtle.

Interface Drilling

Interface drilling to test several favourable structural positions underlying gold in soil anomalism commenced during September. First pass drilling is now complete at the Geordie Prospect, and is in progress at the Corona Prospect with commencement at the Hatlifter Prospect to follow.



At the Geordie Prospect, broad spaced interface drilling (106 holes for 4,061 metres on 800 metre traverses) has tested a coincident gold in soil anomaly (which peaks at 49ppb gold with numerous supporting +20ppb gold values) overlying a flexure in a north east trending lineament, interpreted from the magnetics to pass through Corvette Resources Limited's 'Corvette Prospect'.

Assay results are pending.

At the Corona Prospect, previous drilling had outlined a gold-bearing palaeochannel (at the base of the transported profile) that is becoming shallower to the south. Recent drilling south west of this palaeochannel has defined a thin secondary gold blanket in bedrock clays.

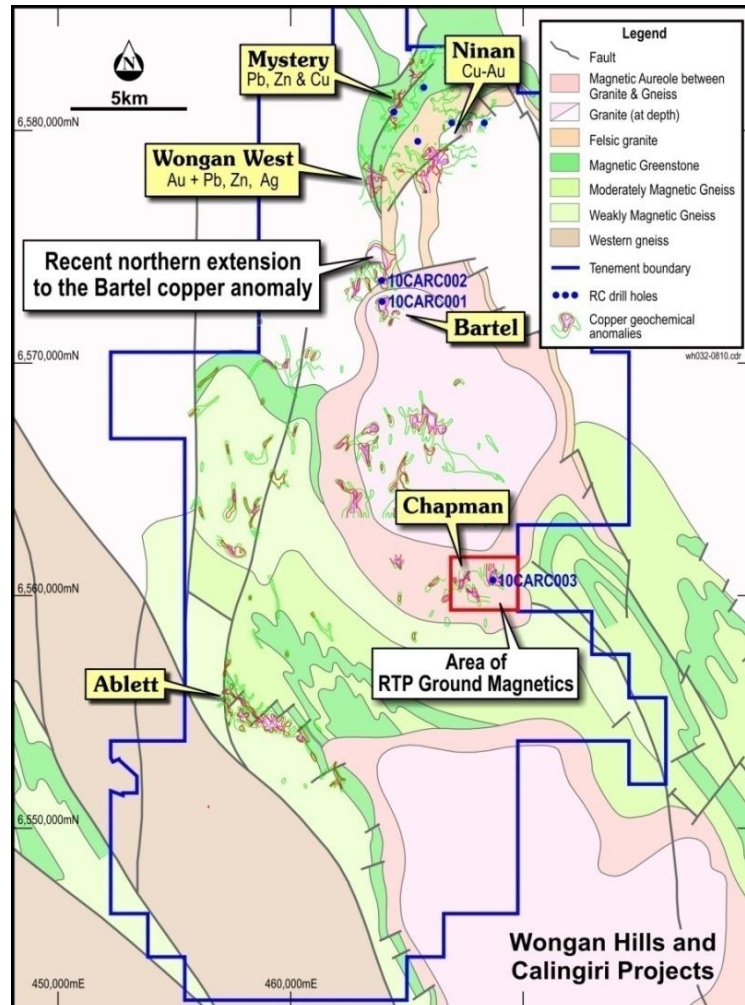
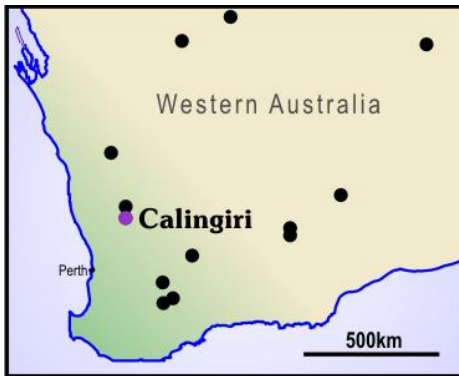
The shallowing of the gold bearing palaeochannel to the south combined with the presence of gold being chemically precipitated within marcasite, and a change from a gold bearing conglomerate channel (at the base of the transported profile) to a flat gold bearing clay horizon may be pointing to a proximal bedrock source.

Additional interface drilling to locate the bedrock source commenced in September. This drilling is ongoing and is expected to be completed by the end of October.

The Hatlifter Prospect represents an undrilled gold in soil anomaly (which peaks at 55ppb gold with numerous supporting +20ppb gold values) that overlies structurally complex basement stratigraphy, tightly folded and offset by a regional north-south fault (as interpreted from magnetic data). This north-south fault bears similarities with the north-south fault that lies adjacent to AngloGold's Beachcomber Prospect, and to the west of the magnetic structure that appears to control gold mineralisation within the Corvette Prospect.

Drilling is scheduled for the December quarter.

Calingiri Project (100%)



Exploration activities at Calingiri have been focused on the Chapman Prospect where results from one reverse circulation hole (10CARC003), drilled in the June quarter, returned a copper intercept of 75m @ 0.4% copper, including 5m @ 1.0% copper and 12m @ 0.9% copper.

Follow up at the Bartel Prospect, where both holes (10CARC001 and 10CARC002), drilled in the June quarter, intersected continuous copper mineralisation to the end of hole (202 metres @ 0.16% and 252 metres @ 0.11% copper, including 5 metres @ 1.4% copper), and where detailed IP has defined a priority follow up target, will have to be deferred until after the end of the cropping season in December.

Reverse Circulation Drilling

RC drilling (12 holes for 1,692m) was completed at the Chapman Prospect during the quarter. Due to seasonal cropping, access restrictions limited the drilling coverage, and the completed holes targeted the east-west line on which 10CARC003 (75m @ 0.4% copper) was drilled and the area to the immediate north. RC Drilling was unable to test south of 10CARC003.

Drilling encountered disseminated chalcopyrite in all holes, with best results encountered on the southern drill traverse either side of hole 10CARC003. Broad intercepts from this drilling included 50m @ 0.47% copper from 12m in hole 10CARC006 and 44m @ 0.51% copper from 21m and a deeper intercept of 21m @ 0.42% copper from 94m in hole 10CARC007. The intercepts in hole 10CARC007 bulk out to 94m @ 0.41% copper. These intercepts remain untested to the south.

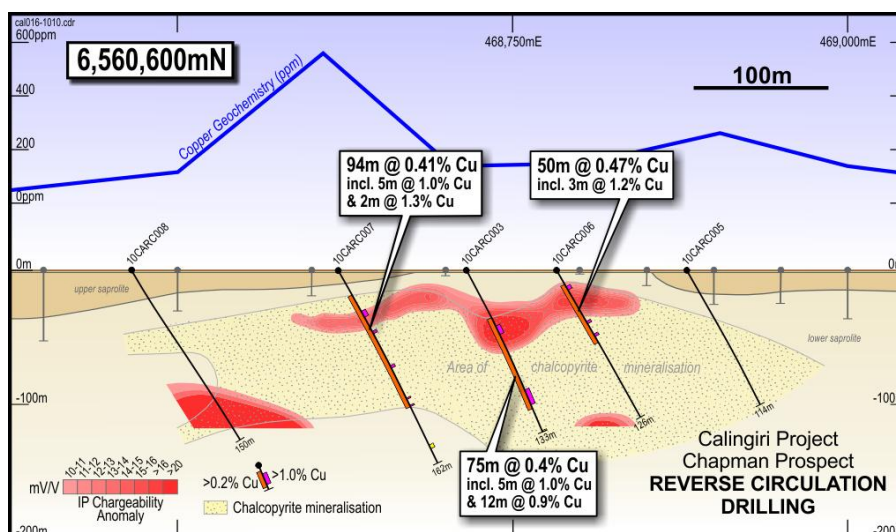
Calingiri RC Drilling – Significant copper results (0.2% copper lower cut off grade)

Hole ID	Coordinates (GDA 94)	Dip/Azi	From (m)	To (m)	Intersections
10CARC006	468783E / 6560600N	-60/090	12	62	50m @ 0.47% Cu incl 3m @ 1.2% from 14m and 2m @ 1.5% from 44m and 2m @ 1.2% from 55m
10CARC007	468620E / 6560600N	-60/090	21	115	94m @ 0.41% Cu* including: 44m @ 0.51% Cu from 21m incl 5m @ 1.0% from 35m and 2m @ 1.3% from 52m including: 8m @ 0.71% Cu from 76m incl 2m @ 1.3% from 81m including: 21m @ 0.42% Cu from 94m incl 1m @ 1.1% from 108m and 1m @ 1.2% from 114m

* intercept takes into account a broader internal dilution of 11m, whereas all other intercepts use a 5m internal dilution when reported.

A close association is seen between copper and gold values (peak gold assay 0.75 g/t gold – 10CARC006 45-46m). This not only provides some insight into the nature of the mineralised system but also indicates a potentially useful economic credit to any bulk tonnage copper system.

These results confirm a very extensive mineralised system. On the most comprehensively drilled section (6,560,600mN), a very large area of chalcopyrite mineralisation has been outlined. Average (bulk) grades within this area are in the order of 0.4% copper, with local intersections in excess of 1% copper. At this stage it is not clear what controls the higher grade mineralisation.



Overall, the amount of copper metal in the Chapman system is considered to be significant and underpins the prospectivity of the larger Calingiri Project area. To date, deeper drilling below the weathered profile has only focused on two prospects, Bartel (2 holes) and Calingiri (13 holes). These prospects may represent areas where surface copper in soil geochemistry are mapping windows of near surface copper bearing un-oxidised rock. Numerous copper in soil anomalies highlighted in the regional figure above remain untested by geophysics and drilling.

Surface Geochemistry

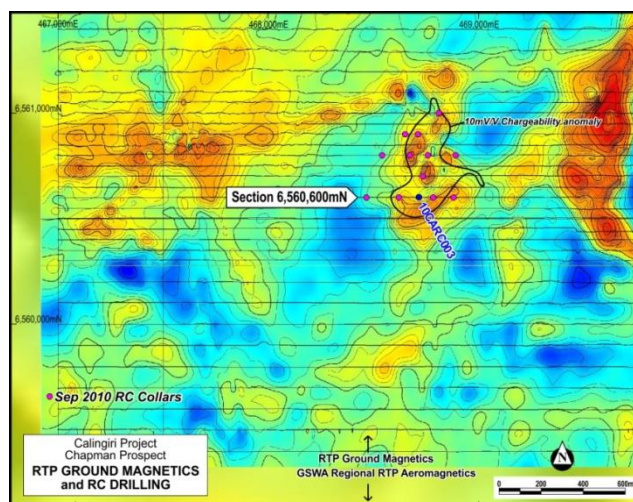
Results from surface geochemical samples between Bartel and Chapman were received during the quarter. Results have outlined numerous copper anomalies both within a circular magnetic low (interpreted from the regional magnetics as an intrusive) and on the magnetic flanks of the circular feature.

Of particular note is the strong northern continuation of the Bartel anomaly which reaches a width of 900 metres, peaking at 663ppm copper in the soils (refer to regional figure above).

Magnetic Data

The strong association between copper sulphide and magnetite mineralisation encountered in drilling at Chapman presents the possibility that magnetic signatures can be used as an additional, and potentially cost effective, targeting technique.

Due to the poor resolution provided by the available regional magnetics within the district, a trial ground magnetic survey, covering an extended area around the Chapman Prospect was completed during the quarter. The data reveals a unique magnetic anomaly, broadly coincident with the IP (chargeability) anomaly (refer to figure below).



With these associations in mind and the lack of suitable airborne magnetics available within the district, a detailed aeromagnetic and radiometric survey will be conducted over the entire Calingiri Project area. In addition to the structural and geological knowledge gained, this survey will assist with target identification, and prioritisation of geochemical anomalies.

This survey is scheduled for the December quarter.

Metallurgical test work

One positive aspect of the mineralisation intersected to date at both Bartel and Chapman is that chalcopyrite is the dominant sulphide within the mineralised zones. This is important in that in any development scenario involving sulphide flotation the concentrate has the potential to be of relatively high value in relation to both copper content and lack of deleterious elements.

If positive results are confirmed, it would effectively decrease the target economic grades for a bulk mineable deposit, if such a deposit is delineated.

Representative bulk samples from both the Bartel and Chapman drilling have been submitted to SGS for concentrate analysis and preliminary results should be available during the December quarter.

Down hole Induced Polarisation (IP) Chapman (10CARC003)

Down hole IP completed during September confirmed the presence of chargeable anomalies associated with copper mineralisation at depths well below the anomalies interpreted from the surface dipole-dipole IP. This indicates that while the surface IP can effectively define the top of the sulphide mineralisation, the technique does not necessarily map the deeper geometry of any potential sulphide system.

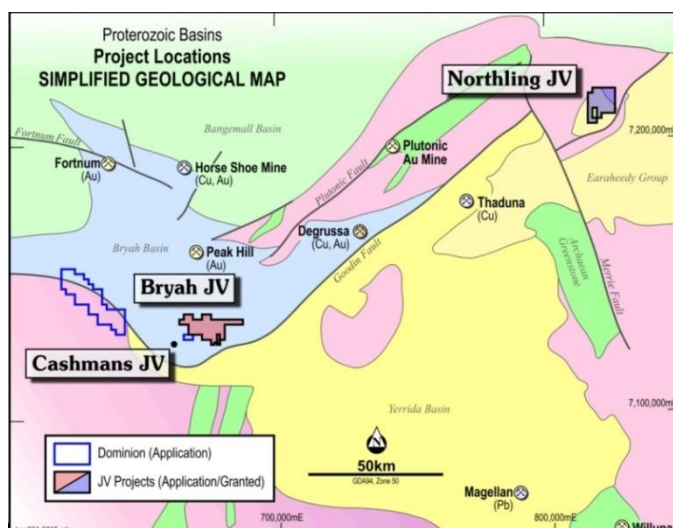
Blue Dam Project (Dominion option to acquire 90%)

Discussion between Dominion, the traditional owners and the Department of Indigenous Affairs is progressing. Dominion remains hopeful that it will be able to obtain the necessary approvals to drill Blue Dam in the coming quarter.

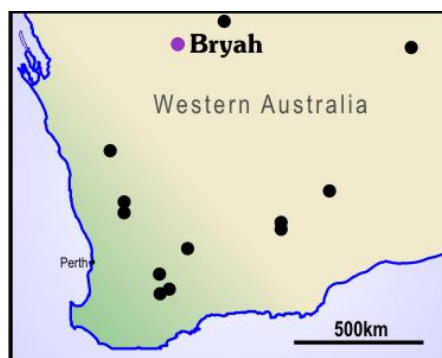
BRYAH BASIN

The high grade copper gold discovery at Sandfire Resources NL's DeGrussa Prospect in the Bryah Basin has significantly changed the perceived copper-gold exploration potential in the district.

Dominion continues to focus on identifying quality exploration ground, prospective for copper-gold mineralisation within the district. At present Dominion has three joint ventures (Northling, Bryah, and the new Cashmans JV) together with several tenement applications in the region.



Bryah JV (earning 70%)



The signing of a heritage agreement between the joint venture and the native title claimants should be finalised in October. Signing of this agreement will make way for the licence to be granted by the end of the December quarter and the commencement of exploration which initially will target a series of previously defined, but undrilled, copper geochemical anomalies.

Cashmans Project (option to acquire 90%)

Dominion has reached an agreement with tenement holders Lightrange Pty Ltd to explore the Cashmans Project.

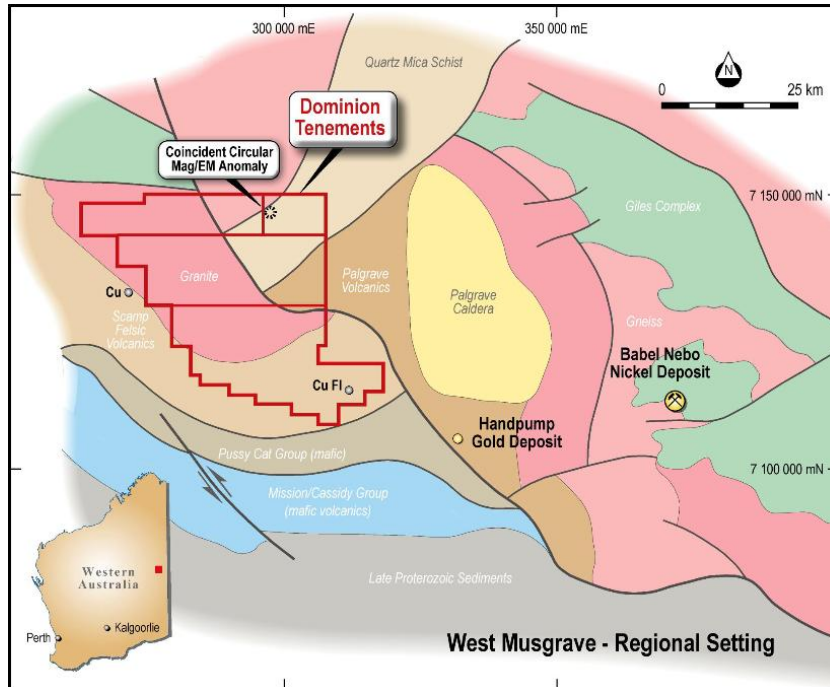
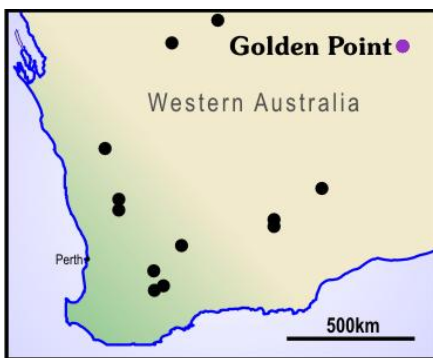
The project is located within the prospective Narracoota Volcanics of the Bryah Basin where a copper gossan outcrops directly east of a small oxide gold open cut working.

Assays from rock chips taken from the gossan grade up to 7.52% copper and whilst mapping indicates the copper bearing gossan is limited in strike, it confirms the potential for a preserved massive sulphide copper-gold deposit similar to the DeGrussa discovery within the area.

Dominion plan to carry out detailed ground EM over the entire project.

West Musgraves District

Golden Point Project (100%)



New gold intercepts announced by Beadell Resources Limited (Beadell) in December 2009 at their Handpump Prospect in the West Musgrave Province herald the first significant gold intercepts from this region and may point to a new Mesoproterozoic gold province.

Dominion has applied for four exploration licences north-west of the Handpump Prospect. These tenements overlay a regional north-west domain fault that is evident in the regional gravity and magnetics

and lies adjacent to the Handpump Prospect and separates the western Mission and Cassidy Group (volcanics and sediments) from the eastern Giles Complex.

A detailed technical review has identified several areas that warrant first pass exploration. Of particular interest is a coincident circular magnetic and airborne electromagnetic anomaly which has never been drill tested.

Negotiations with the traditional owners to agree access conditions are underway.

EXPLORATION/EVALUATION EXPENDITURE

Group regional exploration (A\$1.14 million) and Challenger resource/reserve evaluation expenditure (A\$0.59 million) totalled A\$1.73 million for the quarter.

CORPORATE

Agreement Announced With Kingsgate Consolidated Limited to form a Premier ASX-Listed Mid-Tier Gold Producer

On October 20, Dominion announced it had entered into a Scheme Implementation Agreement with Kingsgate Consolidated Limited ("Kingsgate"), under which Kingsgate would acquire all of Dominion's ordinary shares through a Scheme of Arrangement ("Scheme").

Under the proposal, Dominion shareholders will receive 0.31 Kingsgate shares for every one Dominion share held. This represents a premium of 33% over the closing price of Dominion shares on 19 October 2010, a 28% premium to Dominion's 5-day VWAP and a premium of 35% based on Dominion's 30-day VWAP up to 19 October 2010.

The combination with Kingsgate will provide operational and growth diversification by way of exposure to Kingsgate's prospective Chatree gold mine and exploration tenements in Thailand and create a premier ASX listed mid-tier gold producer with the potential to produce 300,000 ounces of per annum with a market capitalisation of around A\$1.6 billion.

In addition, it will provide a significantly enhanced financial platform to capture and deliver additional growth opportunities for shareholders from two production bases and a substantial, prospective exploration portfolio and an opportunity to share in the combined entity's improved scale and market presence.

Dominion Directors unanimously recommend that Dominion Shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert opining that the Scheme is in the best interests of Dominion shareholders.

It is anticipated Scheme documents will be despatched to shareholders in late December, with a meeting of shareholders expected to be held in late January 2011 to vote on the transaction.

The detailed announcement and Scheme Implementation Agreement can be downloaded from Dominion's web site at www.dml.com.au.

September Quarter Financial Position

Attributable revenue for the quarter was A\$34.34 million, generated from the sale of 24,941 ounces of gold at an average price received of A\$1,337 per ounce.

A final cash dividend of A\$3.60 million (4 cents per share) for the 2009/10 financial year was paid on 30 September. In addition to the payment of the cash dividend, 193,200 new shares were issued under the Company's Dividend Reinvestment Plan.

After payment of the cash dividend, group cash (A\$17.20 million) and bullion on hand accounted as revenue (A\$2.40 million) totalled A\$19.60 million at 30 September 2010. Cash on hand included A\$1.43 million of restricted cash to support bank guarantees lodged as security to various statutory bodies.

At the end of the quarter, 14,500 ounces (representing under 3% of current reserves) with an average delivered price of A\$1,096 per ounce were sold under forward sales contracts. The mark to market of these positions at the end of September based on the spot gold price prevailing at that time of A\$1,354/ounce was a negative A\$3.79 million.



Jonathan Shellabear
Managing Director

For further information please contact:
Jonathan Shellabear, Managing Director
Tel: +61 8 9426 6400

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.