



Dominion Mining Limited
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Dear Shareholder,

DOMINION AND KINGSGATE ENTER INTO SCHEME IMPLEMENTATION AGREEMENT TO CREATE LEADING ASX MID-CAP GOLD PRODUCER

On behalf of the Board of Directors of Dominion Mining Limited ("Dominion") I am writing to draw your attention to an important positive development affecting your company.

On 20 October, Dominion and Kingsgate Consolidated Limited ("Kingsgate") announced an agreed transaction whereby Kingsgate and Dominion would combine to form a premier ASX-listed mid-tier gold producer by way of a Scheme of Arrangement ("Scheme").

Based on Kingsgate's closing price of \$11.71 on 19 October 2010, the day prior to the announcement of the offer, and Kingsgate's offer of 0.31 Kingsgate shares for every Dominion share the bid valued Dominion at \$3.63 per share.

With an implied market capitalisation of \$1.6 billion the combined entity would provide Dominion shareholders with:

- An opportunity to share in the combined entity's increased size and market presence. Given the scale of the combined operation this will also provide increased liquidity for the expanded shareholder base;
- Reduced operational risk through the exposure to Kingsgate's prospective Chatree gold mine in Thailand;
- 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
- Exposure to a company with a strong production growth outlook with the potential to produce a combined 300,000 oz pa.

It is intended that on completion of the transaction, Peter Alexander, a Dominion non-executive director, will join the Board of Kingsgate, while I will be retained as an adviser to the Kingsgate Board.

Dominion's Board of Directors has unanimously recommended this transaction to shareholders 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.

Attached to this letter is a copy of the announcement outlining details of the agreed transaction with Kingsgate. A copy of the Scheme Implementation Agreement referred to in the announcement can be downloaded from the Dominion website at www.dml.com.au.

We anticipate Scheme documents will be despatched to shareholders in late December, with a meeting of shareholders to be held in late January 2011 to vote on the transaction.

This is an exciting and positive opportunity for Dominion shareholders and we look forward to your continued support.

Yours sincerely

Peter Joseph
Chairman