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DOMINION AWAITS GRANT OF EXPLORATION LICENCES IN THE LAO PDR

As part of its commitment to identify new growth opportunities, Dominion Mining Limited is pleased to announce that the company has applied for three exploration licences totalling 1500 square kilometres, by way of a Foreign Investment Application, which cover the junction between the prospective Loei Fold Belt and the Truongson Fold Belt within the Lao People's Democratic Republic (Lao PDR). Several major gold and copper gold mines are located on or adjacent to these belts, including Kingsgate's Chatree gold operations in Thailand, and Pan Australian's copper/gold operations at Phu Kham and Ban Houayxai and Minmetals' copper/gold operations at Sepon. The Lao PDR represents an emerging under explored region of Asia that is highly prospective for a wide range of commodities including gold and copper.

Dominion's applications are a culmination of 18 months of technical research, target generation and field investigations, including the collection of regional stream sediment samples and more focused soil geochemistry and geological mapping. Dominion has been working closely with an established private exploration service company in the Lao PDR that has provided geological and logistical support in these endeavours.

In tandem with these exploration activities and with the assistance of the Australian Embassy in the Lao PDR, Dominion has been building a relationship with key members of the Lao PDR Government in order to progress exploration activities. In May 2009, Dr Sinlavong Khoutphaytoun, Lao Minister for Planning and Investment, visited Australia as part of a Department of Foreign Affairs and Trade (DFAT) focus on foreign investment and cooperation. During this visit Dr Sinlavong visited Dominion's Challenger Mine site where he was able to view Dominion's mining and exploration activities. Following this visit, Dominion management have held several productive meetings with Dr Sinlavong, and Minister Soulivong Daravong of the Ministry of Energy and Mines.

Dominion Mining Ltd Managing Director Jonathan Shellabear said "We are very excited about the potential endowment of the licence areas and look forward to commencing exploration as soon as possible. These applications form part of our exploration strategy to target areas that are underexplored, possess significant endowment and where the fiscal and legal regime is attractive. We look forward to working with the Government and the people of the Lao PDR for the benefit of all stakeholders".

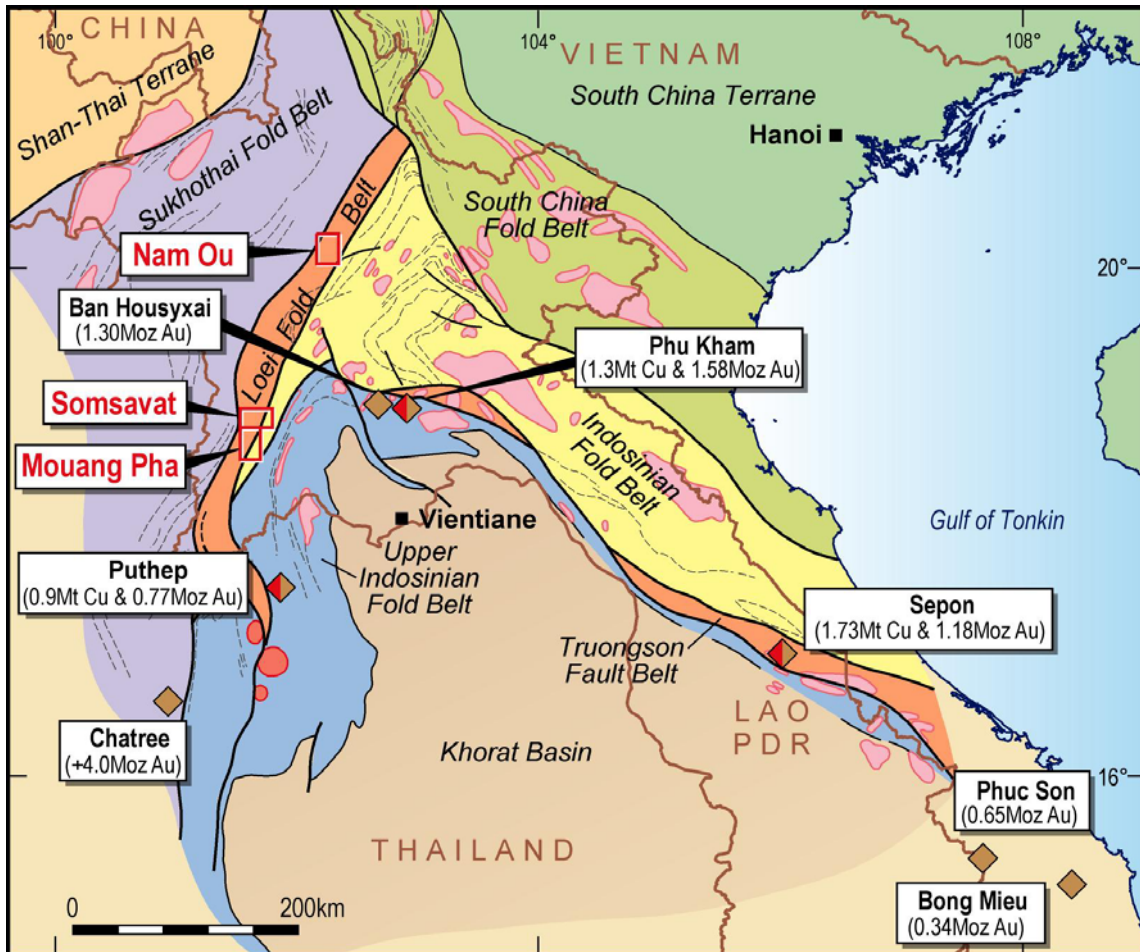
On the 8th December 2008 the Lao National Assembly passed a new Mining Law. Whilst this Law was passed key aspects of the law including implementation documents and procedures are yet to be completed. For this reason the Lao PDR Government have imposed a national moratorium on the issue of mineral exploration licences.

Dominion currently awaits the impending lifting of the moratorium and the granting of the licence applications. Upon grant Dominion intends to immediately commence an exploration program on the licence areas.

Geological Setting

A comprehensive understanding of the geological and tectonic setting within the Lao PDR is still in its infancy. Numerous geological surveys were carried out by various foreign government organisations throughout the last century (including the French, British, Japanese and Vietnamese) but they remain isolated in their application.

Two key structural belts are currently identified as prospective for a wide range of commodities (principally copper and gold) and are known as the Loei Fold Belt and the Truongson Fold Belt. These belts are related to two major volcano-sedimentary arcs that developed along the margins of a large stable continental area of Precambrian rocks. The older Truongson Belt (which hosts the Sepon mine) is intruded by a series of calc-alkaline rocks during the Late Carboniferous to Early Permian. The younger Loei Belt (which hosts the Chatree mine in Thailand) is also intruded by a sequence of calc-alkaline rocks which are Late Permian to Late Triassic in age. Both belts are known to host copper and gold mineralisation adjacent to these intrusive bodies.



Local geology within the prospect areas is considered to be prospective for epithermal gold mineralisation and porphyry related copper-gold mineralisation. Several occurrences of copper sulphides have been noted in the field, along with gold panned from stream sediments. Dominion is further encouraged by the enthusiasm of local communities in supporting Dominion's exploration efforts within the prospect areas.

About the Lao PDR

The Lao PDR is a land-locked country in mainland South East Asia and is bordered by China, Vietnam, Cambodia, Thailand and Burma. Much of its total land area is dominated by densely forested mountainous terrain.

Australia established formal diplomatic relations with the Lao PDR in 1952. Development cooperation has been a feature of the bilateral relationship for almost five decades. In 2009-10, the Australian government overseas development assistance to the Lao PDR is estimated to be \$36 million which makes Australia one of the seven largest bilateral aid donors to the Lao PDR.

Real GDP growth has averaged more than 7% since 2004, but as a result of the deteriorating global economy, economic growth has slowed somewhat with the resource and energy sector now accounting for more than half of total investment and exports.

Australia and the Lao PDR are parties to the ASEAN – Australia – New Zealand Free Trade Agreement which entered into force on 1st January 2010. The Lao PDR are working to ratify the Agreement at the earliest possible opportunity in 2010.

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