



# **Dominion Mining Limited**

## **CHAIRMAN'S ADDRESS – 2008 ANNUAL GENERAL MEETING**

Good afternoon Ladies and Gentleman my name is Peter Joseph and I would like to extend a warm welcome to all of you to Dominion Mining's 2008 Annual General Meeting here in Sydney.

I would like to take this opportunity to introduce my fellow directors.

The Managing Director of the Company is Jonathan Shellabear, Ross Coyle is the Chief Financial Officer and also Company Secretary, and both Peter Alexander and John Gaskell are non executive directors.

I would also like to introduce senior executives of Dominion both of whom have played an important part in progressing your company to where it is today.

Peter Bamford, General Manager of Operations, and Tony Poustie, General Manager of Exploration.

Also present today is Gavin Buckingham who represents our auditor, Ernst & Young.

In introducing my fellow board members, I must pay special tribute to Peter Alexander who stepped down from executive duties in January this year following over 25 years with the Company including 10 years as Managing Director.

It would be an understatement to say that Peter has been instrumental in shaping the Company and building it into the success story that it is today. He led the re-definition of Dominion's exploration strategy to focus on the Challenger project, which has underpinned the Company's growth profile over the past decade.

He has also encouraged a diverse greenfields exploration program which has led to an impressive suite of regional exploration opportunities. These are now delivering some encouraging results.

However, perhaps most importantly for the Company, Peter has encouraged a corporate culture based on persistence, professionalism and respect which has put the company in an enviable position as one of Australia's more successful gold stocks. This is a special legacy, and on behalf of the Board I would like to sincerely thank Peter for his outstanding efforts over the past 25 years and extend to him and his family every best wish for the future.

The Dominion Board is very pleased and indeed privileged that Peter has agreed to remain on the Dominion Board as a non-executive director – subject to the successful passing of today's resolution regarding his appointment – so the Company can continue to benefit from his technical and management experience.

It is also a pleasure to welcome Jonathan Shellabear who took over the reins as Dominion's new Managing Director earlier this year, and has already made a significant contribution towards the Company's development. Jonathan brings extensive experience in the Australian and international mining industries, and his expertise in the resource and finance sectors will add a new dimension to the Company's operations. You will hear from Jonathan shortly.

Looking back on the 2008 financial year, I am pleased to report that Dominion has enjoyed another year of strong performance which has ensured the Company is well positioned to weather the dramatic economic storms that are currently affecting global markets. In fact the company is well positioned to take advantage of any opportunities that may exist in the current environment. That said we will be very cautious and disciplined in assessing any such opportunity given the volatility of the markets and the near seizure of credit and equity markets.

Challenger delivered another first class operational performance and passed the 500,000 ounces production mark in October this year, representing a commendable achievement.

Gold production for the financial year totalled 109,326 ounces at an average cash operating cost of \$367 per ounce. While operating costs at Challenger have increased, reflecting a general rise in operating overheads across the entire global mining sector, Dominion remains one of the lowest cost gold producers in Australia. For the third year running Dominion was voted "Miner of the Year" by its peers in a poll organised by the Gold Mining Journal of Australia.

The strong production performance at Challenger translated into a Net Profit After Tax of \$33.4 million, equating to earnings of 32.59 cents per share.

This result enabled Dominion's Board to declare a final unfranked dividend of 8 cents per share, lifting our total dividend payout for the year to 12 cents per share – an increase of 20% over last year.

Cash generation from Challenger continued to strengthen our balance sheet, with a net cash and bullion position of \$50.2 million at the end of the September quarter following the final dividend payment of \$8.2 million. Importantly the Company remains debt free.

The 2008 financial year was also successful on the exploration front, with our reserve base for Challenger at the end of June 2008 standing at 727,860 ounces – up 42% with our resource base increasing to 1,159,830 ounces.

This has effectively extended the mine life of the Challenger operation to more than seven years at current production rates.

Exploration conducted during the year confirmed the continuity of high grade mineralisation within the areas below the current mining levels, pointing to the potential for further increases in both resources and reserves.

With such a worthwhile production and exploration profile, I would like to acknowledge and thank all our staff members and contractors who worked so hard to deliver this outstanding result.

We have also maintained our strong record in maintaining a safe working environment for our employees and contractors. A total of almost 410,000 hours were worked Challenger during 2007/08, with no lost time injuries incurred – a truly outstanding achievement which is reflective of the Company's constant focus on the health and safety of our employees.

I mentioned at last year's AGM that in light of the continued exploration success at Challenger, we would examine the potential to upgrade the Challenger plant to increase long-term production rates to around 130,000 ounces of gold per annum.

Jonathan will discuss this in greater detail in his presentation, however this expansion is still under review and the board expects to be in a position to make a final decision early in the new year. Should it proceed, we would expect to achieve this increased production level in early 2010.

In an environment where many resource companies are under pressure Dominion remains in robust shape, and as a result has generally outperformed in the gold sector.

Whilst other companies are slashing exploration budgets, we are also in the fortunate position of being able to maintain a comprehensive exploration program over this current financial year.

Our greenfields exploration initiatives are continuing to deliver positive results, in particular from both the Cundeelee Project in Western Australia and the Barton West mineral sands project in South Australia.

With Challenger continuing to deliver strong production and exploration success, and a portfolio of prospective exploration projects, Dominion remains a strong business unit with a positive long term growth outlook – notwithstanding the current market volatility.

Before I hand over to Jonathan, I would like once again to thank the talented, dedicated and friendly group of management, staff and contractors we have working with us.

I wish everyone involved with the Company well for the year ahead and thank you for your attendance.

**Peter Joseph**  
**Chairman**

27 November 2008