



# **Dominion Mining Limited**

**Dominion  
Mining Limited  
ABN 37 000 660 864**

## **Prospectus**

**For the issue of up to 3,483,000 unlisted Options to Eligible Employees of the Company comprising:**

**1,161,000 Tranche 1 Options**

**1,161,000 Tranche 2 Options**

**1,161,000 Tranche 3 Options**

**And for the issue of 500,000 Performance Rights to Jonathan Shellabear**

**This document is important and requires your immediate attention. It should be read in its entirety.**

**If you do not understand its contents, or have doubts over which course of action you should follow, you should consult your stockbroker or professional adviser.**

**An investment in the securities offered by this Prospectus should be considered as speculative.**

For personal use only

## IMPORTANT INFORMATION

**This Prospectus is dated 20 May 2008 and was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus.**

**No Options or Performance Rights will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.**

**This document is important and requires your immediate attention. Applicants should read this Prospectus in its entirety before deciding to participate in the Issue. If after reading this Prospectus you have any questions about the Issue, you should contact your stockbroker, solicitor, accountant or professional adviser.**

A copy of this Prospectus is available for inspection at the registered office of the Company at 15 Outram Street West Perth, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.2).

The Options and Performance Rights offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Applications for Options or Performance Rights can only be submitted on an original Application Form attached to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus or is inconsistent with it. Any information or representation not so contained, or which is inconsistent, may not be relied on as having been authorised by the Company in connection with the Offer.

The offer in this Prospectus is made only to persons receiving the Prospectus in Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting a Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## 1 Details of the Offer

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### 1.1 Offer of Options and Offer of Performance Rights

The Company is offering a total of up to 3,483,000 Options under this prospectus to Eligible Employees of the Company.

Each Eligible Employee is invited to apply for an equal number of Tranche 1 Options, Tranche 2 Options and Tranche 3 Options.

The Company is also offering 500,000 Performance Rights under this prospectus to the Managing Director of the Company, Mr Jonathan Shellabear.

No funds will be raised from the issue of the Options or the Performance Rights.

Any funds raised from the exercise of the Options will be used by the Company to implement new exploration programs, accelerate existing exploration programs, acquire prospective tenements and general working capital.

If all the Options to be issued pursuant to this Prospectus are exercised, the Company will raise funds of \$13,839,120 on 3,483,000 Shares being issued (less the expenses of the issue referred to in Section 5).

If all the Performance Rights are exercised, the Company will not raise any funds on 500,000 Shares being issued.

### 1.2 Opening and closing dates

The Offer will be open for receipt of acceptances on Tuesday 20 May 2008 and will close Wednesday 4 June 2008 or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, determine.

### 1.3 Brokerage or commission

No brokerage or stamp duty will be payable by investors.

### 1.4 Applications

The Offer is only capable of acceptance by the person to whom the Application Form is addressed.

Your application in respect of the Offer must be made on the personalised Application Form accompanying this Prospectus. Applications can only be made in the amount of Options specified in the Application Form.

If you wish to participate in the Offer, you must complete the Application Form in accordance with the instructions set out on the reverse of that form. Please ensure the Application Form is received by the Company at:

15 Outram Street  
West Perth 6005  
Australia

Applications under the Offer must be received no later than Wednesday 4 June 2008 the Closing Date (subject to the right of Directors to close the Offer or extend this date without notice).

## 1.5 ASX Quotation for Trading

The Options and Performance Rights offered under this prospectus will not be quoted by ASX, therefore the Options and the Performance Rights cannot be traded on the ASX, although application will be made to seek quotation of Shares issued on exercise of the Options.

## 1.6 No Issue of Options or Performance Rights after 13 months

No Options or Performance Rights will be allotted or issued on the basis of this prospectus later than 13 months after the date of this prospectus.

## 1.7 Tax Implications

The Company makes no representation and provides no advice in relation to the tax consequences for any Eligible Employee that applies for Options under the Offer. Applicants should consult their own professional taxation advisers if they would like advice in relation to the tax consequences of the Offer.

## 2 Effect of the Offer

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### 2.1 Purpose of the Offer

The Company is offering a total of up to 3,483,000 Options under this prospectus to Eligible Employees of the Company who have been involved in the development of the Company to date and who will have an ongoing involvement in the Company.

The Company is also offering 500,000 Performance Rights under this prospectus to the Managing Director of the Company, Mr Jonathan Shellabear.

As the Options and Performance Rights under the Offer will be issued at no cost, there will be no proceeds raised from the Offer.

### 2.2 Capital structure

The pro forma capital structure of the Company following the Offer is set out below:

	Shares	Unlisted options*	Performance Rights
Securities on issue as at the date of this prospectus	102,471,351	5,440,000	Nil
Securities offered pursuant to this prospectus	Nil	3,483,000	500,000
Total issued capital**	102,471,351	8,923,000	500,000

\*Unlisted options comprise:

200,000 unlisted options expiring 30 November 2009 and exercisable at \$1.04 each

500,000 unlisted options expiring 30 November 2009 and exercisable at \$1.19 each

35,000 unlisted options expiring 30 November 2008 and exercisable at \$1.61 each

40,000 unlisted options expiring 8 July 2009 and exercisable at \$2.31 each

1,555,000 unlisted options expiring 19 December 2011 and exercisable at \$5.00 each

1,555,000 unlisted options expiring 19 December 2011 and exercisable at \$5.50 each

1,555,000 unlisted options expiring 19 December 2011 and exercisable at \$6.05 each

\*\*Assumes the offer is fully subscribed and that no existing options are exercised prior to completion of the Offer

## 2.3 Balance sheet

The Options and Performance Rights are to be issued for no consideration, the only impact of the Offer on the financial position of the Company will be to reduce working capital by the costs of the Offer (see Section 5.5).

Set out below is:

- a balance sheet of the Company as at 31 March 2008; and
- a pro forma balance sheet of the Company incorporating the effects of the Offer.

	AS AT 31 March 2008	Unaudited Consolidated Pro forma Balance Sheet
	\$000's (unaudited)	\$000's
<b>Current Assets</b>		
Cash	42,250	42,235
Receivables	6,498	6,498
Investments	82	82
Inventory	2,198	2,198
Other	389	389
<b>Total Current Assets</b>	<b>51,417</b>	<b>51,402</b>
<b>Non-Current Assets</b>		
Plant and Equipment	11,236	11,236
Mine Development	28,205	28,205
Deferred Tax Asset	21,244	21,244
<b>Total Non-Current Assets</b>	<b>60,685</b>	<b>60,685</b>
<b>Total Assets</b>	<b>112,102</b>	<b>112,102</b>
<b>Current Liabilities</b>		
Payables	7,052	7,052
Provisions	402	402
Loans and Borrowings	224	224
Derivatives	5,199	5,199
<b>Total Current Liabilities</b>	<b>12,877</b>	<b>12,877</b>

<b>Non-Current Liabilities</b>		
Loans and Borrowings	209	209
Provisions	1,463	1,463
<b>Total Non-Current Liabilities</b>	<b>1,672</b>	<b>1,672</b>
<b>Total Liabilities</b>	<b>14,549</b>	<b>14,549</b>
<b>Net Assets</b>	<b>97,553</b>	<b>97,538</b>
<b>Equity</b>		
Share Capital	52,046	52,046
Retained Earnings	42,791	42,564
Employee Equity Benefits Reserve	2,716	2,928
<b>Total Equity</b>	<b>97,553</b>	<b>97,538</b>

## 2.4 Market price of shares

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

**Highest:** \$4.60 22 February 2008

**Lowest:** \$3.01 14 April 2008

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$4.19 per Share on 19 May 2008.

## 3 Risk Factors

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The current and future operations of the Company including exploration, appraisal and production activities, may be affected by a range of factors including:

### 3.1 Risks specific to the Company

(a) Native Title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of

mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.

(b) Uninsurable Risks

The Company may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts, which exceed policy limits.

### 3.2 Mining Industry Risk

(a) Exploration and Development Risks

Mineral exploration and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, shortage of appropriately skilled personnel, stock market fluctuations affecting access to new capital, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration and development mineral interests owned by the Company, or any other projects that may be acquired in the future, can be profitably exploited.

(b) Operational Risks

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, shortage of appropriately skilled personnel, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk.

(d) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(e) Payment Obligations

Under the mining and exploration tenements and licences and certain other contractual agreements to which the Company is or may in the future become a party, the Company is or may become subject to payment and other obligations. In particular, the Company has an obligation to meet the agreed expenditure budgets for each of its interests and, where the Company is not the manager, is reliant on the manager to maintain the exploration tenements and licences in 'good standing'. Failure to meet these work commitments will render the tenement or licence liable to be cancelled.

(f) Commodity Price Volatility

It is anticipated that any potential future revenues derived from mining will primarily be derived from the sale of gold. Consequently, any future earnings are likely to be closely related to the price of this commodity.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company and include macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(g) Competition

The Company competes with other companies, including major mineral exploration and production companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities.

(h) Title

All of the tenements in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement is usually at the discretion of the relevant government authority.

(i) Joint Venture Risk

Where a joint venture partner does not act in the best commercial interest of the joint venture, it could have a material adverse effect on the interests of the Company.

(j) Environmental

The Company's projects are subject to law and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, the projects of the Company have a variety of environmental impacts. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

### **3.3 General Investment Risks**

#### **(a) Securities Investment**

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Option exercise price, and may fluctuate in response to a number of factors.

Further, the stock market has experienced price and volume fluctuations. There can be no guarantee that these trading prices and volumes will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

#### **(b) Share Market Conditions**

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

#### **(c) Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of a Country's gross domestic product, interest rates and the rate of inflation.

#### **(d) Future Capital Needs and Additional Funding**

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash should be adequate to fund its business development activities, exploration programme and other Company objectives in the short term.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

#### **(e) Policies and Legislation**

Any material adverse changes in Federal or State government policies or legislation (including tax) of Australia or the Government policies or any other country that the Company has economic interests may affect the viability and profitability of the Company.

## 4 Rights attaching to Options, Performance Rights and Shares

The following is a summary of the rights and liabilities of the Options, a summary of the rights and liabilities of the Performance Rights and a summary of the rights and liabilities attaching to the underlying Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders and optionholders. To obtain such a statement, persons should seek independent legal advice.

### 4.1 Terms and Conditions of the Options

The key terms of the Options are set out in the table below:

	Tranche 1	Tranche 2	Tranche 3
Vesting date	4 June 2009	4 June 2010	4 June 2011
Exercise Price	\$3.60	\$3.96	\$4.36
Expiry date	5 June 2012	5 June 2012	5 June 2012

The full terms and conditions of the Options are as follows:

- 1 The options may not be transferred and will lapse immediately if transferred unless the transfer is by force of law upon death to the optionholder's legal personal representative or upon bankruptcy to the optionholder's trustee in bankruptcy.
- 2 If the optionholder dies before an option has been exercised and at that time the optionholder was an employee of the Company:
  - (a) any unvested options which may be exercised will lapse unless the board determines otherwise; and
  - (b) any vested options which have not been exercised may be exercised by the optionholder's personal representative within 12 months after the date of the optionholder's death.
- 3 If the optionholder ceases to be an employee of the company by reason of retrenchment:
  - (a) any unvested options which have not been exercised will lapse unless the directors determine otherwise; and
  - (b) any vested options which have not been exercised may be exercised within 6 months of the optionholder ceasing to be an employee.
- 4 Should the optionholder cease to be an employee of the company for any reason other than retrenchment or because of his or her death:
  - (c) any unvested options which have not been exercised will lapse unless the directors determine otherwise; and
  - (d) any vested options which have not been exercised may be exercised within 30 days of the optionholder ceasing to be an employee.
- 5 If in the opinion of the directors the optionholder acts fraudulently or dishonestly or is in breach of obligations owed to the company, then the directors may deem any unexercised options to have lapsed.
- 6 The options are exercisable by completing a notice of exercise and delivering it, together with payment for the number of shares in respect of which the options are exercised, to the registered office of the company.

Within 15 days after an option has been exercised, the company will allot and issue to the number of shares in respect of which the option has been exercised.

- 7 Options will not be granted official quotation for trading on ASX. The company will apply for the shares allotted and issue pursuant to the exercise of the options to be grant official quotation for trading on ASX.
- 8 If a takeover bid is made, the directors may notify the optionholder in writing of the takeover bid, in which case the options are capable of being exercised within 30 days of the date of the notice.
- 9 In the case of a bonus issue or a rights issue, the number of shares to which the optionholder is entitled upon exercise will be adjusted in accordance with the ASX Listing Rules.
- 10 In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the share capital of the company, the options will be reorganised as required by the ASX Listing Rules.
- 11 The options do not confer the right to participate in new issues of capital during the exercise period.

## 4.2 Terms and Conditions of the Performance Rights

The key terms of the Performance Rights are set out in the table below:

Vesting date	In tranches of 250,000 Performance Rights, provided Performance Hurdles are met – as set out in full terms and conditions below.
Exercise Price	Nil.

The full terms and conditions of the Performance Rights are as follows:

- (a) Each Performance Right entitles the holder to subscribe for one Share for nil consideration.
- (b) The Performance Rights will be issued for free and, subject to the achievement of the Performance Hurdles, are exercisable after 1 February 2011 by completing an exercise form and delivering it to the Company's share registry.
- (c) The Performance Rights will become exercisable in Tranches if the Board resolves that the following performance hurdles ("**Performance Hurdles**") are satisfied as at 1 February 2011 and provided that the Company's TSR grows in each year between grant of the Performance Rights and 1 February 2011 by more than five percent (5%) compounded each year:
  - (1) if the Company's TSR is equal to or exceeds the TSR of 50% or more of the Comparator Group, the holder will be entitled to exercise 250,000 Performance Rights; and
  - (2) if the Company's TSR exceeds the TSR of more than 50% or more but less than 75% of the Comparator Group, the Holder will be entitled to exercise 10,000 Performance Rights for every additional one percent (1%) of Comparator Group whose TSR is exceeded by the Company; and
  - (3) if the Company's TSR is equal to or exceeds the TSR of 75% or more of the Comparator Group, the holder will be entitled to exercise an additional 250,000 Performance Rights.
- (d) A Performance Right does not confer on the holder the right to receive dividends.

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- (e) Performance Rights are only capable of being exercised from the date on which they vest.
  - (f) Should the holder resign all Performance Rights will lapse.
  - (g) Should holder be dismissed for misconduct all Performance Rights will lapse.
  - (h) Should the holder's employment be terminated for any other reason all Performance Rights will lapse unless the Board decides otherwise.
  - (i) Performance Rights will not be granted Official Quotation by the ASX.
  - (j) A Performance Right does not confer on the holder the right to participate in new issues of Shares, including by way of bonus issue, rights issue or otherwise.
  - (k) A may not be transferred or otherwise disposed of in whole or part at any time prior to expiry.
  - (l) Within 14 days of award of Shares pursuant to Performance Rights the Company will allot and issue the Shares awarded.
  - (m) The Company will apply for Official Quotation by ASX of the Shares awarded pursuant to Performance Rights.
  - (n) In the event of any reorganisation (including consolidation, subdivision, reduction or return of capital) of the share capital of the Company, the Performance Rights are to be reorganised as required by the Listing Rules.
  - (o) If an entity (as that term is defined in the Corporations Act) makes a takeover offer for Shares in the Company, the Directors (other than Mr Shellabear) may, in their absolute discretion, determine whether Performance Rights may be exercised having regard to the performance of the Company against Performance Hurdles.
  - (p) The holder will not grant any security interest or encumbrance in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the Shares are either issued or transferred to that holder, and any such security interest, encumbrance or disposal or dealing will not be recognised in any manner by the Company.
  - (q) Except on the death of the holder, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

### 4.3 Rights and Liabilities attaching to Shares

The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define such matters as the rights, duties and powers of its shareholders and Directors, including provisions to the following effect (when read in conjunction with the Corporations Act and Listing Rules).

A summary of the principal rights and liabilities attaching to Shares is set out below. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, that Shareholder should seek legal advice.

#### (a) Voting

At a general meeting, on a show of hands every ordinary shareholder present in person or by proxy, attorney or representative has one vote. At the taking of a poll, every ordinary shareholder present in person and whose shares are fully paid has one vote for each of his or her shares. On a poll, the holder of partly paid share has a fraction of a vote with respect to the share. The fraction is equivalent to the proportion

which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General meetings

Each ordinary shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to ordinary shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

(c) Dividends

The Directors may pay to ordinary shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the ordinary shareholders in proportion to the number and the amount paid on the shares held. This is subject to rights attaching to shares with special dividend rights.

(d) Transfer of shares

Generally, all shares in the Company are freely transferable subject to the procedural requirements of the Constitution and to the provisions of the Corporations Act, the ASX Listing Rules and the ASTC Settlement Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the ASX Listing Rules or the ASTC Settlement Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors may decline to register a transfer if registration would result in contravention of the Corporations Act, the ASX Listing Rules or the ASTC Settlement Rules.

(e) Variation of rights

The Company may only modify or vary the rights attaching to any class of shares with the prior approval by a special resolution of the holders of shares in that class at a meeting of those holders, or with the written consent of the holders of at least three-fourths of the issued shares of that class.

(f) Directors

The minimum number of Directors is three and the maximum is twelve unless the Company in general meeting determines otherwise. Currently, there are 5 Directors. Directors must retire on a rotational basis so that one-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. A retiring Director is eligible for re-election. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairperson has a casting vote.

(h) Issue of further shares

Subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Directors may issue, or grant options in respect of, shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Officers' indemnity

To the full extent permitted by the law and to the extent not covered by insurance, the Company must indemnify each officer of the Company against any losses or liabilities incurred by the person as an officer of the Company, including costs and expenses incurred in defending proceedings in which judgment is given in favour of the person

or in which the person is acquitted or in connection with relief granted to the person in an application under the Corporations Act in respect to such proceedings.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of ordinary shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

## 5 Additional Information

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### 5.1 Continuous Disclosure Obligations

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

Those obligations include being required to notify the ASX immediately of any information concerning the Company which it is, or becomes, aware of and which a reasonable person would expect to have a material effect on the price or value of the Shares. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- (a) the preparation of both yearly and half yearly financial statements, a report on the operations of the Company during the relevant accounting period together with an audit or review report thereon by the Company's auditor;
- (b) quarterly activities reports to be lodged with the ASX within a specified time after the end of each quarterly accounting period.

### 5.2 Inspection and copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of the ASIC. The Company will provide free of charge to any person who requests it during the application period, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2007, being the last financial year for which an annual financial report has been lodged with the ASIC in relation to the Company before the issue of this Prospectus;
- (b) the 31 December 2007 half year financial report lodged with ASIC by the Company before the lodgement of the copy of the Prospectus with ASIC; and
- (c) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus:

Date	Description of ASX Announcement
15/05/08	SAU: Drilling commences to earn 30% in SA gold prospect
8/05/08	Response to ASX query
2/05/08	Change of Director's interest
2/05/08	Appendix 3B

24/04/08	Results of meeting
23/04/08	Quarterly Activities Report
11/04/08	Alteration to Notice of Meeting
10/04/08	Change of Director's Interest Notice
2/04/08	Conference presentation
20/03/08	Notice of Extraordinary General Meeting
12/03/08	Change of Director's Interest Notice
7/03/08	Change of Director's Interest Notice
7/03/08	ASX 300 index
6/03/08	Change of Director's Interest Notice
27/02/08	Half Yearly Report and Accounts
5/02/08	Initial Director's Interest Notice
1/02/08	Managing Director Appointment/ Resignation
24/01/08	Quarterly Activities Report
23/01/08	Appendix 3B
20/12/07	Disclosure Document
18/12/07	Appendix 3B
14/12/07	Appendix 3B
4/12/07	Details of share registry address
28/11/07	Results of meeting
28/11/07	Chairman's Address to Shareholders
23/11/07	Mainwood RC Drilling Gold Results
22/11/07	Appendix 3B
14/11/07	SAU – RC Drilling at Golf Bore find high grade gold shoots
8/11/07	SAU – Proceeds with Dominion gold JV Challenger Area
30/10/07	Appendix 3B
24/10/07	Appendix 3B
24/10/07	Notice of Annual General Meeting/Proxy Form
24/10/07	Annual Report to shareholders

### 5.3 Directors' Interests

Except as disclosed in this Prospectus, no Director or proposed Director, and no firm in which a Director or proposed Director is a partner:

- (1) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (2) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) **Directors' Interests in the Company's Securities**

No Director or proposed Director as at the date of this Prospectus has a relevant interest in any securities of the Company other than as set out below:

<b>Director</b>	<b>Shares</b>	<b>Options</b>
P C Joseph	11,195,014	Nil
J Gaskell	65,000	Nil
J N Shellabear	55,000	Nil
P Alexander	326,428	300,000
R A Coyle	49,397	400,000

**5.4 Interests of other persons**

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

**5.5 Expenses of the Issue**

The estimated expenses of the Issue are as follows:

	<b>\$</b>
ASIC Lodgement Fee	2,010
Legal Expenses	12,000
Printing, mailing and other expenses	1,000
<b>Total</b>	<b>15,010</b>

For personal use only

## 5.6 Authorisation

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, consisting of a large loop followed by a smaller loop and a short horizontal stroke.

**Director**  
**Dominion Mining Limited**

## 6 Glossary

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**Applicant** means an Eligible Employee who submits an Application Form.

**Application Form** means the personalised Application Form accompanying this prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 129 164.

**Closing Date** means Wednesday 4 June 2008.

**Company** means Dominion Mining Limited.

**Directors** means the Directors of the Company as at the date of this Prospectus.

**Eligible Employee** means:

- (1) an employee, consultant or contractor of the Company to whom the Directors have determined to make an offer; and also
- (2) Jonathan Shellabear, Managing Director, in accordance with shareholder approval to grant the Options obtained at the Company's Extraordinary General Meeting held on 24 April 2008.

**Issue** means the issue of the Options and Performance Rights referred to in section 1 of this prospectus.

**Offer** means the offer of Options and Performance Rights under this Prospectus.

**Options** means the Tranche 1 Options, the Tranche 2 Options and the Tranche 3 Options to be issued to Applicants under this Prospectus, the terms of which are set out in Section 4.1 of this prospectus.

**Performance Right** means the right to subscribe for one Share on the terms and conditions set out in Section 4.2, granted in accordance with shareholder approval obtained at the Company's Extraordinary General Meeting held on 24 April 2008.

**Prospectus** means this prospectus.

**Share** means a fully paid ordinary share in the capital of the Company, which have been granted Official Quotation by the ASX for trading on the ASX.

**Shareholder** means a holder of Shares.

**Tranche 1 Option** means an option to subscribe for one Share at an exercise price of \$3.60 on the terms and conditions set out in Section 4.1.

**Tranche 2 Option** means an option to subscribe for one Share at an exercise price of \$3.96 on the terms and conditions set out in Section 4.1.

**Tranche 3 Option** means an option to subscribe for one Share at an exercise price of \$4.36 on the terms and conditions set out in Section 4.1.