



23 February 2009

DOMINION ACHIEVES A HALF YEAR PROFIT OF \$23.4 MILLION BEFORE NON CASH ADJUSTMENTS AND AN INCREASED INTERIM DIVIDEND

KEY POINTS

- Profit for the six months of \$23.4 million and Net Profit after tax and accounting adjustments of \$12.8 million.
- EBITDA of \$29.3 million and EBIT of \$23.3 million.
- Interim dividend of 6 cents per share declared.
- Gold production for the 6 months of 52,283 ounces at a cash operating cost of A\$416/ounce.
- Group cash and bullion of \$56.5 million at 31 December 2008.

	December 2008	December 2007	Variation
Revenue (A\$)	\$57.9m	\$45.1m	+28%
Profit (A\$)	\$23.4m	\$10.8m	+116%
EBITDA (A\$)	\$29.3m	\$18.8m	+55%
EBIT	\$23.3m	\$13.3m	+75%
NPAT (A\$)	\$12.8	\$13.9m	-8%
EPS (diluted)	12.0c	13.6c	-12%
Dividend (c/share)	6 cents	4 cents	+50%
Production (ozs)	52,283ozs	56,026ozs	-7%
Cash & Bullion	\$56.5m	\$46.8m	+21%

FINANCIAL RESULTS

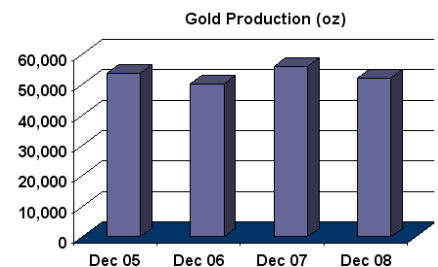
Dominion Mining Limited (ASX: DOM) today announced a profit of \$23.4 million for the 6 months to 31 December 2008 and after accounting and tax adjustments the result was a net profit of \$12.8 million for the period. This performance was achieved with a 28% increase in gross revenue to \$57.9 million.

The net profit was after taking into account a non-cash negative mark to market adjustment against forward gold sales contracts of \$8.9 million, a non-cash share based payment expense of \$2.8 million and an income tax benefit of \$1.2 million.

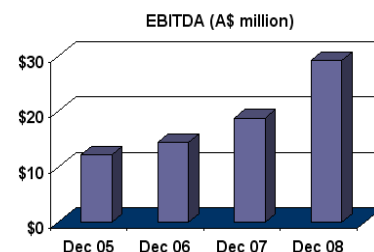
The positive result for the six months has enabled the Company to declare an interim unfranked dividend of 6 cents per share (December 2007: 4 cents per share). The record date for the dividend is 16 March 2009 with the dividend to be paid on 31 March 2009.

The results were underpinned by continued steady gold production from Challenger for the 6 months to 31 December 2008 of 52,283 ounces (Dec 2007: 56,026 ounces). Cash operating costs increased by 18% to \$416/ounce (Dec 2007: \$351/ounce).

Revenue from gold sales increased by 28% to \$56.4 million, mainly due to the increased average price received for the period of A\$1,087/ounce (Dec 2007: \$797/ounce).



EBITDA of \$29.3 million (Dec 2007: \$18.8 million) was achieved after expensing exploration and evaluation expenditure of \$2.8 million, administration costs of \$1.7 million and \$1.9 million in royalty payments. Depreciation and amortisation charges totalled \$6.0 million.



The higher revenue resulted in an increase in the Company's cash and bullion position to \$56.5 million (Dec 2007: \$46.8 million). This comprised cash of \$51.4 million and bullion (treated as a receivable in the balance sheet) of \$5.0 million.



OUTLOOK

Commenting on the financial results, Dominion's Managing Director, Mr Jonathan Shellabear, said:

"These results represent a very good performance by the Dominion team in what has been a particularly volatile period in global markets. Our Challenger operation continues to perform to expectations, exploration within the mine environment has returned encouraging results and with the strength in the gold price we are looking forward to further positive results in the second half," he continued.

"Forecast gold production for 2008/09 is expected to exceed 100,000 ounces and with a strong net cashflow, and robust balance sheet, the company is well positioned," Mr Shellabear said.

Jonathan Shellabear
Managing Director
Tel: 08 9426 6400



ABN 37 000 660 864

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2008**



CONTENTS	Page
Appendix 4D – Results for Announcement to the Market	1
Directors' Report	2
Auditor's Independence Declaration	4
Balance Sheet	5
Income Statement	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9
Directors' Declaration	13
Independent Review Statement	14



APPENDIX 4D RESULTS FOR ANNOUNCEMENT TO THE MARKET

The result for the half year was a net profit of \$12,840,000 (December 2007: \$13,961,000) after taking into account:

- a non-cash negative mark to market adjustment of gold forward sale contracts (Change in fair value of undesignated gold contracts) of \$8,920,000;
- a non-cash share based payment expense of \$2,843,000; and
- an income tax benefit of \$1,235,000.

In addition, expensed for the period was \$1,950,000 of royalties payable to Resolute Ltd, the South Australian Government and native title groups; \$2,857,000 million of exploration expenditure and \$1,704,000 million attributable to administration costs of the consolidated entity.

Production for the period totalled 52,283 ounces, with 51,906 ounces sold, generating revenue from gold sales of \$56,435,000. The average site cash operating cost of production for the period was A\$416 per ounce and average price received from gold sales was A\$1,087 per ounce.

Cash and bullion at the end of the year totalled \$56,456,000 with cash of \$51,438,000 and bullion (treated as a receivable in the balance sheet) of \$5,018,000.

	31 December 2008 \$'000	31 December 2007 \$'000	
Revenue	57,872	45,090	up 28%
Profit before loss on undesignated gold contracts and share based payments	23,368	10,816	up 116%
Net profit attributable to members of Dominion Mining Limited	12,840	13,961	down 8%

Net Tangible Assets Per Share

Net tangible assets per ordinary share as at 31 December 2008 is \$0.86 (30 June 2008: \$0.82).

Change in Control of Entities

There has been no change in control, either gained or lost, of entities during the period.

Associates and Joint Venture Entities

The Group did not have a holding in any associates or joint venture entities during the period.

Dividends

	31 December 2008		31 December 2007	
	Cents per share	Total \$'000	Cents per share	Total \$'000
Interim unfranked dividend for the half year	6.0	6,174	4.0	4,087

Refer to note 3 of the half-year financial statements for further details of dividends paid and proposed during the period.



DIRECTORS' REPORT

The directors of Dominion Mining Limited submit the consolidated financial statements for the half-year ended 31 December 2008 and the following report made out in accordance with a resolution of the directors.

DIRECTORS

The names and details of Dominion Mining Limited's directors in office during the half year and until the date of this report are:

Peter C Joseph OAM, BCom, MBA – Non Executive Director

Mr Joseph has been Chairman of the board of directors since June 1980. His professional experience includes 30 years as an investment banker. Mr Joseph is Chairman of the St James Ethics Centre, the Black Dog Institute and the GPT Group (General Property Trust). Other than being on the board of GPT Management Ltd (appointed April 2003) Mr Joseph is not currently and has not over the past three years been on the board of any other listed entity.

Jonathan N Shellabear BSc (Hons) Geology, MBA – Managing Director and Chief Executive Officer

Mr Shellabear is a senior executive with extensive experience in the Australian and international mining industries, having held senior corporate roles with Portman Limited and in investment banking with NM Rothschild, Deutsche Bank and Resource Finance Corporation where he advised resource companies on a range of initiatives and transactions. Prior to his appointment as Managing Director he acted as an advisor to TPG - Axon Capital, a leading global investment firm providing advice on investment opportunities in the global resources sector. Mr Shellabear is not currently and has not over the past three years been on the board of any other listed entity.

Ross A Coyle BA, FCPA, FCIS – Executive Director, Chief Financial Officer and Company Secretary

Mr Coyle a qualified accountant has been with the Dominion group for 20 years and has over 25 years experience in finance and accounting within the resources industry. He was appointed to the board on 30 April 1996 and was previously Dominion Mining Limited's General Manager, Finance and Administration. Mr Coyle is a director of Dominion Gold Operations Pty Ltd, the operator of the Challenger Gold Mine, and is a director of all the other Dominion Mining Limited subsidiaries. Mr Coyle is not currently and has not over the past three years been on the board of any other listed entity.

Peter Alexander Ass Appl Geol – Non-Executive Director

Mr Alexander was Managing Director and Chief Executive Officer of Dominion Mining Limited until his retirement on 31 January 2008. Mr Alexander is a director of Dominion Gold Operations Pty Ltd, the operator of the Challenger Gold Mine, and is a director of all the other Dominion Mining Limited subsidiaries. Mr Alexander has over 25 years experience with the group. Mr Alexander is not currently and has not over the past three years been on the board of any other listed entity.

John Gaskell BSc (Hons) II (i) Geology – Non-Executive Director

Mr Gaskell was appointed to the board in December 2004. He is a geologist by profession and has over 30 years experience at the highest levels of management in the international minerals industry, including spending over 5 years as a corporate advisor to a major Australian investment group on resource opportunities. Mr Gaskell is also a director of Paradigm Metals Limited. Other than being on the board of Paradigm Metals Limited (a director since it was listed in November 2003) Mr Gaskell is not currently and has not over the past three years been on the board of any other listed entity.



RESULTS

The consolidated profit of the group for the half year after income tax amounted to \$12,840,000 (December 2007: \$13,961,000).

REVIEW OF OPERATIONS

Challenger Gold Project -South Australia (Dominion Gold Operations Pty Limited 100%)

For the half-year ended 31 December 2008, 52,283 ounces of gold was produced at an operating cost of A\$416 per ounce. Production was achieved from processing 215,966 tonnes of ore at an average head grade of 8.12 grams per tonne. A milestone of 500,000 ounces of gold production was achieved during the reporting period.

A total 51,906 ounces was sold at an average price received of A\$1,087 per ounce generating revenue of \$56.435 million.

Development of the M1 shoot was completed on the 500 and 480 levels and was in progress on the 460 level. Development of the M2 shoot took place on multiple horizons including the 980, 960, 940, 900 and 580 levels.

The decline servicing both M1 and M2 shoots had reached below the 460 level.

Underground drilling continued to demonstrate the continuity of high grade mineralisation in future mining levels of the Challenger shoots.

Construction of a ventilation shaft started during the reporting period. The shaft is scheduled to be complete for commissioning during September 2009. The cost of the ventilation shaft including associated infrastructure is estimated at \$10.5 million.

Exploration

The main focus of exploration activity continued to be the evaluation of additional resource potential in the Challenger Mine area. Surface drilling to evaluate the depth continuity of the main M1 and M2 Shoots has been ongoing and continues into 2009. Surface drilling has also been successful in demonstrating continuity of the Challenger West Shoot. Several other target shoots are being evaluated from underground access.

Further drilling has upgraded the evaluation of the heavy mineral sands (HMS) within the Barton West Project, located within the Eucla Basin district of South Australia and TZMI Consultants have been engaged to assist with further evaluation of this project.

In Western Australia shallow drilling programmes have highlighted a number of targets for follow up drilling at the Cundelee project (Tropicana Belt). There were also positive shallow drilling results from the Kukerin Project.


ROUNDING OF AMOUNTS

Dominion Mining Limited is an entity to which Australian Securities and Investments Commission Class Order 98/100 applies. Pursuant to this Class Order, amounts reported in this report and the financial statements have been rounded to the nearest thousand dollars, except where not permitted to be rounded under the Corporations Act 2001.



AUDITOR'S INDEPENDENCE DECLARATION

We have obtained the following independence declaration from our auditors, Ernst and Young.



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11 Mounts Bay Road
Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of Dominion Mining Limited

In relation to our review of the financial report of Dominion Mining Limited for the half year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

G A Buckingham

G A Buckingham
Partner
Perth

20 February 2009

Signed in accordance with a resolution of the directors

Jonathan N Shellabear
Managing Director
Perth, Western Australia
20 February 2009

Peter C Joseph
Chairman
Sydney, New South Wales
20 February 2009



**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	NOTES	CONSOLIDATED	
		31 December 2008 \$'000	30 June 2008 \$'000
CURRENT ASSETS			
Cash and cash equivalents	6	51,438	49,886
Trade and other receivables		7,085	8,321
Inventory		2,339	2,185
Other		58	402
TOTAL CURRENT ASSETS		60,920	60,794
NON-CURRENT ASSETS			
Plant and equipment		14,633	10,825
Mine development		37,648	29,628
Deferred tax asset		23,851	22,616
TOTAL NON-CURRENT ASSETS		76,132	63,069
TOTAL ASSETS		137,053	123,863
CURRENT LIABILITIES			
Trade and other payables		10,227	14,099
Interest bearing loans and borrowings		231	254
Provisions		1,184	957
Derivative financial instruments	7	10,647	2,636
TOTAL CURRENT LIABILITIES		22,289	17,946
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings		114	216
Provisions		1,096	1,096
Derivative financial instruments	7	908	-
TOTAL NON-CURRENT LIABILITIES		2,118	1,312
TOTAL LIABILITIES		24,408	19,258
NET ASSETS		112,645	104,605
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	4	52,916	52,358
Retained earnings		52,965	48,326
Employee equity benefits reserve		6,764	3,921
TOTAL EQUITY		112,645	104,605


**INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	NOTES	CONSOLIDATED		
		31 December 2008 \$'000	31 December 2007 \$'000	
CONTINUING OPERATIONS				
REVENUE	2	57,872	45,090	Up 28%
Cost of goods sold	2	(30,013)	(27,553)	
Gross Profit		27,859	17,537	
Exploration and evaluation expenditure		(2,857)	(2,614)	
Administration costs		(1,704)	(1,634)	
Finance costs		(19)	(18)	
Gain on sale of mineral rights and other assets		89	-	
Fair value adjustment on trading investments subsequently sold		-	(2,455)	
PROFIT BEFORE LOSS ON UNDESIGNATED GOLD CONTRACTS AND SHARE BASED PAYMENTS		23,368	10,816	Up 116%
Loss on undesignated gold contracts		(8,920)	(2,873)	
Share-based payments		(2,843)	(73)	
PROFIT BEFORE INCOME TAX BENEFIT		11,605	7,870	
Income tax benefit		1,235	6,091	
NET PROFIT ATTRIBUTABLE TO MEMBERS OF DOMINION MINING LIMITED		12,840	13,961	Down 8%
Earnings per share for profit attributable to the ordinary equity holders of the parent:				
Basic earnings per share (cents per share)		12.5	13.7	
Diluted earnings per share (cents per share)		12.0	13.6	



STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

CONSOLIDATED	<i>Attributable to equity holders of the parent</i>			Total
	Contributed Equity	Retained Earnings / Accumulated Losses	Employee Equity Benefits Reserve	
	\$'000	\$'000	\$'000	
At 1 July 2007	49,956	25,126	1,264	76,346
Total income and expense recognised directly in equity	-	-	-	-
Profit for the period	-	13,961	-	13,961
Total income and expense for the period	-	13,961	-	13,961
Equity transactions:				
Cost of share based payment	-	-	73	73
Payment of Dividend	-	(6,090)	-	(6,090)
Issue of share capital	2,090	-	-	2,090
31 December 2007	52,046	32,997	1,337	86,380
At 1 July 2008	52,358	48,326	3,921	104,605
Total income and expense recognised directly in equity	-	-	-	-
Profit for the period	-	12,840	-	12,840
Total income and expense for the period	-	12,840	-	12,840
Equity transactions:				
Cost of share based payment	-	-	2,843	2,843
Payment of Dividend	-	(8,201)	-	(8,201)
Issue of share capital	558	-	-	558
31 December 2008	52,916	52,965	6,764	112,645



**CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	NOTES	CONSOLIDATED	
		31 December 2008 \$'000	31 December 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold sales		57,206	41,571
Payments to suppliers and employees		(28,628)	(24,048)
Interest received		1,437	1,035
Interest paid		(19)	(18)
NET CASH FLOWS FROM OPERATING ACTIVITIES		29,994	18,540
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(5,029)	(3,942)
Proceeds from sale of Plant and equipment		21	-
Proceeds from sale of mineral rights		80	-
Exploration and evaluation expenditure		(2,857)	(2,615)
Proceeds from sale of investments		-	9,720
Payment for development of Challenger		(12,890)	(9,864)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(20,675)	(6,701)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares on conversion of options		558	2,090
Payment of dividend		(8,201)	(6,090)
Repayment of finance lease principal		(125)	(101)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(7,768)	(4,101)
Net increase in cash and cash equivalents		1,552	7,738
Cash and cash equivalents at beginning of period		49,886	33,108
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	51,438	40,846



NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2008 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2008 and considered together with any public announcements made by Dominion Mining Limited during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in accounting policy

From 1 July 2008 the Group has adopted the following Standards and Interpretations, mandatory for annual reporting periods beginning on or after 1 July 2008. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

- AASB 2008-10 *Amendment to Australian Accounting Standards – Reclassification of Financial Assets (amendments to AASB 139 Financial Instruments: Recognition and Measurement and AASB 7 Financial Instruments Disclosures)*
- Interpretation 12 and AASB 2007-2 *Service Concession Arrangements* and consequential amendments to other Australian Accounting Standards
- Interpretation 129 *Service Concession Arrangements: Disclosures*
- Interpretation 4 (revised) *Determining whether an arrangement contains a lease*
- Interpretation 13 *Customer Loyalty Programmes*.
- Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

The Group has not elected early adoption of any new standards or amendments.



NOTES TO THE FINANCIAL STATEMENTS

CONSOLIDATED

	31 December 2008 \$'000	31 December 2007 \$'000
2. REVENUE AND EXPENSES		
(i) Revenue		
Sale of gold	56,435	44,055
Finance revenue - interest	1,437	1,035
	<u>57,872</u>	<u>45,090</u>
(ii) Cost of goods sold		
Production costs	22,088	19,878
Royalties – government mining royalties	683	740
Royalties – other corporations	1,267	1,369
Depreciation and amortisation	5,976	5,566
	<u>30,013</u>	<u>27,553</u>

3. DIVIDENDS

	Half-year ended 31 December 2008		Half-year ended 31 December 2007	
	Cents per share	Total \$'000	Cents per share	Total \$'000
(a) Dividends declared and paid during the half year on ordinary shares: Final unfranked dividend for the financial year ended 30 June 2008	8.0	8,201	6.0	6,090
Record Date	15 September 2008		14 September 2007	
Payment Date	30 September 2008		28 September 2007	
(b) Dividends proposed and not yet recognised as a liability: Interim unfranked dividend for the half year ended 31 December 2008:	6.0	6,174	4.0	4,087
Record Date	16 March 2009		14 March 2008	
Payment Date	31 March 2009		31 March 2008	

There is no dividend reinvestment plan in operation.



NOTES TO THE FINANCIAL STATEMENTS

4. CONTRIBUTED EQUITY

Shares

During the period 425,000 shares were issued on the conversion of options issued under the employee share option plan, raising \$558,000 (2007: 1,550,000 shares issued for \$2,089,850). There were no other movements in contributed equity during the period.

Share options

During the period 425,000 employee share options were converted to ordinary shares. The exercise price of these options ranged from \$1.04 to \$2.31.

During the period 315,000 employee share options were forfeited due to employee resignations prior to the vesting date. The exercise price of these options ranged from \$3.60 to \$6.05.

5. SEGMENT REPORTING

The company continues to operate only in Australia, with its only business activities being exploration for recoverable mineral deposits in Western Australia and South Australia and operation of the Challenger Gold Mine in South Australia.

CONSOLIDATED

31 December 2008	31 December 2007
\$'000	\$'000

6. CASH

For the purpose of the half-year cash flow statement, cash and cash equivalents is comprised of the following:

Cash at bank and in hand *	10,042	2,296
Short term deposits	41,396	38,550
	51,438	40,846

* Includes \$1,101,000 of restricted cash to support bank guarantees lodged as security to various statutory bodies

7. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's future revenues are exposed to movements in the gold price. The Group enters into commodity price derivative instruments to manage this exposure.

The derivative contracts are entered into in accordance with the Group's gold hedge risk management policy which establishes the criteria for entering into forward gold contracts.

At 30 June 2008 the group had forward sold 27,000 ounces of gold at an average price of A\$913 per ounce. This resulted in a mark to market derivative financial instrument of \$2.64million being recognised. At 31 December 2008 the group had forward sold 45,000 ounces of gold at an average price of A\$1,003 per ounce. The spot price at 31 December 2008 was A\$1,251 per ounce. This resulted in a mark to market derivative financial instrument of \$11.55 million being recognised.

As the Group does not satisfy the requirements of AASB 139, the mark to market of the financial instrument was recognised through the profit and loss resulting in a non cash expense of \$8.92 million in the December 2008 period.



NOTES TO THE FINANCIAL STATEMENTS

8. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change in any contingent liabilities or contingent assets.

9. EVENTS AFTER THE BALANCE SHEET DATE

On 20 February 2009 the directors declared an interim unfranked dividend of 6 cents per share. The record date for the dividend is 16 March 2009 and the dividend will be paid on 31 March 2009.

No other matters or circumstances have arisen since 31 December 2008 that has significantly affected, or may significantly affect, the operations of Dominion Mining Limited and its controlled entities, the results of those operations or the state of affairs of Dominion Mining Limited and its controlled entities in subsequent years.



DIRECTORS' DECLARATION FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

In accordance with a resolution of the directors of Dominion Mining Limited, we declare that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Jonathan N Shellabear".

Jonathan N Shellabear
Managing Director
Perth, Western Australia
20 February 2009

A handwritten signature in black ink, appearing to read "Peter C Joseph".

Peter C Joseph
Chairman
Sydney, New South Wales
20 February 2009

To the members of Dominion Mining Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half year financial report of Dominion Mining Limited, which comprises the balance sheet as at 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the 31 December 2008 half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Dominion Mining Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

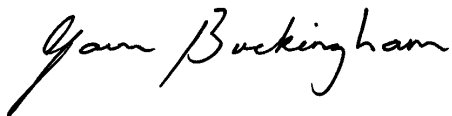
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Dominion Mining Limited is not in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'G A Buckingham'.

G A Buckingham
Partner
Perth

20 February 2009