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POTENTIAL FOR SUBSTANTIAL RESOURCE/RESERVE INCREASE AT CHALLENGER FOLLOWING OUTSTANDING DEEP DRILLING RESULTS

KEY POINTS

- **Outstanding intersection of 25m @ 23.4g/t gold returned from diamond drilling in the M1 Shoot, at a depth of 700 metres, 100 metres below the previous deepest high grade intersections.**
- **This result, together with recently announced intersections including 3.4m @ 23.9g/t and 3.0m @ 50.9g/t, demonstrates the significant continuity of the M1 structure at depth.**
- **New results expected to underpin significant increase in Challenger resource/reserve inventory, planned to be updated early 2007.**
- **Deep drilling results continues Dominion's successful resource/reserve replacement program .**

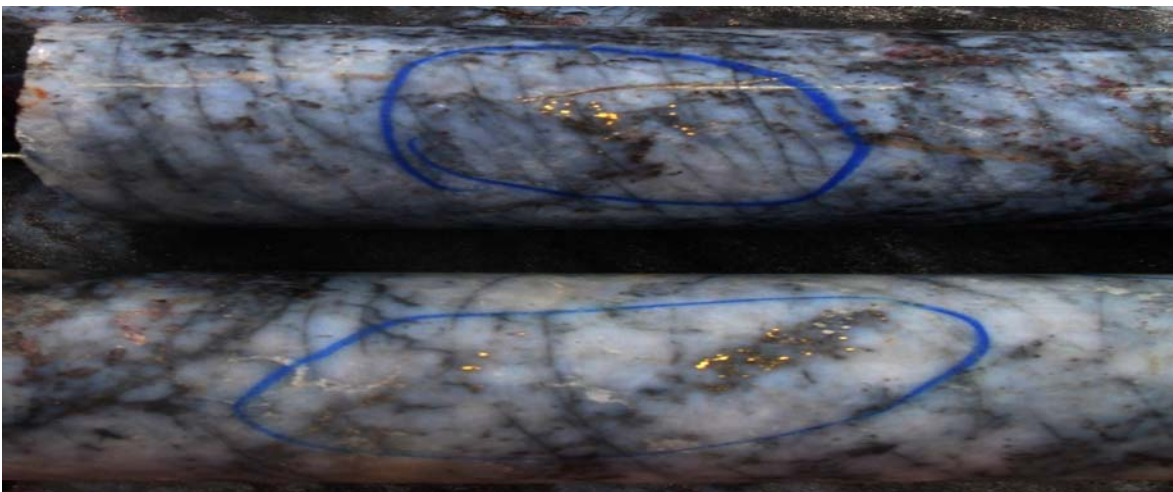
Dominion Mining Limited (ASX: **DOM**) today announced significant results from the current deep diamond core drilling program to evaluate depth extensions of the M1 Shoot at its 100%-owned Challenger Gold Mine in South Australia. The final hole of the current program returned an outstanding intersection of **25 metres grading 23.4g/t gold**, demonstrating the continuity of the shoot at least 100 metres below the previously reported high grade intersection and has traced the shoot down plunge some 1,500 metres to a vertical depth of 700 metres.

The results have confirmed the potential for significant additions to Dominion's resource/reserve inventory at depth within the M1 Shoot at Challenger, with the latest results to be incorporated in a revised resource and reserve statement, scheduled to be finalised early 2007.

It is anticipated that the results from this drilling program will more than fulfil the Company's strategy of replacing annual low-cost gold production at Challenger, which is forecast to continue at the rate of approximately 100,000oz per annum.

The recently completed program of deep diamond drilling designed to extend the M1 shoot mineral resource has been highly successful. Previously announced intersections include **4m @ 22.03g/t gold** in hole 03DDH0049 (see longitudinal sections) and in holes 06CDDH0073 and 06CDDH0073W1 **1m @ 54.8g/t, 1.5m @ 84.6g/t, 1.12m @ 11.1g/t, 3.4m @ 23.9g/t and 3.0m @ 50.9g/t.**

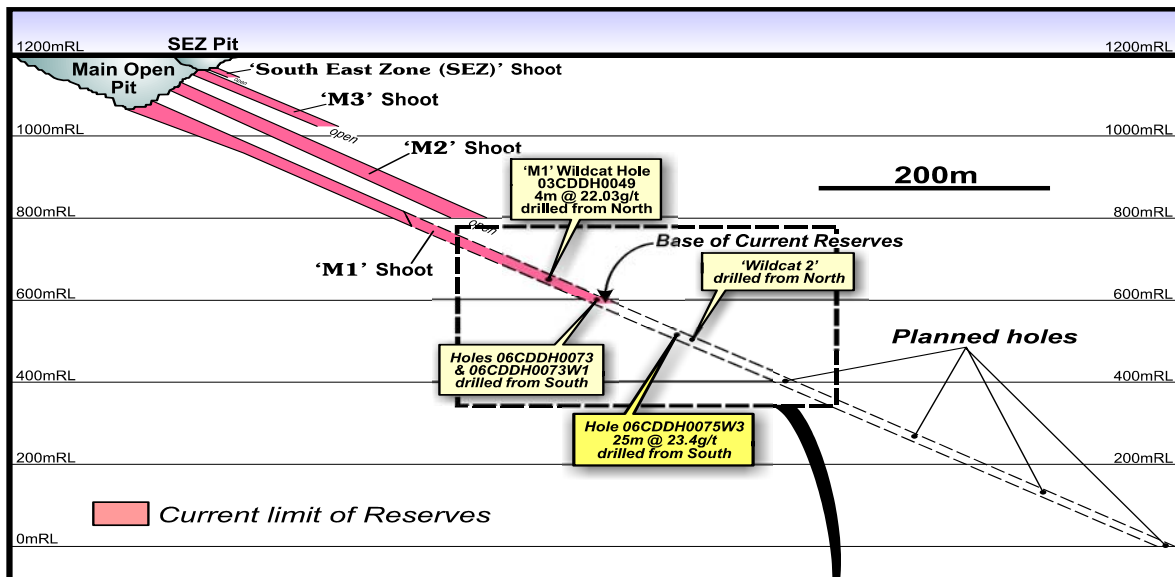
Visible Gold In Drill Core From Hole 06CDDH0075W3



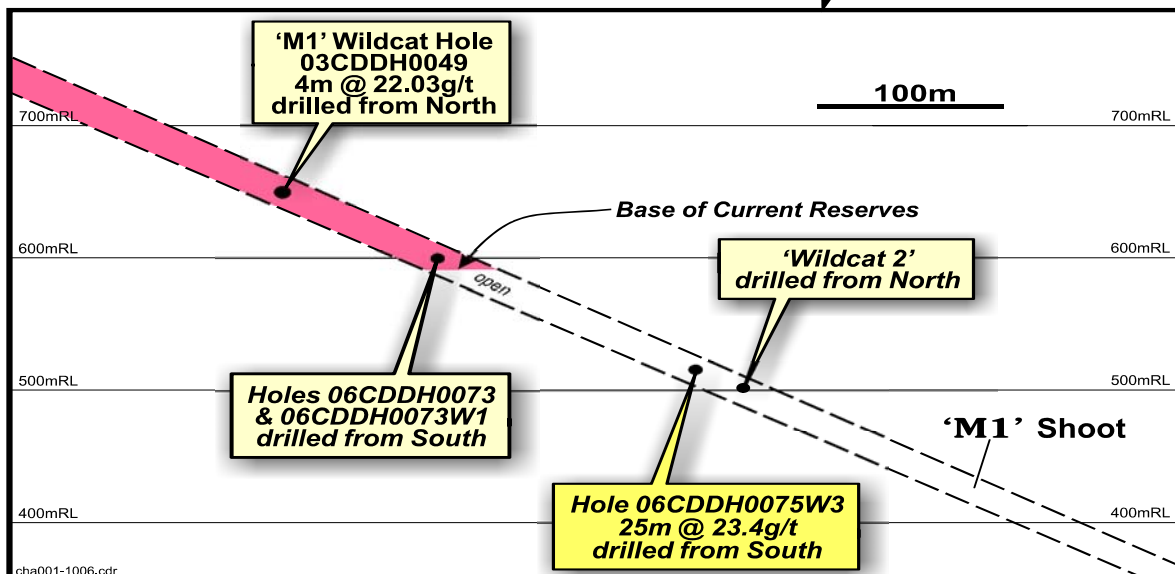
Full results of this deep diamond drilling program are tabulated below and the relative positions of the new holes are shown in the longitudinal sections:

Surface Diamond Drilling Intersections – M1 Shoot

Hole ID	Mine Grid Coordinates	Dip/Azi	Interval (m)	Width (m)	Au (g/t)
06CDDH0073	20,784E / 10,525N	-57.3°/002.2°	686-687	1	54.8
			697.5-699	1.5	84.6
			702.98-704.1	1.12	11.1
			712.2-712.75	0.5	8.3
			753-756.4	3.4	23.9
06CDDH0073W1	20,784E / 10,525N	-57.0°/004.7°	707-710	3	50.9
			715-717	2	2.1
			722-723	1	1.3
			770-772	2	46.6
06CDDH0075W3	20,927E / 10,546N	-55.0°/002°	791.25-816.25	25	23.4
			<i>Including</i> 796.00-798.30	2.3	187.1
			<i>And</i> 808.20-812.20	4	26.7



Challenger Shoots schematic longitudinal section



Challenger Shoots schematic longitudinal section

Commenting on the results, Dominion's Managing Director, Peter Alexander, said the latest phase of drilling has been an outstanding success, giving us the potential to extend the reserve substantially and also provide good structural data enabling us to embark upon a major deep drilling program to test the ore system to a vertical depth of 1,200 metres below surface.



Peter Alexander
Managing Director

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ATTRIBUTION

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Bamford, Tony Poustie and Paul Androvic who are full-time employees of the Company, members of the Australasian Institute of Mining and Metallurgy. Peter Bamford, Tony Poustie and Paul Androvic have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Peter Bamford, Tony Poustie and Paul Androvic, consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



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