

ASX CODE          DOM

ISSUED CAPITAL

102,996,351 fully paid ordinary shares

DIRECTORS

Peter Joseph            – Chairman  
Jonathan Shellabear   – Managing Director  
Ross Coyle              – Exec Director  
Peter Alexander       – Non-Exec Director  
John Gaskell            – Non-Exec Director

KEY MANAGEMENT

Jonathan Shellabear   – Managing Director  
Peter Bamford         – GM Operations  
Ross Coyle              – CFO & Company  
                                  Secretary  
Tony Poustie          – GM Exploration

REGISTERED OFFICE

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# **Dominion Mining Limited**

ABN 37 000 660 864

## **QUARTERLY REPORT**

**31 MARCH 2009**

## HIGHLIGHTS

### Challenger Mine Operations

- Quarterly gold production of **25,141 ounces** at an operating cash cost of **A\$459/ounce** and for the 9 months gold production of **77,424 ounces** at an operating cash cost of **A\$430 per ounce**.
- Expansion feasibility study completed with decision made to proceed with expansion of the Challenger Plant to a throughput capacity of around 530,000 tonnes per annum. Estimated capital cost of A\$4.82 million with expected increased production to around 120,000 ounces per annum from January 2010.
- Development of the M3 shoot commenced during the quarter.
- Underground drilling has continued to demonstrate the continuity of high grade mineralisation in future mining levels of the Challenger shoots as highlighted by the following gold intersections:

**M1 Shoot: 2.70 metres @ 63.2 g/t, 1.80 metres @ 134.1 g/t, 4.50 metres @ 72.0 g/t, 1.80 metres @ 123.6 g/t and 6.75 metres @ 86.1 g/t gold.**

**M2 Shoot: 7.20 metres @ 30.9 g/t, 6.30 metres @ 47.1 g/t, 2.70 metres @ 117.8 g/t, 4.50 metres @ 101.9 g/t, 1.80 metres @ 196.5 g/t, 3.00 metres @ 125.2 g/t, 5.40 metres @ 62.3 g/t, 14.20 metres @ 143.8 g/t, 0.90 metres @ 263.7 g/t and 2.25 metres @ 179.5 g/t gold.**

### Exploration

- Surface diamond drilling has intersected the **M1, M2 and M3 Shoots** at vertical depths of up to 1,140 metres. These intersections are 150 metres below the previous deepest intersections of these shoots. Drilling to further evaluate the continuity of the Challenger Shoot system at these, and greater depths, is ongoing.
- Underground diamond drilling has continued to upgrade the **M3 Shoot** with a series of intersections including **13.50 metres @ 15.4 g/t, 1.50 metres @ 278.3 g/t, 6.15 metres @ 12.9 g/t, 2.03 metres @ 61.7 g/t and 2.00 metres @ 49.1 g/t gold.**
- Resources totaling **174,600 tonnes @ 18.0 g/t gold (108,000 ounces)** have been estimated for the **Challenger West Shoot**. This is an increase of 57,390 ounces from the previous estimate.
- Resources of heavy mineral sands totaling **171.7 million tonnes grading 2.8% HM** have been estimated at the **Barton West Project** in the Eucla Basin district of South Australia.

### Corporate

- Revenue for the quarter of **A\$30.9 million** was generated from the sale of **25,309 ounces** of gold at an average price received of **A\$1,220/ounce** generating a gross cash margin of **A\$19.4 million** and a net operating cash margin after development and capital expenditure of **A\$11.2 million. (equivalent to A\$445/ounce produced).**
- For the nine months revenue was **A\$87.3 million** from the sale of **77,215 ounces** of gold at an average delivered price of **A\$1,131/ounce** generating a gross cash margin of **A\$54.1 million** and a net operating cash margin after development and capital expenditure of **A\$33.3 million. (equivalent to A\$430/ounce produced).**
- Payment of **A\$11.8 million** to Rolute Resources Pty Ltd on 10 March 2009 for the **acquisition of the Challenger Gold Production Royalty.**
- **Interim dividend of A\$6.2 million** (6 cents per share) paid on 31 March.

- Cash and bullion of **A\$48.2 million** at the end of March consisted of cash of **A\$41.1 million** and bullion of **A\$7.1 million** and was after the payments totalling \$18.0 million for the Challenger Gold Production Royalty and interim dividend.

**OPERATIONS (Challenger Gold Project – Dominion 100%)****Production and Development**

A total of 25,141 ounces of gold was produced for the quarter with 108,025 tonnes of ore processed at a feed grade of 7.38 g/t. Net cash operating cost was A\$459/ounce. For the nine months gold production was 77,424 ounces at a net cash operating cost of A\$430/ounce and was achieved from processing 323,991 tonnes at an average grade of 7.87 g/t.

Availability of the processing plant was 98.9% for the quarter with only minor scheduled shutdowns. Production continued at a rate in excess of 50 tonnes of ore processed per hour.

		Quarter Ended 31 March 2009	Quarter Ended 31 March 2008	9 months Ended 31 March 2009	9 months Ended 31 March 2008
Tonnes Mined (including low grade)	(tonnes)	107,185	106,316	316,629	332,469
Ore Processed	(tonnes)	108,025	109,726	323,991	323,719
Head Grade	(g/t)	7.38	7.27	7.87	8.15
Recovery	(%)	93.8%	93.3%	94.0%	93.8%
Gold Produced*	(oz)	25,141	24,018	77,424	80,044
Cash Operating Cost*	(A\$/oz)	\$459	\$404	\$430	\$367
Gold Sold	(oz)	25,309	24,236	77,215	79,492
Average Price Received	(A\$/oz)	\$1,220	\$984	\$1,131	\$854

*Gold production is actual gold poured during the period and does not reflect changes in the balance of gold in circuit. Cash operating cost refers to the cost of gold poured and produced and includes all expenditures directly incurred on mining, crushing and processing net of all movements in deferred mining expenditure and stockpiles plus site overheads. These costs do not include royalty payable to the South Australian Government of 3.5% of revenue (from 1 January 2009, previously \$13/ounce) and a production royalty of A\$4 per ounce to local indigenous groups.*

Drilling activities for an additional production water bore and a second Reverse Osmosis (RO) plant feed bore to support the plant expansion commenced.

For the quarter A\$4.75 million was expended on mine development and A\$1.07 million was expended on other ongoing capital works (excluding the ventilation shaft).

The 50 meter deep pre sink for the 730 meter deep ventilation shaft was completed during the quarter and work commenced on drilling of the pilot hole for the raise boring rig. Capital costs during the quarter associated with this work totalled A\$2.40 million.

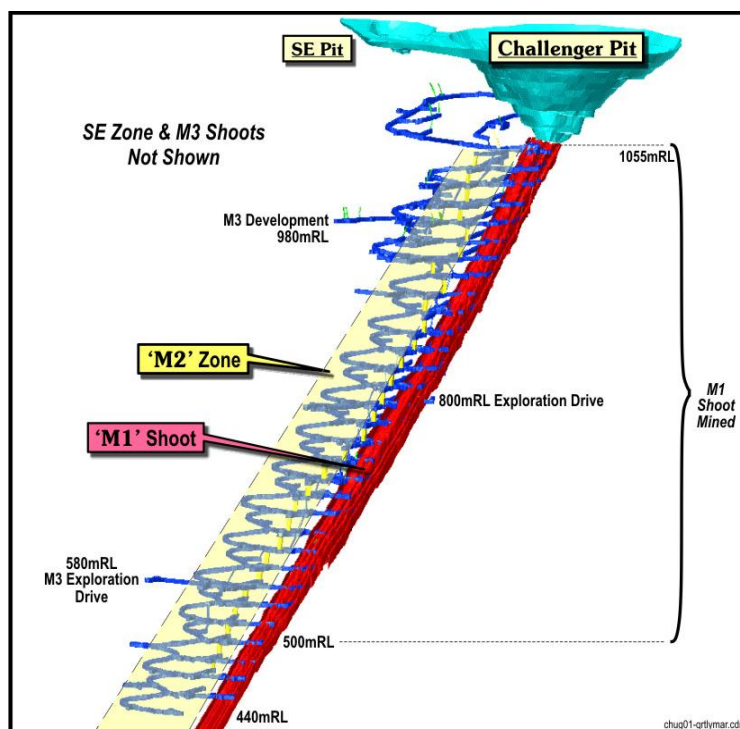
**Underground Development & Mining**

During the quarter the M1 shoot was stoped from the 520 and 500 levels and the M2 shoot from the 980 and 960 levels.

Development of the M1 shoot was completed on the 460 level and was in progress on the 440 level. Development of the M2 shoot took place on multiple horizons including the 940, 900, 860, 600, 580 and 560 levels.

Hand held development of the M3 shoot commenced on the 1000 level with initial establishment of a man way and ore pass.

The decline servicing both M1 and M2 shoots had reached the 425 level by the end of the quarter.



Challenger underground showing current level development

## Future Production

Production for the next 3 months is estimated to be in the order 25,000 ounces at a cash operating cost of around A\$450/ounce. Ore will be mined from both the M1 and M2 shoots with the M1 shoot supplying approximately 40% of total ore feed to the plant.

A major mill shutdown is planned during the next quarter to replace a trunnion bearing as well as carrying out other repair works within the process plant and crusher. The duration of this shutdown is expected to be approximately 6 days and has been designed as part of the preparation for the plant expansion.

## Plant Expansion

An expansion feasibility study has been completed and following detailed technical and financial analysis approval has been given by the Dominion Board for expansion of the Challenger Plant to a throughput capacity of around 530,000 tonnes per annum. It is anticipated this will cost A\$4.82 million and increase production to around 120,000 ounces per annum. The expansion capital works are scheduled to be completed by the end of the December 2009 quarter with increased production from January 2010.

A number of alternatives were reviewed for the additional comminution requirement including the installation of a tertiary crusher, however it was determined that the ball mill (which is currently held in storage and was purchased over two years ago) will be used to facilitate the expansion. This ball mill has the same diameter and girth gear as the existing mill and will provide additional benefits including the possibility of increasing recovery, the commonality of spares, reduction in lost production (due to mill relines) and also offers further expansion capacity if required.

The construction plan is to complete the installation of the ball mill to coincide with the completion of the ventilation raise and commissioning of the new exhaust ventilation shaft fan. This will provide more scheduling flexibility with sequencing stoping as well as development drives from more than one working area underground.

Over the period of the plant expansion capital works there will be a greater focus on mine development in readiness for the scheduled increase in plant throughput rates.

### Evaluation of the Continuity of the Challenger Shoots (currently defined reserves)

Underground drilling has continued to demonstrate the continuity of high grade mineralisation in future mining levels of the Challenger shoots as highlighted by the following intersections:

#### Underground Diamond Drilling Intersections

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Level/RL	Shoot
09CUD0514	103.00	103.51	0.51	164.86	420	M1
09CUD0474	44.78	51.00	6.22	25.76	720	M2
09CUD0489	21.00	22.48	1.48	37.45	450	M2

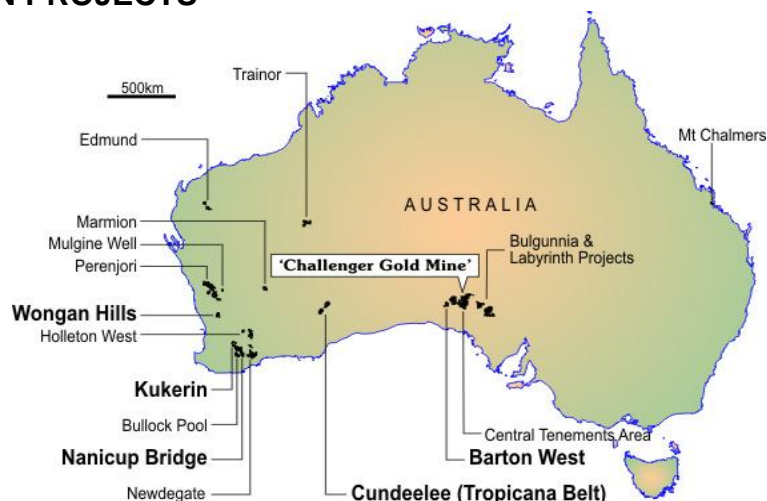
#### Underground Percussion Drilling Intersections

Hole ID	Interval (m)	Au (g/t)	Level/RL	Shoot
09CUS4493	2.70	63.16	460	M1
09CUS4494	1.80	134.06	460	M1
09CUS4496	4.50	72.05	460	M1
09CUS4498	1.80	123.61	460	M1
09CUS4627	6.75	86.13	460	M1
09CUS4629	1.65	91.91	460	M1
09CUS4439	7.20	30.90	940	M2
09CUS4440	0.90	68.36	940	M2
09CUS4444	4.50	41.02	940	M2
09CUS4481	6.30	47.06	940	M2
09CUS4619	4.50	24.45	940	M2
09CUS4620	2.70	117.82	940	M2
09CUS4621	4.50	101.93	940	M2
09CUS4418	1.80	196.45	900	M2
09CUS4645	0.75	151.46	900	M2
09CUS4645	1.50	50.87	900	M2
09CUS4647	1.50	64.16	900	M2
09CUS4648	2.25	55.50	900	M2
09CUS4651	0.75	111.58	900	M2
09CUS4679	1.50	85.45	900	M2
09CUS4683	1.50	105.78	900	M2
09CUS4684	3.00	125.25	900	M2
09CUS4461	1.80	87.02	580	M2
09CUS4467	2.70	42.04	580	M2
09CUS4490	1.80	51.65	580	M2
09CUS4524	5.40	62.34	580	M2
09CUS4560	14.20	143.77	560	M2
09CUS4563	1.50	147.49	560	M2
09CUS4566	0.90	263.68	560	M2
09CUS4656	2.25	179.53	560	M2
09CUS4660	3.75	75.95	560	M2
09CUS4661	1.50	45.64	560	M2
09CUS4723	1.80	64.89	460	M2

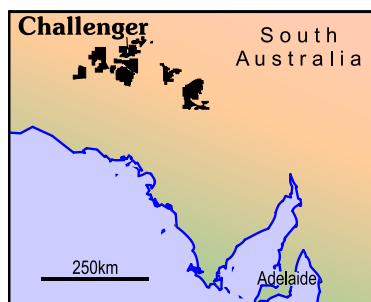
### Occupational Health and Safety

One Lost Time Injury occurred during the quarter with a contractor sustaining a knee injury. He has now returned to work.

## EXPLORATION PROJECTS



## South Australia

**Challenger (100%)**

The **Challenger Deeps** surface drilling programme has continued with the drilling of the 86 Series of holes which were designed to test for a more northerly position of the **Challenger Shoot system** than that targeted by the 82 Series of holes reported in the December 2008 quarterly. To date the parent hole, 09CDDH0086, and 3 daughter holes, 86W2, (86W1 was abandoned above target depth), 86W3 and 86W4 have been drilled and 86W5 is in progress.

These holes have intersected extensive gold mineralization. Results have been received for the parent hole and 86W1, 86W3 and part of 86W4, as summarized in the following table:

*Surface Diamond Drilling Intersections – Challenger Deeps*

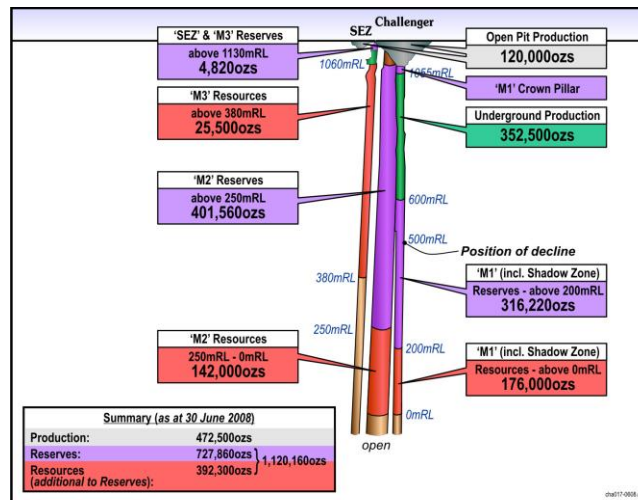
Hole ID	Coords	Dip/Azi	From (m)	To (m)	Interval (m)	Au (g/t)	Depth of Intersection	
							m RL	Vertical depth (m)
09CDDH0086	10810N/21700E	-58/354	1197.67	1199.00	1.33	5.92	186	1009
09CDDH0086	10810N/21700E	-58/354	1214.54	1214.83	0.29	5.00	175	1020
09CDDH0086	10810N/21700E	-58/354	1219.72	1220.71	0.99	5.58	171	1024
09CDDH0086	10810N/21700E	-58/354	1224.25	1224.54	0.29	44.58	169	1026
09CDDH0086W2	10810N/21700E	-60/354	1086.13	1086.71	0.58	7.56	257	938
09CDDH0086W2	10810N/21700E	-59/354	1211.00	1212.00	1.00	108.74	167	1028
09CDDH0086W2	10810N/21700E	-58/354	1234.00	1234.77	0.77	16.37	152	1043
09CDDH0086W2	10810N/21700E	-58/354	1245.98	1249.22	3.24	6.57	142	1053
09CDDH0086W3	10810N/21700E	-59/354	1209.50	1209.94	0.44	12.06	163	1032
09CDDH0086W4	10810N/21700E	-58/353	1344.85	1345.80	0.95	5.02	60	1135
09CDDH0086W4	10810N/21700E	-58/353	1355.00	1355.41	0.41	30.44	54	1141

These intersections demonstrate the continuity of the **M1, M2 and M3 Shoots** over a 200 metre vertical zone between the 257m RL and the 54m RL (i.e. down to a vertical depth of 1,140 metres).

This is a very positive result and confirms continuity of the shoots 150 metres vertically below the previous deepest intersections.

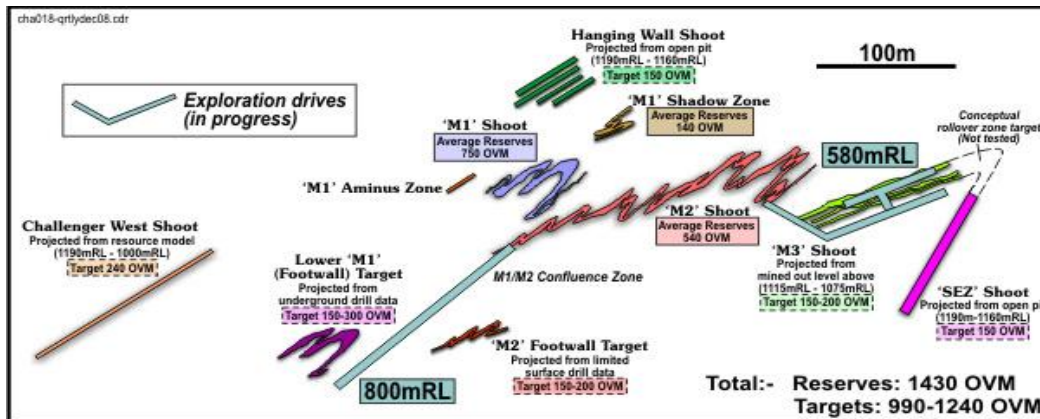
Following completion of 86W5 a further series of holes is planned to test the continuity of the shoots a further 100 metres down plunge. This will target the M1 Shoot position at approximately the 0m RL (1,195 metres vertical depth).

The main strategic aim of these drilling programmes is to upgrade the confidence in the current Inferred Resources within the **M1 and M2 Shoots** down to the 0m RL (totaling 318,000 ounces) with a view to extending reserves down to these levels.



Historic Production, Reserves and Resources (as at 30 June 2008)

Other near mine exploration strategies at Challenger involves the evaluation of a series of targets within close proximity to the existing underground development.



Schematic plan of shoots (part of mining reserves) and target shoots

Planned evaluation of the **M3 and SEZ Shoots** from the 580m RL exploration drive has been delayed as the drive is now being used for development of the M2 Shoot. However, further detailed evaluation of the **M3 Shoot** is being undertaken at the 980m RL where trial air leg mining will be carried out in the June quarter. Prior to this mining detailed underground drilling has outlined better than expected continuity of the shoot as illustrated by the following intersections:

*Underground Percussion Drilling Intersections M3 Shoot*

Hole ID	Interval (m)	Au (g/t)	Level/RL
09CUS4763	22.00	5.65	980
09CUS4764	2.25	9.33	980
09CUS4766	13.50	15.39	980
09CUS4767	9.00	6.87	980
09CUS4769	4.50	5.33	980
09CUS4804	1.50	278.33	980
09CUS4804	3.00	15.66	980
09CUS4806	6.15	12.91	980
09CUS4809	6.75	10.07	980
09CUS4810	3.75	10.57	980

The **M3 Shoot** has also been targeted by underground diamond core drilling between the 750m RL and 720m RL. Again the results have confirmed excellent continuity of this structure:

*Underground Diamond Drilling Intersections M3 Shoot*

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Level/RL
09CUD0476	171.30	173.33	2.03	61.72	750
09CUD0477	130.00	132.00	2.00	49.15	750
09CUD0472	98.00	99.00	1.00	43.77	720
09CUD0472	125.91	128.63	2.72	7.39	720
09CUD0472	142.00	143.03	1.03	9.89	720
09CUD0473	123.51	126.00	2.49	6.51	720

It is expected that these and ongoing drilling programmes will result in a substantial upgrade to the M3 resources and reserves.

The 800m RL exploration drive has been developed to a position where initial drilling has commenced to test the **Lower M1 (Footwall) Target**. This drilling will be ongoing during the June quarter.

Resource modelling and estimation for the **Challenger West Shoot** has been updated to take account of the drilling results reported in the September and December 2008 quarterly reports.

*Challenger West Shoot Resource Estimate*

SHOOT/LEVEL	RESOURCES			
	CATEGORY	TONNES	GRADE	CONTAINED OUNCES
Above 900m RL	Measured	77,700	11.6	29,050
Above 800m RL	Indicated	73,800	19.6	46,400
<b>SUB-TOTAL</b>		<b>151,500</b>	<b>15.5</b>	<b>75,450</b>
Above 700m RL	Inferred	23,100	34.1	25,350
<b>TOTAL</b>		<b>174,600</b>	<b>18.0</b>	<b>100,800</b>

Based on a 3D Block Model by DGO. A top cut of 80 g/t Au has been applied.

**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.

A total resource of **174,600t @ 18.0 g/t (80 g/t upper cut) for 100,800 oz** has been calculated. This includes a measured and indicated resource of 151,500 tonnes @ 15.5 g/t (80 g/t upper cut), containing 75,450 oz Au and an inferred resource containing 23,100 tonnes @ 34.1 g/t (80 g/t upper cut) for 25,350 oz Au. The overall resource has been increased from 43,410 ounces (June 2008) to 100,800 ounces.

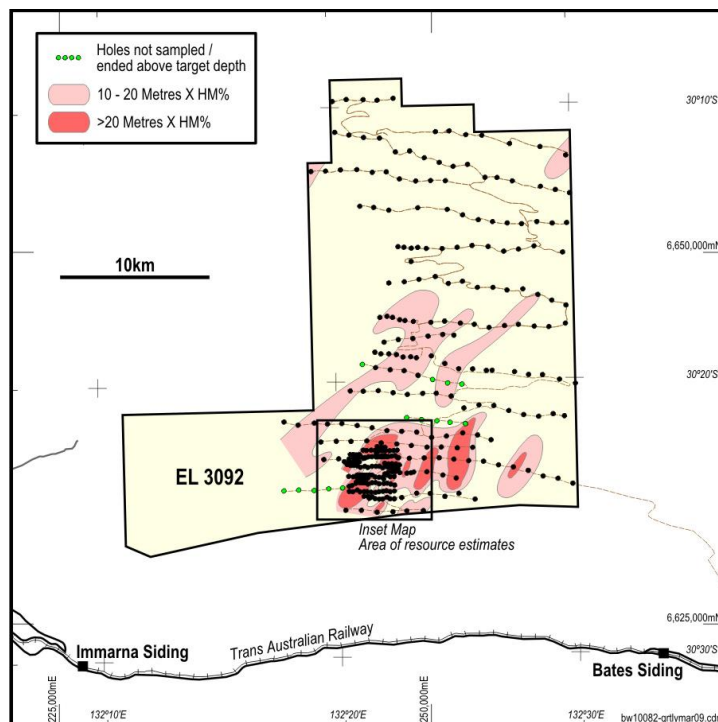
The upgrade is due both to a depth extension of about 100 metres and also to an increase in the contained gold, which increases from 187 ounces per vertical metre down to a vertical depth of 295 metres (900m RL), to an average of 378 ounces per vertical metre from 295 metres to 395 metres (900m RL – 800m RL). The resource is contained within 2 adjacent structures which are both open at depth.

The next stage of work at Challenger West will involve a detailed underground diamond drilling campaign from the 800m RL Exploration Drive. This will target the shoot from 825m RL to approximately 750m RL and will facilitate the evaluation of development options for this prospective high grade structure.

**Barton West Project (Eucla Basin), Maralinga JV (90%)**



Drilling programmes completed in 2008 had outlined a large area of anomalous heavy mineral sands (HMS) within the Barton West Project located in the highly prospective Eucla Basin District of South Australia, where a number of HMS deposits have been discovered including the world class Ambrosia and Jacinth deposits currently being developed by Iluka Resources.



Barton West - HMS drilling

During the quarter TZ Minerals International Pty Ltd (TZMI), internationally acknowledged consultants to the HMS industry, have initiated a comprehensive review of the project.

Following advice from TZMI, evaluation has been carried out applying the following parameters:

1. Interpretation of the continuity of HMS requires accurate definition of level data. Accordingly Shuttle Radar Topography Mission (SRTM) data was acquired to produce a more accurate digital elevation model.
2. Resources should reflect continuity of consistent trends at consistent levels. Mainly these trends are interpreted to be palaeo 'strand lines'. However there also appears to be an area of significant continuity which is interpreted to represent a 'lagoonal facies' development (see figure below).
3. A 2% HMS lower cut off grade was used.
4. Overburden ratios have been estimated.
5. Mineralogical data is based on 'modal analyses' undertaken by Diamantina Laboratories and XRF determinations undertaken by Ultra Trace Laboratories.

### *Mineral Assemblages*

Mineral assemblage results from are quite diverse, as shown in the examples in the following table:

#### **Sample mineral assemblages**

Zircon (%)	Rutile (%)	Leucoxene (%)	Ilmenite (%)	Sub-Total
4.0	3.0	9.8	64.9	81.7
8.6	4.7	21.2	48.7	83.2
10.6	2.4	15.2	61.7	89.9
2.4	2.7	13.8	35.3	54.2
15.6	6.6	7.1	62.7	92.0
5.6	1.0	8.6	72.8	88.0
0.4	2.7	5.8	28.2	37.1
20.9	5.1	13.3	54.1	93.4
34.8	3.8	7.7	47.8	94.1
3.2	13.7	20.1	57.0	94.0

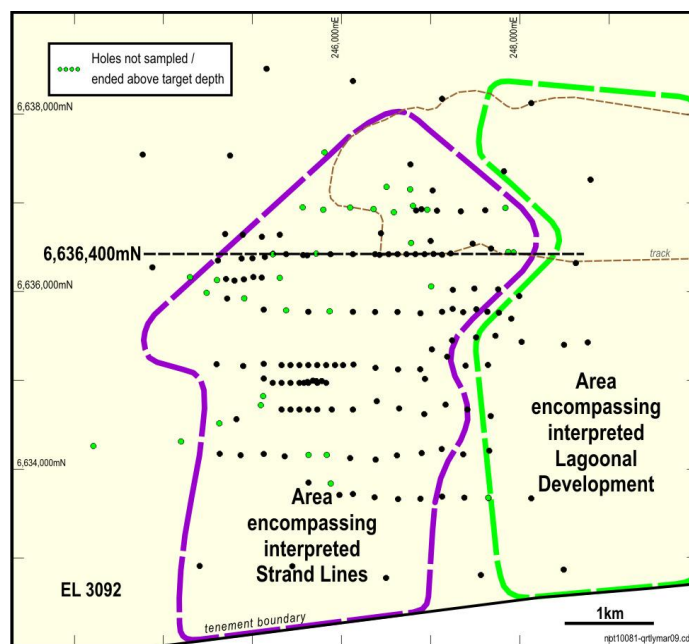
### *Resource Estimation*

The following resources have been estimated:

#### *Barton West Resource Estimate*

Inferred Resources	Tonnes (Million)	HM%	OverburdenRatio
Strand Line Facies	81.6	3.1	3.6
Lagoonal Facies	90.1	2.5	3.8
<b>TOTAL</b>	<b>171.7</b>	<b>2.8</b>	<b>3.7</b>

- Notes:
1. A 2% HM lower cut off grade has been applied.
  2. An SG of 1.75 has been used in estimating tonnes.
  3. The overburden ratio is based on in situ volumes.
  4. The slimes content (-53 microns) of the heavy mineral resources averages 8-10%.



Barton West - Area of resource estimates

This estimate comprises multiple separate zones. The confidence in, and the potential value of, these zones varies due to variability in drilling density, grade, mineralogy and overburden ratios. Indicative average mineral assemblages for these resources are:

Zircon 10%, Rutile and Leucosene 20% and Ilmenite (pseudorutile variety) 60%.

Some of the more prospective strand line zones are detailed in the following table:

#### Better strandline blocks

Section	Tonnes	HM (%)	Strip ratio	Zircon (%)	Contained zircon (tonnes)
SL_3	19,997,094	3.42	2.6	5.58	38,197
SL_5	4,686,077	2.37	1.9	12.60	14,015
SL_8	1,017,477	3.12	0.9	5.60	1,778
SL_9	2,600,292	3.12	1.8	8.61	6,988
SL_15	8,796,690	4.39	2.2	10.30	39,765
SL_26	2,474,371	2.37	2.2	8.00	4,691
<b>Total</b>	<b>39,572,002</b>	<b>3.42</b>	<b>2.3</b>	<b>7.79</b>	<b>105,435</b>

More targeted drilling in the area of these, and the other zones, has the potential to extend and/or link them.

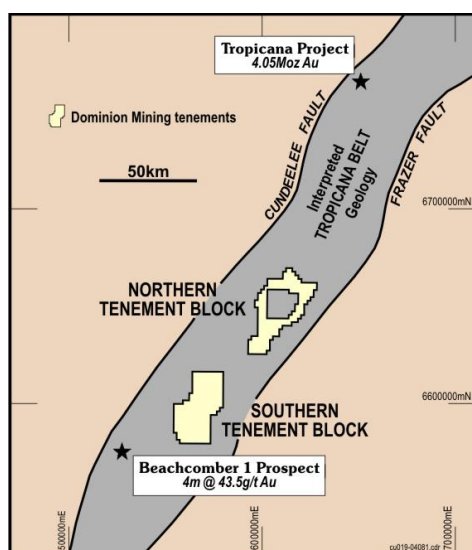
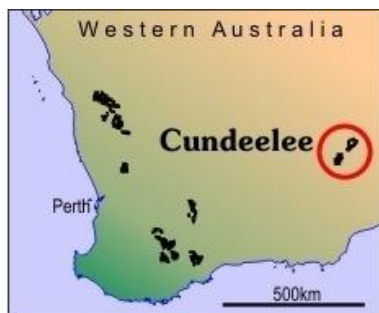
The overall area of mineralisation is large and apart from the more closely drilled area in the southwest corner (comprising about 25% of the total area), there are additional indications of more typical strandline development. Drilling is very wide-spaced, so it is quite possible there are economic accumulations between and below the existing sample points. With a better understanding of the geology, it will now be possible to target a more focussed exploration programme.

#### ATTRIBUTION

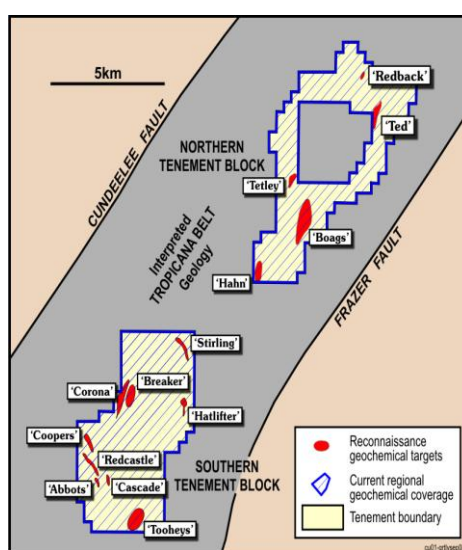
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Western Australia

Cundeelee Project (Tropicana Belt) (100%)



Cundeelee Project: Regional location

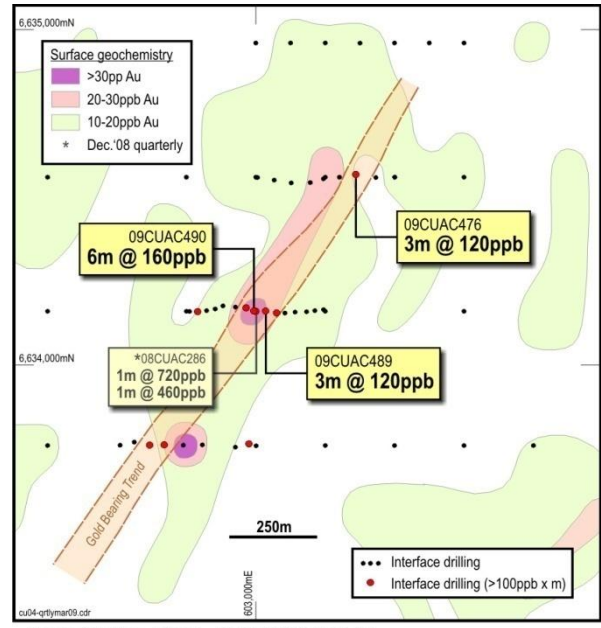
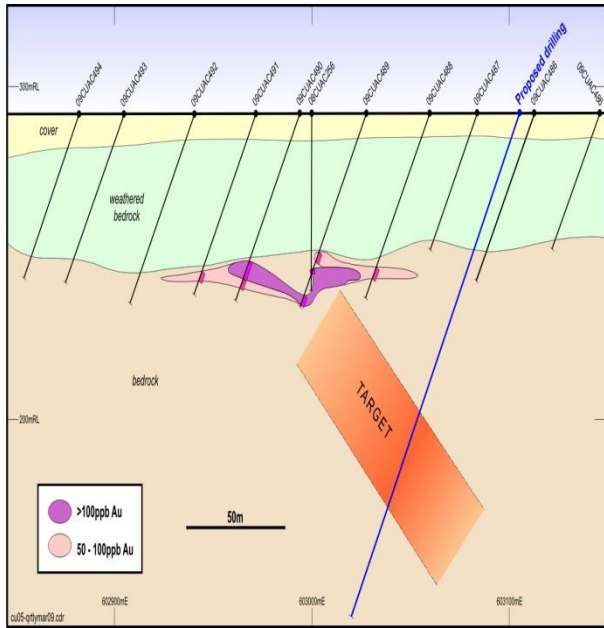


Cundeelee surface geochemistry coverage and target areas

Interface Drilling

Aircore drilling during the quarter targeted previous gold intercepts (reported in the December 2008 Quarterly report) beneath surface geochemical anomalies at the **Boags Prospect**. Drilling tested the anomalies on 400 metre spaced traverses and significant results are listed in the table below. Results from this interface programme have defined a consistent 'interface' gold anomaly, trending north-east parallel to the regional structure. This interface gold anomaly is continuous over at least 1,000 metres (refer to figure below).

Hole ID	Coordinates (GDA 94)	Dip/Azi	Interval (m)	Width (m)	Au (g/t)
09CUAC476	6634568N / 603288E	-60 / 270	42-45	3	0.12
09CUAC489	6634161N / 603028E	-60 / 270	63-66	3	0.12
09CUAC490	6634161N / 602994E	-60 / 270	51-57	6	0.16



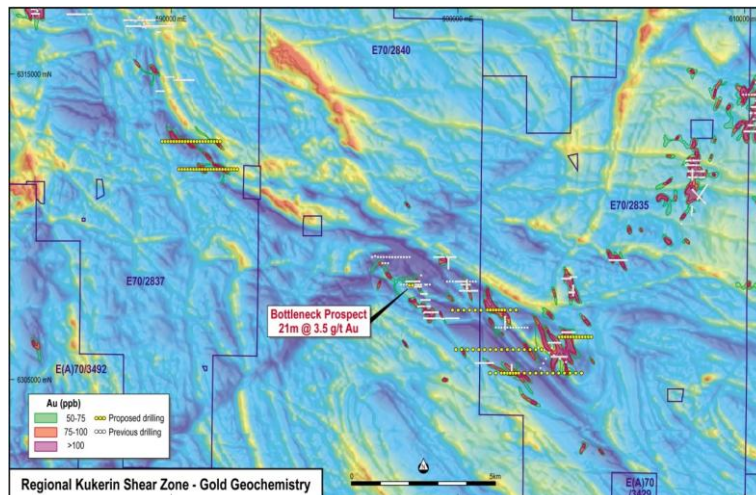
Boags interface drilling - March 2009 quarterly

Follow up reverse circulation drilling is planned for the June – September quarters once interface drilling is complete at the **Corona** and **Redcastle Prospects** where it is expected that additional targets for reverse circulation drilling will be defined.

**Kukerin Project (100%)**



Recently commenced interface drilling is targeting the Kukerin Shear Zone on approximately 1km spaced traverses north and south of the **Bottleneck Prospect** where previous interface drilling returned an intersection of 21 metres grading 3.5 g/t gold (refer to figure below). This programme will be completed during the June quarter.



## EXPLORATION/EVALUATION EXPENDITURE

Group exploration (A\$1.21 million) and Challenger resource/reserve evaluation expenditure (A\$1.67 million) totalled A\$2.88 million for the quarter.

## CORPORATE

Attributable revenue for the quarter was A\$30.9 million, generated from the sale of 25,309 ounces of gold at an average price received of A\$1,220 per ounce. For the nine months revenue was A\$87.3 million from the sale of 77,215 ounces of gold at an average delivered price of A\$1,131/ounce.

Net operating cash margin for the quarter after mine development and all capital expenditure was A\$11.2 million and for the nine months A\$33.3 million.

Group cash (A\$41.1 million) and bullion on hand accounted as revenue (A\$7.1 million) totalled A\$48.2 million at 31 March 2009. The cash position was after the interim dividend payment on 31 March of A\$6.2 million (6 cents per share) and payment of A\$11.8 million to Resolute Resources Pty Ltd on 10 March 2009 for the acquisition of the Challenger Gold Production Royalty.

At the end of the quarter 36,276 ounces (representing around 6% of current reserves) with an average delivered price of A\$1,004 per ounce were sold under forward sales contracts. These are currently scheduled to be delivered between April 2009 and January 2010. Deliveries into these contracts will be dependent on the spot gold price prevailing at that time.



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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.*