



Kingsgate
Consolidated Limited

ABN 42 000 837 472



Dominion Mining Limited

ABN 37 000 660 864

MEDIA RELEASE

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KINGSGATE AND DOMINION ANNOUNCE AGREED TRANSACTION

Gold producers Kingsgate Consolidated Limited (ASX: KCN) and Dominion Mining Limited (ASX: DOM) today announced they have signed a Scheme Implementation Agreement ("SIA") under which it is proposed Kingsgate will acquire all of the issued and outstanding shares in Dominion via a Scheme of Arrangement.

The transaction will consolidate Kingsgate's position as a premier ASX mid-tier gold producer with potential gold production of up to 300,000 ounces per year and a market capitalisation of around \$1.6 billion.

The terms of the offer are 0.31 Kingsgate shares for every one Dominion share, which represents a 33% premium to Dominion's closing share price, a 28% premium to the 5 day and 35% premium to the 30 day volume weighted average price (VWAP) of Dominion shares up to 19 October 2010.

Kingsgate's chairman, Ross Smyth-Kirk, said this is an important step towards Kingsgate delivering its strategic growth objectives utilising Kingsgate's experience and capital base to unlock value for shareholders.

"Dominion will provide Kingsgate with immediate access to additional production and cashflow and also provide geographic and operational diversification" he said.

Dominion's chairman, Peter Joseph, said the Dominion Board recognises the strong strategic logic in a combination of the two organisations which will provide enhanced growth opportunities for all shareholders".

For Kingsgate shareholders, the transaction brings the following benefits:

- Increases and diversifies reserve and resource base
- Significantly adds to Kingsgate's gold production
- Enhanced cashflow from combined operations
- Combined exploration portfolio for continued organic growth
- Adds underground mining skills to Kingsgate's operating expertise

For Dominion shareholders, the transaction brings the following benefits:

- Attractive premium
- Strengthened financial platform and enhanced access to capital to underpin development of exploration portfolio
- Operational and growth diversification through exposure to Kingsgate's Thai operations
- Share in the combined entity's improved scale and market presence

The scheme meeting of Dominion shareholders is expected to take place in January 2011, with scheme implementation expected in February 2011.

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