



State alliance in search for gold

CAMERON ENGLAND

SOUTHERN Gold will run the rule over some of Dominion Mining's tenements near its Challenger gold mine 740km northwest of Adelaide.

Southern Gold will issue Dominion 250,000 shares to earn the exclusive right, until May 3, to conduct due diligence on the advanced exploration gold prospects and gold resources around the existing mine, and to formalise exploration and development agreements.

The joint venture includes the Golf Bore 54,000oz gold resource, 50km northeast of the mine. Southern Gold managing director Stephen Biggins said the firms were "mutually aligned to develop a satellite gold resource to Challenger".

"Three months gives us enough time to do due diligence and develop a fair value to develop a good deal on the suite of projects," he said.

The package of tenements includes eight exploration licences covering 3000sq km on the Gawler Craton. Dominion's Challenger mine produced 29,280oz of gold at \$258/oz during the December quarter and had reserves totalling 292,000oz as of December 31.

The agreement excludes the area immediately around the Challenger mine which is subject to Dominion's own near-mine exploration activities.