

15 June 2018

Dear Shareholder

I am writing to provide you with an update on Dome's mineral exploration and evaluation activities in Fiji. We have made good progress toward our objectives and although much work remains to be done, we are confident that your company has a bright future. We fully expect that our shareholders will be amply rewarded for their loyalty and support over the past several years.

### **Ono Island Gold Project**

Let me deal first with Ono, our promising gold project on the volcanic island of that name, located about 80km south of Viti Levu (the main island of Fiji). We have been drilling at Ono since March. Half-core samples of drill core are being sent regularly to ALS Laboratories in Australia for analysis and results will be reported in full at the end of the first phase of the program.

It should be clearly understood that we are exploring a large potentially mineralised area at Ono, comprising the **Naqara East** and **Naqara West** prospects, which together cover approximately 4 sq km in area at surface. Drilling in the first phase is targeted mainly on anomalies identified in the geophysical (IP) survey conducted earlier at Ono, supported by surface geochemical anomalies. We have intersected sufficient pyrite (iron sulphide) to confirm that the IP chargeability anomalies we are testing do relate to sulphide mineralisation.<sup>1</sup> We are also seeing intense clay alteration and silicification, a common associate of gold, that explains the IP resistivity anomalies previously recorded.

Long industry experience in exploration leads us to conclude that, statistically, it is unlikely that we would intersect economic gold mineralisation with our first drill hole, or even our first few holes, as each hole tests only a small part of the 4 sq km prospective area. With each new hole, however, our geological understanding of the Naqara East and the Naqara West prospects improves, especially in regard to the unseen third dimension, and this allows enhanced targeting of future holes.

That feedback process is how exploration works. In many ways it is like following a detective story, with clues gradually but steadily being revealed. We should be encouraged by the presence of sulphide mineralisation in the early results, as this confirms that we are drilling into a prospectively "fertile" system that may contain gold in one or more of its component parts. We hope to discover such a gold-bearing part of the Naqara system as we continue drilling, even if it means pausing the drilling program for a while so that all of the clues gathered up to that time can be properly interpreted. That work would include use of 3-dimensional computer modelling tools that would allow us to refine our target concepts and base future drilling on the best possible information.

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<sup>1</sup> See Dome March 2018 Quarterly



Exploration for mineral deposits requires patience, perseverance and most of all, the application of first rate geological science. Dome's exploration personnel are well endowed with all of these attributes so please bear with us as we continue the search at Ono.

### **Sigatoka Iron Sands Project**

Meanwhile, we are now gearing up for resumption of sonic drilling at the Sigatoka Iron Sands Project, located on the south coast of Viti Levu. The main objective will be to upgrade the existing JORC 2012 Mineral Resource. That in turn will lead on to the commencement of a Definitive Feasibility Study (DFS), which would form the basis for a development decision.

The indicative economics for the proposed Sigatoka Project continue to impress. Recently published reports have shown a pricing premium for magnetite over other forms of iron ore, increasing the possible returns when a future mine is underway. In addition, we have received information that the Fijian market for clean industrial sand (a proposed major co-product at Sigatoka) is strengthening and may well be able to absorb all of our expected clean sand product. We are also investigating markets for the other heavy minerals that occur along with the magnetite sand at Sigatoka.

Based on present data, we see the Sigatoka Project as having project economics that will enable a rapid payback of the relatively modest capital needed to put the project into production. In our view, Sigatoka would be a simple, low risk, high cash flow operation whose earnings would underpin Dome's growth for many years to come. Few Australian mineral exploration companies can boast of such an excellent opportunity to become an established, profitable mining company.

### **Namoli-Wainivau Copper-Gold Project**

Of necessity, our third project in Fiji has taken a back seat for the time being, while we concentrate on the outstanding opportunities at Ono and Sigatoka. Even so, we are starting to make preparations for a new program of exploration at this project on Fiji's main island. The next phase will probably involve a magnetic survey, possibly followed by an IP survey like that undertaken previously at Ono. Then, somewhat later, we plan to carry out drilling to test the targets identified.

The Namoli-Wainivau copper-gold project lies immediately adjacent to the very large Namoli porphyry copper-gold deposit, currently owned principally by Newcrest, a major Australian Mining company with an international portfolio of gold and copper mines. We believe therefore that the Namoli-Wainivau copper-gold prospects have world class potential. A major porphyry copper-gold discovery at Namoli-Wainivau could raise Dome's industry status by an order of magnitude or more, such is the value of this type of mineral deposit. It is appropriate, therefore, to undertake some low-cost exploration that could yield positive results, but to defer major expenditure at this project until we have a sustainable cash flow from Sigatoka that could fund both ongoing work at Ono and the exploration and evaluation of Namoli-Wainivau.

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I trust the above information is helpful to you in understanding where your company sits at present with regard to its plans and ambitions for growth and profitable operations. I look forward to bringing you further updates as our work continues.

Yours faithfully,

A handwritten signature in black ink, appearing to read "G G Lowder".

**G G LOWDER**  
Chairman