

QUARTERLY REPORT



HIGHLIGHTS

Central Minerals Pty Ltd (DGR 79%) to be sold to Solomon Gold Plc in exchange for shares in Solomon

D'Aguilar to hold 17% of Solomon, creating an integrated diversified south west Pacific gold exploration and development company (see Solomon Gold website)

Solomon to repay D'Aguilar \$2M for past exploration costs in Central Minerals

D'Aguilar Gold subsidiary **AusNiCo Ltd** merging with Tier 1 TSX-V listed **Lions Gate Metals Inc** (see Lions Gate Metals website)

D'Aguilar to hold 34% of Lions Gate, with focus on nickel, copper, cobalt and silver in eastern Australia and porphyry copper, molybdenum and gold in British Columbia, Canada

D'Aguilar Gold subsidiary **Navaho Gold Pty Ltd** secures applications over substantial exploration area for "Carlin style" gold and silver targets in northern Bowen Basin

D'Aguilar Gold forms new subsidiary **Barlyne Mining Pty Ltd** focussed on discovery of new porphyry copper, molybdenum and gold deposits in Queensland

Holding of 48% (50m shares) in **Mt Isa Metals Ltd** (ASX:MET) initiating a gold program in Burkina Faso

Reassessing the **Anduramba** Molybdenum project

INTRODUCTION

During the quarter, field exploration activities were concentrated on soil sampling and geological mapping on Central Minerals projects, and D'Aguilar Gold wholly owned projects at Bathurst and Cressbrook Creek. Late in the quarter a diamond core hole was drilled on the Peenam prospect south east of Goomeri.

As announced to the ASX on 4 December 2009 D'Aguilar Gold has agreed to sell Central Minerals to Solomon Gold Plc in exchange for shares in Solomon and repayment of 2 million in previous exploration expenditure as cash and convertible notes in Solomon Gold. Subject to shareholder approval, D'Aguilar will become a substantial shareholder in a significant integrated south west Pacific gold exploration and development company.

The company's plan to merge its owned nickel/cobalt subsidiary AusNiCo Limited with the Canadian listed Lions Gate Metals Inc is proceeding smoothly with both entities satisfactorily completing due diligence. However satisfying Canadian regulatory requirements has resulted in the project timetable slipping out by almost 3 months. Finalisation is now expected in the current quarter.

The locations of key project areas of D'Aguilar Gold Ltd and subsidiary companies in south and central Qld are shown in Figure 1.

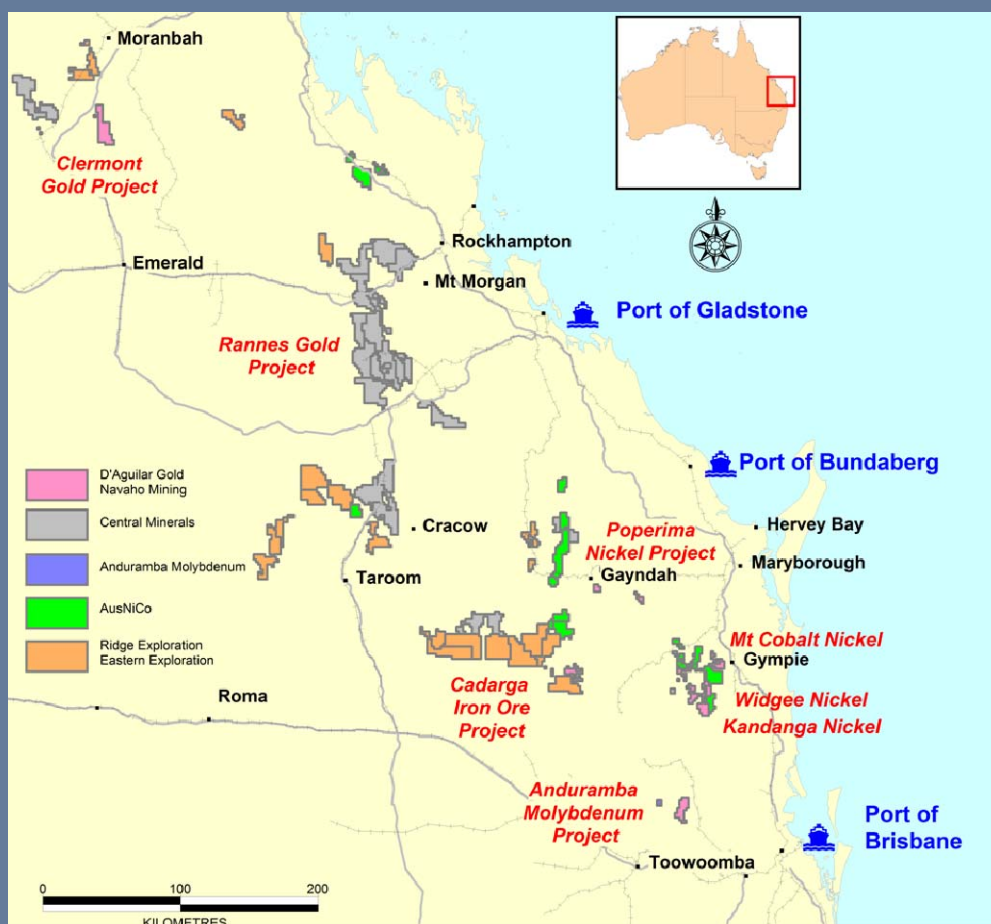


Figure 1: D'Aguilar Gold & Subsidiary Project Locations in Southern and Central Qld

Central Minerals

Gold— Central Minerals Pty Ltd

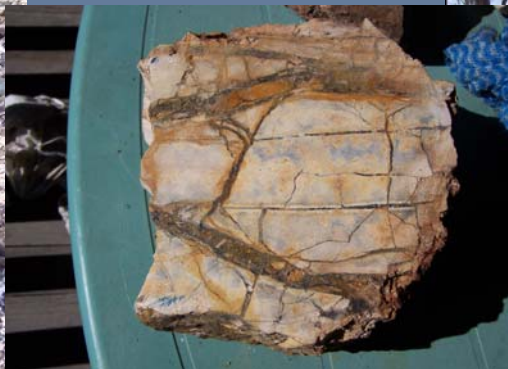
As announced to the ASX on 4 December, D'Aguilar Gold has entered an agreement for the sale of its 79% interest in Central Minerals which holds gold exploration tenements in Central Qld at Rannes and Clermont.

The agreement provides for the acquisition of 100% of Central by Solomon Gold plc (AIM listed, London Stock Exchange) in consideration of the issue of 37.2m shares in Solomon Gold and pro-rata allotment to the shareholders of Central. In addition D'Aguilar will receive \$1m cash on completion of the acquisition and \$1m in convertible notes from Solomon to acquire its \$2,281,000 loan to Central. The notes mature 12 months from the date of issue, bear a 10% coupon and are convertible at market price (minimum 8p) for Solomon Gold shares at the time of conversion. D'Aguilar will receive 29.388m shares and with the 3,555,557 it already holds, will hold a total of 32,943,557 shares or 17.05% of Solomon Gold plc.

Solomon Gold's board comprises five members including D'Aguilar CEO Nick Mather and non executive Brian Moller, and three non executive directors - Messrs Cameron Wenck (Chairman), John

Bovard, and Dr Robert Weinberg. Mr Wenck has 25 years commercial experience in professional insurance and investment businesses and Mr Bovard and Dr Weinberg have had considerable experience in the gold investment and mining industries. Dr Weinberg is a geologist with 36 years experience in mining finance and marketing and has been a consultant to and Director of several junior exploration companies, including currently Medusa Mining. He was previously CEO of the world gold council and served at James Capel. Mr Bovard a civil engineer has approximately 35 years experience in the operational aspects of the mining industry having headed the construction of Porgera (PNG) and Bronzewing Gold Mines (WA) and served as the general manager of OK Tedi Mining Limited.

Messrs Mather and Moller are both Directors of Solomon Gold, D'Aguilar and Central, and abstained from the resolutions by Solomon Gold and D'Aguilar in respect of the agreement. As a result of the acquisition of Central, Mr Mather and associated interests will become entitled to a further 558,000 shares in Solomon Gold.



Central Minerals

The agreement is subject to shareholder approval by the shareholders of D'Aguilar in a general meeting to be held on 19 February 2010. The sale of D'Aguilar's interest in Central is recommended by the independent non-conflicted directors of D'Aguilar subject to there being no higher bid capable of acceptance received by D'Aguilar. D'Aguilar has agreed to pay a cash break fee amounting to 1% of the total value of the proposed consideration in the event that the sale is not approved. Solomon Gold also has a right to match any higher offer received.

Completion of the Central sale will see D'Aguilar become a significant shareholder in an integrated diversified south west Pacific gold explorer with world class targets in Joint Venture with Newmont Ventures on Guadalcanal, Solomon Islands and wholly owned gold exploration projects at Fauro Island near Bougainville, Carlin style targets at Rannes, central Queensland, 120km north of Cracow (Newcrest operation) and high grade veins porphyry and intrusion related gold projects on the Mt Perry Goldfield adjacent to the Mt Rawdon gold mine (Lihir Gold) in south east Queensland. Additional information may be seen at the website for Solomon Gold, www.solomongold.com

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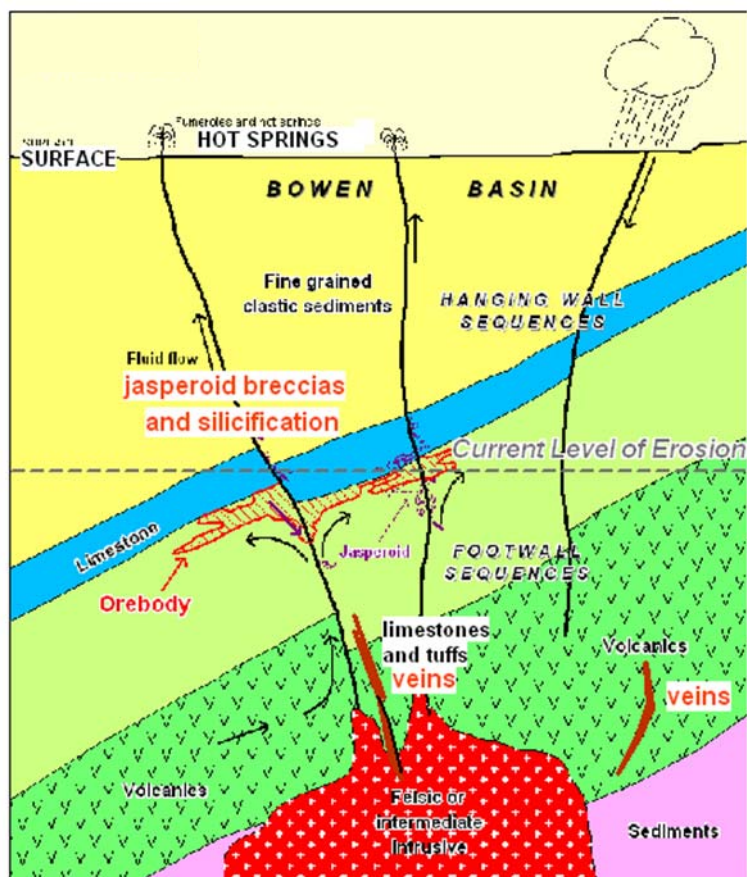


Figure 2: Bowen Basin Sediment hosted Gold Concept

Over the past three years D'Aguilar has identified gold and silver mineralisation in central Queensland occurring in relatively flat lying near-surface sediment and shear hosted zones where mineralising fluids flowing from deeper intrusives have encountered limey sediments. These low temperature, medium sulphide content, sediment hosted deposits are in contrast to the near vertical vein hosted low sulphidation deposits in older rocks that are evident at the Newcrest operated Cracow gold mine, and bear striking similarities to the "Carlin Style" of mineralisation of Nevada, USA, home of some of the world's largest open cut gold mines. Figure 2, to the left, describes the sectional model employed by D'Aguilar to explain the Carlin and epithermal vein style mineralisation in the Bowen Basin.

During this quarter D'Aguilar's exploration team commenced research to identify replications of this style of mineralisation. This investigation identified the eastern edge of the northern Bowen Basin, west of Mackay, as having striking similarities. The area stretches north north west from Clermont to just south west of Collinsville. Apart from a significant

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current and historic coverage with Exploration Permits for Coal there was little evidence of previous exploration for minerals.

A key to recognising the potential of the north Bowen Basin was the availability of recent new Queensland Government airborne geophysical surveys over much of the area. D'Aguilar's exploration team reviewed the magnetic data and identified several major NNW structures intersected by WNW reverse or thrust faults, with numerous Cretaceous aged porphyry style intrusions through the Bowen Basin evident along the major structures. A number of prospects are evident with close similarities to the Crunchie Prospect in Central Minerals, which already has strong Carlin style credentials and long intersections of potential ore grades for gold previously announced.

In the north of the area of interest around Byerwen (see Figure 3, below) there are large unclosed high level gold soil anomalies (up to 55 ppb gold) recorded, and recorded alluvial gold at Plum Tree Creek and the Weetalaba Deep Lead. A single scout hole in silicified sediments on the anomalous western

area by AMC-Posgold in 1993 assaying 2 metres at 9 g/t gold from surface does not appear to have been followed up (former EPM 9209). Further to the south east, in an area now within the Hail Creek coal mining lease, exploration by Jabalaka Pty Ltd in 1990 reported the presence of outcropping jasperoid breccia assaying up to 17.2 g/t gold at surface (former EPMs 5418 and 5916).

D'Aguilar's subsidiary **Navaho Gold Pty Ltd** (formerly Navaho Mining) has now secured exploration licence applications over an extensive new "Carlin Style" gold province in Queensland on the eastern edge of the northern section of Queensland's Bowen Basin, lodging a total of 14 applications for Exploration Permit for Minerals (EPM) along almost 200 kms of strike, and covering some 3,800 sq kms between Clermont and Collinsville. These are shown in Figure 4 (overleaf). D'Aguilar Gold has commenced the search for a CEO for Navaho Gold, and a capital raising within Navaho ahead of an IPO and listing on a recognised stock exchange.

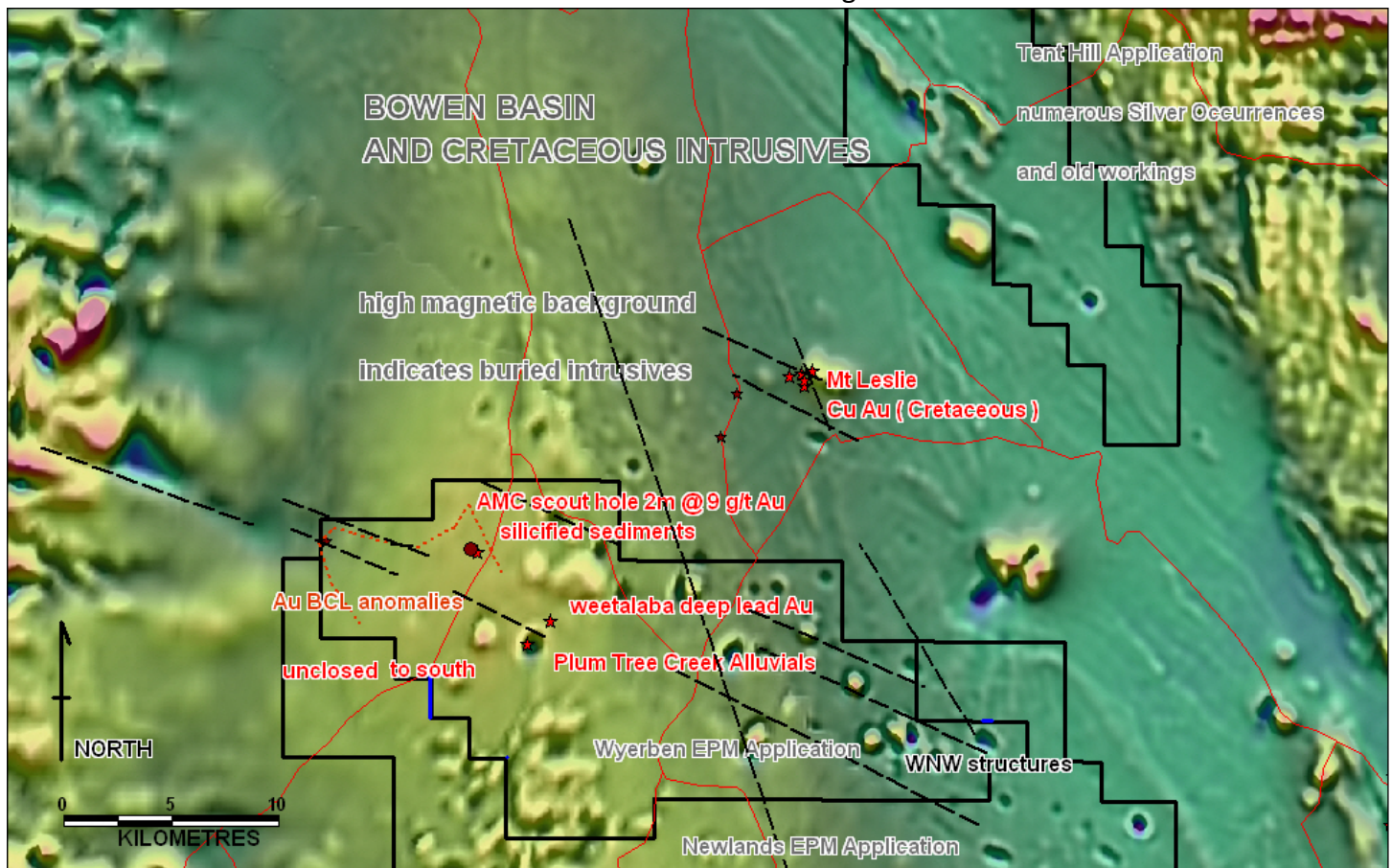


Figure 3:
Magnetic Imagery and Gold occurrences—Wyerben Application

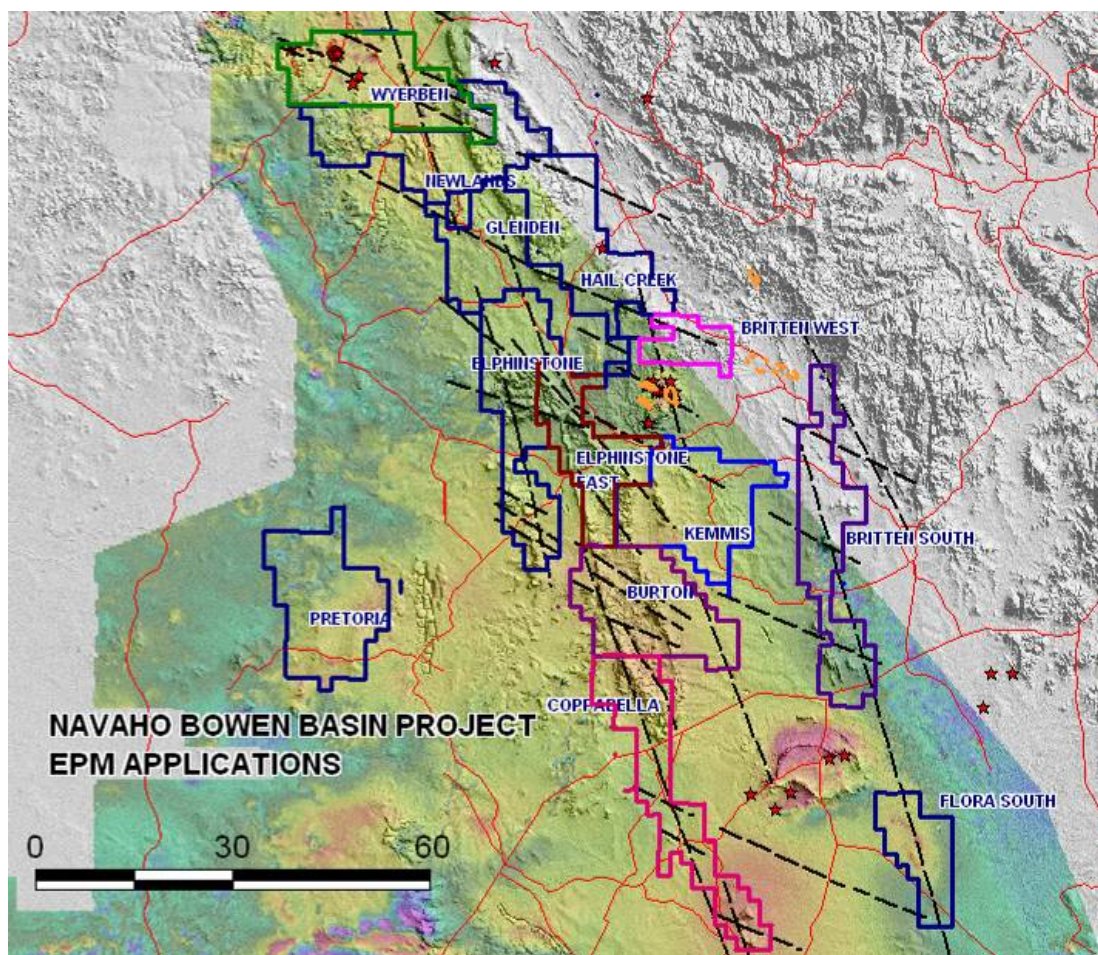


Table 4:

Navaho Gold Exploration Permit Areas on the Eastern side of the Northern Bowen Basin (west of Mackay, Central Qld)



AusNiCo – New Nickel and Cobalt

AusNiCo is D'Aguilar's owned nickel exploration subsidiary, focussed on defining nickel sulphide and oxide mineralisation in extensive new provinces in Queensland. In 2008, the company discovered the first significant nickel sulphide mineralisation in Qld at Pembroke near Kilkivan in Hole PEM 2 (8 metres @ 0.73% nickel within a 50 metres zone averaging 0.34% Ni near surface). A large zone of oxide nickel mineralisation is under assessment at Mt Cobalt in the same area. The prospect has been drilled by AusNiCo and a substantial oxide target in a hydrothermally altered serpentinite host has been outlined. D'Aguilar has identified potential for a deeper sulphide target coincident with a large magnetic anomaly.

As previously announced, in September 2009 agreement was reached to merge AusNiCo with the TSX listed tier 1 Canadian company, Lions Gate Metals Inc. (TSX-V Code: LGM). The merger of the two companies will create a listed base metals specialist with nickel, cobalt, copper and

molybdenum assets in British Columbia, Western Canada and south east Queensland, Australia. Due diligence by all parties has been completed, and on 18 December 2009 a binding Letter of Intent (LOI) was executed with Lions Gate. The LOI contains the principal terms of the business combination transaction disclosed in the Company's ASX release of 3 September 2009.

Pursuant to the transaction and subject to satisfaction of certain conditions, Lions Gate will acquire from the AusNiCo shareholders all of the issued and outstanding shares and options of AusNiCo in exchange for the issuance of an aggregate of 10,000,000 common shares of the Company to the AusNiCo shareholders and 3,000,000 warrants to the AusNiCo option holders. Each warrant will entitle the holder to purchase one common share of Lions Gate for CDN\$1.10 at any time within five years of the date of issuance.

At the closing of the transaction, AusNiCo will become a wholly owned subsidiary of Lions Gate and the shareholders of AusNiCo will become shareholders of Lions Gate. The Lions Gate shares and warrants to be issued to the AusNiCo shareholders under the transaction, and any shares to be issued upon the exercise of the warrants, will be subject to any restrictions on resale, including escrow restrictions, imposed by applicable laws and the TSX Venture Exchange ("TSX")



At finalisation, based on Lions Gate's current issued shares and assuming completion of the C\$3.5million private placement and the payment of the finder's fee noted below, Lions Gate is expected to have approximately 24.5 million issued and outstanding shares, approximately 34% of which will be held by DGR and approximately 8% of which will be held by the other former AusNiCo shareholders.

On the completion of the transaction, the board of directors of Lions Gate will be composed of five directors. Three of the directors will be nominated by Lions Gate and two of the directors will be nominated by AusNiCo. Lions Gate will nominate John Icke, Arni Johansson and Mark Hewett, who are current directors of Lions Gate, and AusNiCo will nominate Nick Mather and Brian Moller, who are current directors of AusNiCo.

Following the closing, DGR will have the right to nominate a third director for election at the 2010 annual general meeting of Lions Gate, which must be held within six months following the closing or earlier if requested by DGR.

The closing of the transaction is expected to occur in February 2010, following submission of the filing

statement and final acceptance from the TSXV of the transaction, or such other date as the parties may agree.

The principal Lions Gate project is the **Poplar** copper gold porphyry approximately 150km south of Smithers, British Columbia in an area of substantial infrastructure only 40km from the producing Huckleberry Mine. Poplar is a significant copper gold porphyry system, and additional porphyry targets in the region have been defined by a recent airborne 160km² EM and detailed magnetics survey. The Pimpernel, Aspen and Red Pine targets have been defined with similar signatures to major porphyry copper gold projects in British Columbia. In addition to these targets, an IP survey has defined a significant IP anomaly



underneath the Poplar deposit on its east side. In the context of increasing copper grades and potassic alteration in existing drill holes in the Poplar deposit, the IP anomaly is interpreted to represent a higher grade extension to the existing Poplar deposit.

The **Kelly Creek** project, 30 km west of Terrace, British Columbia is a red-bed copper project similar in style to Calumet Mine in Michigan USA. There is considerable potential to define additional drilling targets, and a program of airborne geophysics and subsequent drilling has been planned to test the new targets at the Upper Kelly Creek and East Side prospects.

Lions Gate also holds the **Hudson Bay** molybdenum project near Smithers located around the Davidson molybdenum project owned by Thompson Bay Mining Inc.

Recently, Lions Gate entered an agreement to acquire a 75% interest in the ROK Coyote project adjacent to the Red Chris deposit being developed by Imperial Metals Inc in northern BC. Recent drilling at Red Chris has outlined a significant zone of high grade copper and gold mineralisation underneath the existing deposit. That feature and the relatively unexplored nature of the 9 km² intrusive system at ROK, similar geology to Red Chris, untested IP anomalies and existing drill results up to 48m @ 1.4% copper and 1.4g/t gold highlight the prospectivity of the area.

A map showing the location of the Lions Gate Projects in British Columbia is shown at Figure 5. The Boards of both Lions Gate and D'Aguiar consider the global base metals exploration and acquisition strategy to be well founded and believe that strong growth in the rapidly industrialising nations of China and India will underpin strong markets in construction and industrial base metals particularly copper, molybdenum and nickel. D'Aguiar Gold currently intends to hold its position in Lions Gate Metals as a base for a global base metals company.

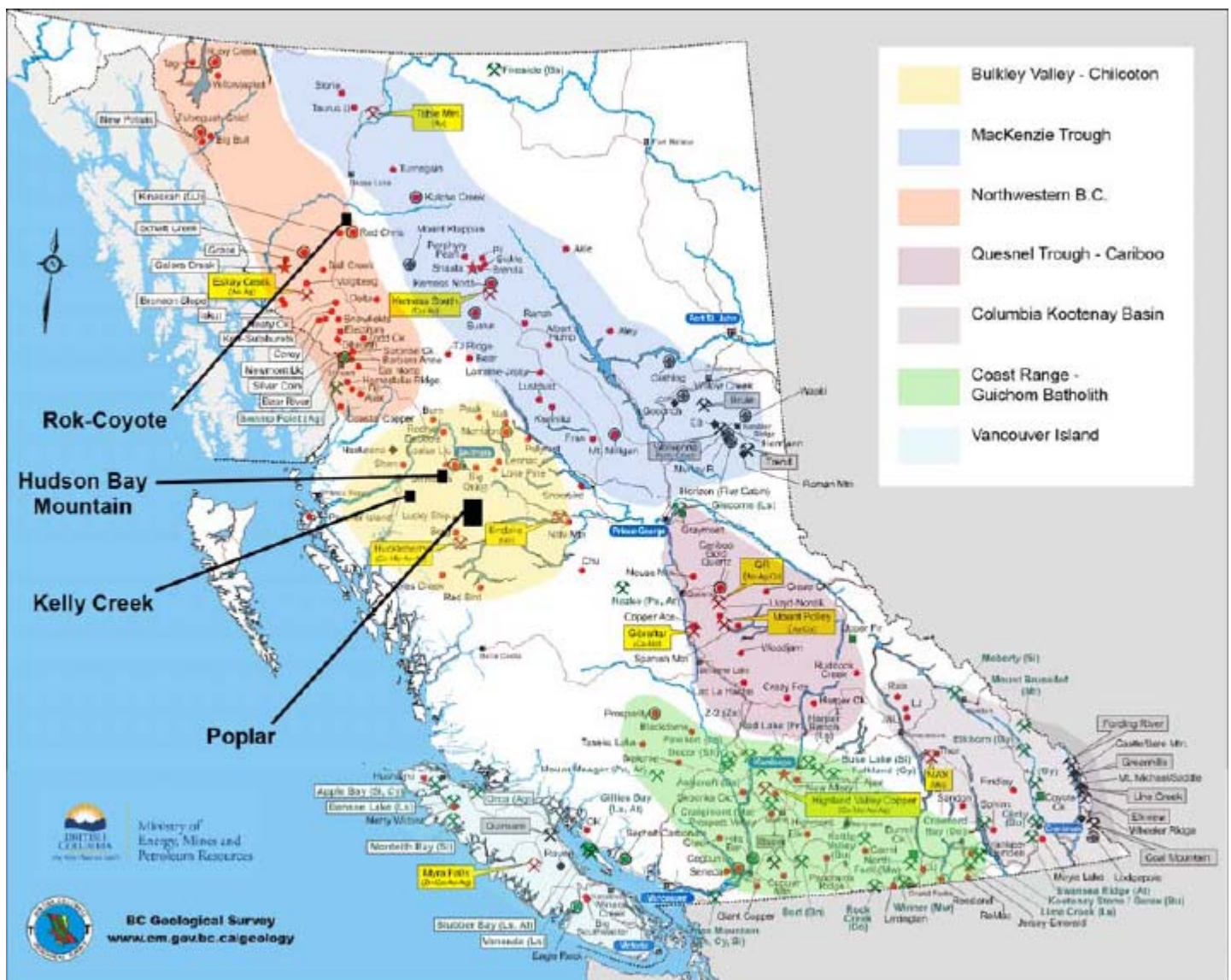


Figure 5:
Lions Gate Metals Exploration Projects, British Columbia, Canada

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Porphyry Copper & Gold – Barlyne Mining Pty Ltd

As reported recently, D'Aguilar Gold has formed a new subsidiary **Barlyne Mining Pty Ltd** to specifically focus on the identification and development of large porphyry copper gold systems in Qld. This followed the drilling of a diamond core hole on the Peenam Prospect near Goomeri in December which produced a lengthy sub economic intersection of copper and gold. Interpretation on detailed magnetic imagery suggests the hole was drilled on the edge of a large porphyry copper gold system.

Finely disseminated pyrite and minor chalcopyrite was noted from the base of oxidation at 18 metres until the end of the hole at 287.8 metres. The main copper gold mineralisation was within a quartz – chalcopyrite – magnetite vein phase that overprinted the pyritic disseminations over the entire length of the hole (see Figure 6).

The widespread potassic and chloritic alteration, visible copper minerals and associated vuggy anhydrite fractures, indicated that the hole was drilled within a large poorly exposed porphyry copper gold system.

The high pyrite to chalcopyrite ratio, the lack of intrusive rocks, and the distribution of more volatile and distal peripheral element assemblages (arsenic antimony lead and zinc) suggest that the Hole PEED1 was drilled into the edge of a porphyry system, in an outer alteration zone which would not be expected to host ore grade copper gold mineralisation.

As shown in Figure 7, a review of the geophysical and geochemical data has highlighted a 6 km x 500m combined magnetic and airborne electromagnetic anomaly centred about 1 km to the southwest. The



Figure 6: Pyrite and Chalcopyrite in magnetite vein at 149 m depth in Peenam Hole PEED1 *The magnetite association implies that the best mineralisation will lie within magnetic anomalies*

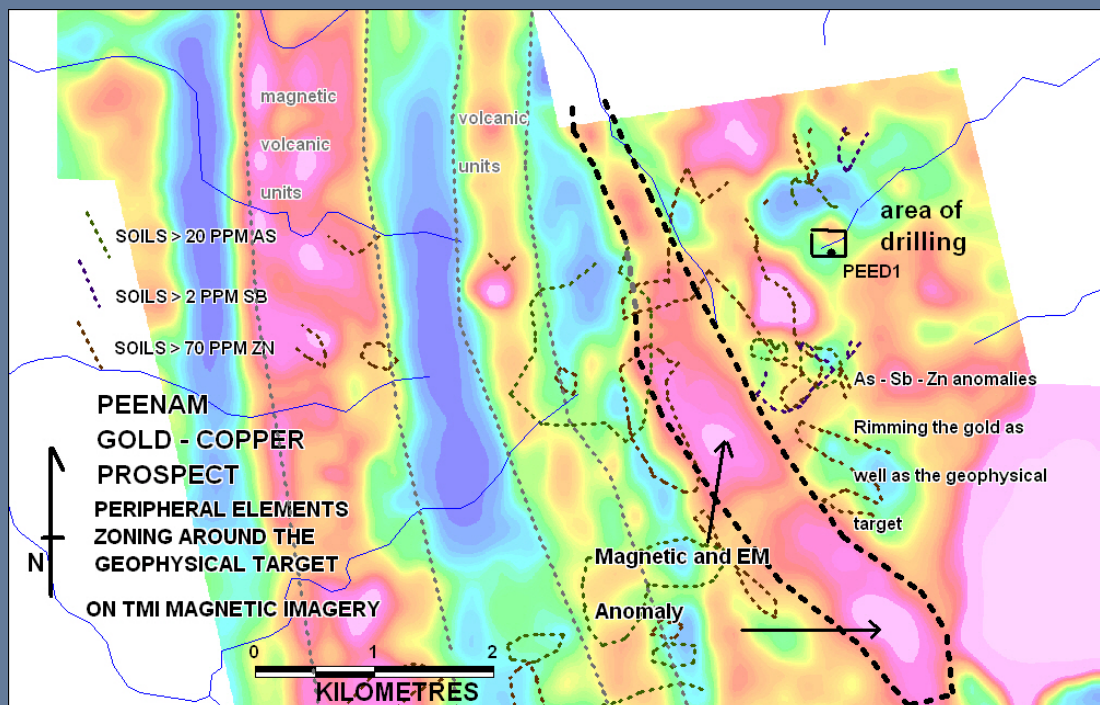


Figure 7: Peripheral element anomalism highlights the geophysical anomaly trending SW – S from the Peenam Drill Hole as the centre of the copper gold porphyry system

magnetic anomaly has associated low level gold anomalism within flat lying andesite volcanics, and is surrounded by soil anomalies of elements that

BARLYNE MINING

are peripheral to porphyry copper gold deposits.

D'Aguilar is in the process of transferring the Peenam and Gayndah exploration permits in to **Barlyne Mining Pty Ltd**, and Barlyne has applied for a larger exploration tenement surrounding the Peenam EPM. The Oaky Creek prospect near Gayndah (refer Figure 8) is an outstanding porphyry copper gold prospect, situated within the centre of a well preserved Triassic volcano, and as previously announced the first diamond core hole into a large diatreme (breccia pipe) revealed continual mineralisation from surface to the end of hole (500 m). The mineralisation was intensely clay altered and silicified volcanic rocks with strong zinc and lead anomalism. This is typical of that encountered above a porphyry copper system which has yet to be tested by a deep diamond drill hole.

D'Aguilar geoscientists seconded to Barlyne Mining have identified other prospective targets based on a comprehensive geological, geophysical and geochemical database assembled by the company over the past five years, and further applications for exploration permits at Colo and Yorkeys/ Calgoa have been lodged with the Queensland Mines Department.

Status of Other Projects

During the quarter the company undertook further sampling and received the results of the earlier sampling program at D'Aguilar's **Bathurst Gold/ Copper Project**. A detailed follow up review has led to the company applying for a new Exploration Licence (EL) surrounding the east, north and north-west of the existing licence area to test for the possible extension of identified gold mineralisation under cover.

D'Aguilar's **Cressbrook Creek Prospect** was surrendered late in the quarter after a detailed review of its prospectivity suggested that while grade potential was certainly quite evident, the potential for the discovery of significant tonnages of economic mineralisation was not strongly supported by the apparent geology.

Further exploration of **Ridge Exploration** iron, rutile and titanium prospects has been held back by delays in securing grant of new tenements due to lengthy native title access negotiations. Discussions are expected to resume following the end of the holiday period.

D'Aguilar is also currently reassessing commercial options for its Anduramba Molybdenum project.

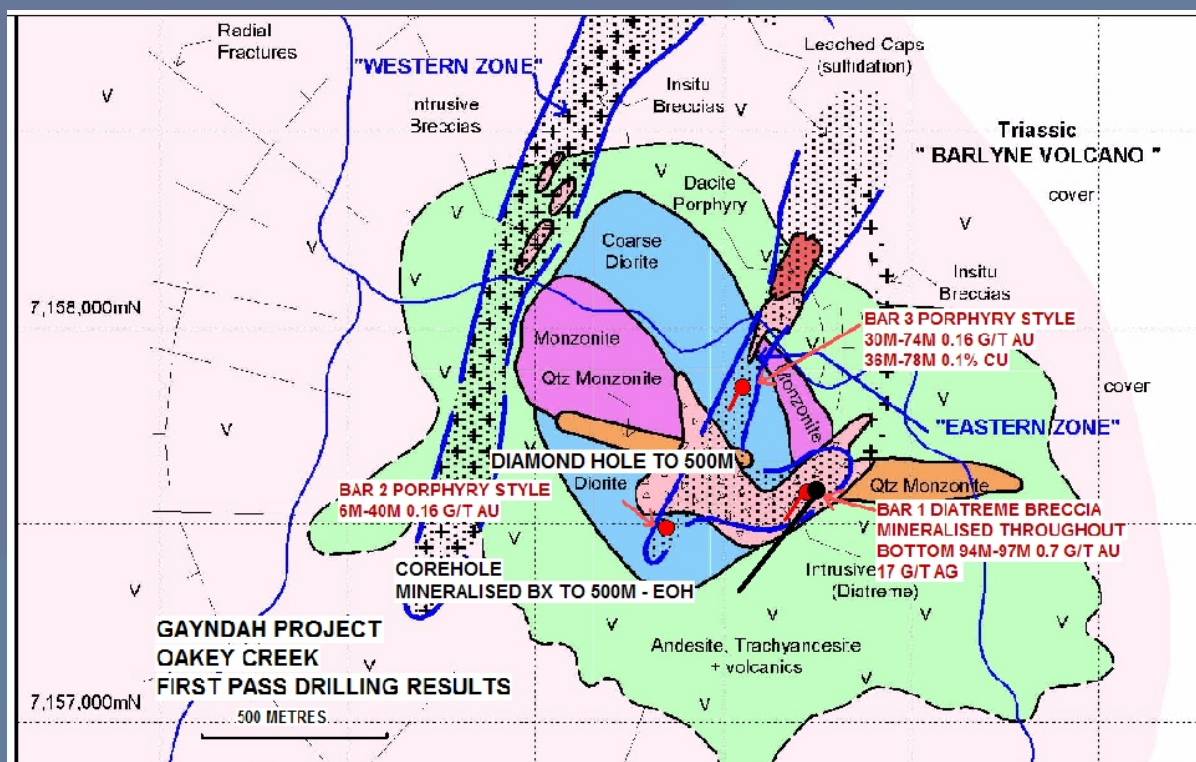


Figure 8: Location of Diamond Core and Reverse Circulation Drill Holes on simplified geology at the Oaky Creek Prospect, Gayndah.

QUARTERLY REPORT



Outlook

D'Aguilar's strategy of seeking listing of its key assets on recognised stock exchanges is designed to deliver — negotiability for its key assets; less dilutive funding of forward exploration programs; and expanded and focussed project management teams independent of D'Aguilar.

D'Aguilar's current aim is to hold its key positions in the listed companies. Currently D'Aguilar holds 2.3% of AIM listed Solomon Gold plc (AIM: SOLG) and a substantial position (48%) in the ASX listed Mt Isa

Metals Ltd (ASX: MET), with a current focus on gold and base metals exploration in the Mt Isa-Cloncurry area of northern Queensland. D'Aguilar will work to complete the Lions Gate -AusNiCo merger and the sale of Central Minerals Pty Ltd for Solomon Gold shares as soon as possible, and effect a listing of the share capital of Navaho Gold Pty Ltd, Barlyne Mining Pty Ltd, Anduramba Molybdenum Pty Ltd and Ridge Exploration Pty Ltd as soon as practical.

The Board looks forward to updating shareholders on these developments in due course.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Nicholas Mather B.Sc (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Holdings Pty Ltd which provides certain consultancy services including the provision of Mr Mather as the Managing Director of D'Aguilar Gold Ltd and director of Central Minerals Pty Ltd of which D'Aguilar Gold owns 100%.

Mr Mather has sufficient experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). Mr Mather has consented in writing to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Corporate Information

DIRECTORS

William Stubbs (Chairman)
Nicholas Mather (Managing Director)
Brian Moller
Vincent Mascolo

COMPANY SECRETARY

Karl Schlobohm

EXPLORATION MANAGER

Neil Wilkins

GENERAL MANAGER

Greg Runge

REGISTERED OFFICE AND HEAD OFFICE

D'Aguilar Gold Ltd
Level 5, 60 Edward Street Brisbane QLD 4000
Phone: + 61 (0)7 3303 0680 Fax: + 61 (0)7 3303 0681

AUSTRALIAN STOCK EXCHANGE ("ASX")

ASX Codes: DGR (Ordinary shares)

AUSTRALIAN BUSINESS NUMBER

ABN 67 052 354 837

INTERNET ADDRESS

All Company announcements, reports and presentations are posted on our website www.daguilar.com.au
If you would like to receive news releases by email, please send us an email to info@daguilar.com.au with the subject "email alerts" or register your details on our website by clicking "Contact Us" and entering your details.
Website: www.daguilar.com.au

ISSUED CAPITAL

At 31 December 2009, D'Aguilar Gold Ltd had the following securities on issue:

- 279,380,796 ordinary shares
- 3.0 million (unlisted) options (9c, 12c, 15c) expiring 30/4/11
- 3.5 million (unlisted) 27.5c options expiring 30/6/11
- 300,000 (unlisted) 22.0c options expiring 30/6/11

SHAREHOLDING ENQUIRIES

Link Market Services Limited manages D'Aguilar Gold Ltd's share registry.

If you would like to monitor your shareholding online, you can do so by visiting Link Market Services Limited's website, www.linkmarketservices.com.au and following the instructions. For issuer-sponsored shareholders, if you change address, or if you have any other queries regarding the details of your shareholding, please contact the Company's share registry directly:

Link Market Services Limited
Locked Bag A14 SYDNEY SOUTH NSW 1235
Phone: 1300 554 474