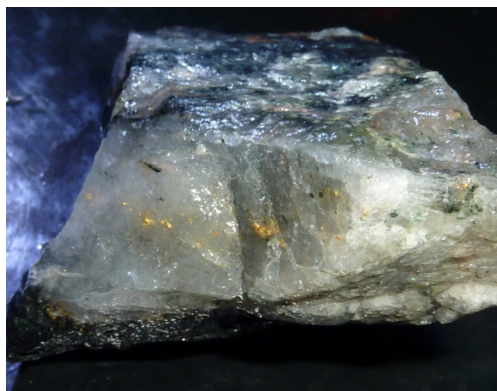


# QUARTERLY REPORT

D'AGUILAR  
GOLD LIMITED



## HIGHLIGHTS

**Substantial investments** in three listed resource companies with a market value of AUD64.0 million.

**Four unlisted subsidiaries** with aggregate projected holding value at IPO of AUD56.0 million.

**Solomon Gold plc:** (LSE-AIM: SOLG) Continues to announce encouraging exploration results from 100% owned Queensland and Fauro Island Projects, and raised AUD24.2 million with the placement of 54 million shares at 28 pence. DGR holds 35.2 million shares or 12.5% (after placement).

**Mt Isa Metals Limited:** (ASX Code: MET) Share overhang removed and capital raising announced following major discovery in Burkina Faso on one of seven major gold projects. DGR holds 52 million shares or 38% of MET pre new raising.

DGR subsidiary **Navaho Gold Limited** (DGR 58% after \$1 million seed raising during the quarter) completed farm-in agreements for seven highly prospective 'Carlin style' gold properties on the Carlin and Battle Mountain-Eureka Trends in Nevada, USA ahead of planned AUD7.0 million IPO with programs to commence late March and ASX listing this coming quarter.

DGR energy subsidiary **Armour Energy Limited** secured new Northern Territory gas province. Seed capital raising AUD10.0 million and AUD50.0 million IPO and ASX listing planned for July, with the seed raising to be completed in February.

**AusNiCo Ltd:** (ASX: ANW) completed AUD4.0 million IPO raising and Listed on ASX from 21 October. Initial Pembroke project nickel sulphide and cobalt drilling

results were very encouraging. DGR holds 59 million shares or 53% of ANW.

**Archer Resources Limited:** AUD2.0 million seed raising in progress prior to IPO and ASX listing planned by June. Five copper, gold molybdenum porphyry projects secured in South East Queensland.



*D'Aguilar Gold Limited Founder & Managing Director—Nick Mather*

# THE D'AGUILAR BUSINESS MODEL

During the quarter D'Aguilar strongly advanced its objectives to become a diversified resource project generator and investment company.

D'Aguilar generates its own large scale resource exploration projects directly through the skills and experience of its accomplished team of explorationists. Most resource investment companies purchase their investment stakes at a high cost, with restricted scope and low diversity. This important difference gives D'Aguilar a strongly competitive edge.

Many exploration companies tend to prematurely focus on the definition of a restricted resource and/or development without the scope for world class discoveries. D'Aguilar's philosophy in contrast is to secure provincial tenure positions prospective for commodities which attract globally exposed capital funds. The company adopts a lateral and unusual approach in the identification of both the commodity and the exploration target.

These projects tend to be very large, targeting new provinces with the potential to make world-class discoveries. The exploration concepts are often novel. While increased metal prices and advances in technology can turn former sub-economic deposits into viable projects, D'Aguilar projects frequently emerge from detailed reassessment and reinterpretation of large databases—looking at things

from a new angle and with a different focus using state of the art techniques. The D'Aguilar Directors and Managers have in the past applied new exploration models to extensive tenement areas which have led to identification of new mineral provinces and the discovery of nationally significant resources.

D'Aguilar's strategy to then seek 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.

The most critical challenge for the company is the identification of technically and commercially skilled successful and experienced managers and entrepreneurs to fill the executive roles for the resource companies D'Aguilar creates. D'Aguilar is constantly searching for suitable candidates to take these opportunities forward with great personal and corporate reward. D'Aguilar's Management is particularly interested in reviewing persons currently in middle management exploration or business development roles with major and middle ranking exploration and mining companies.

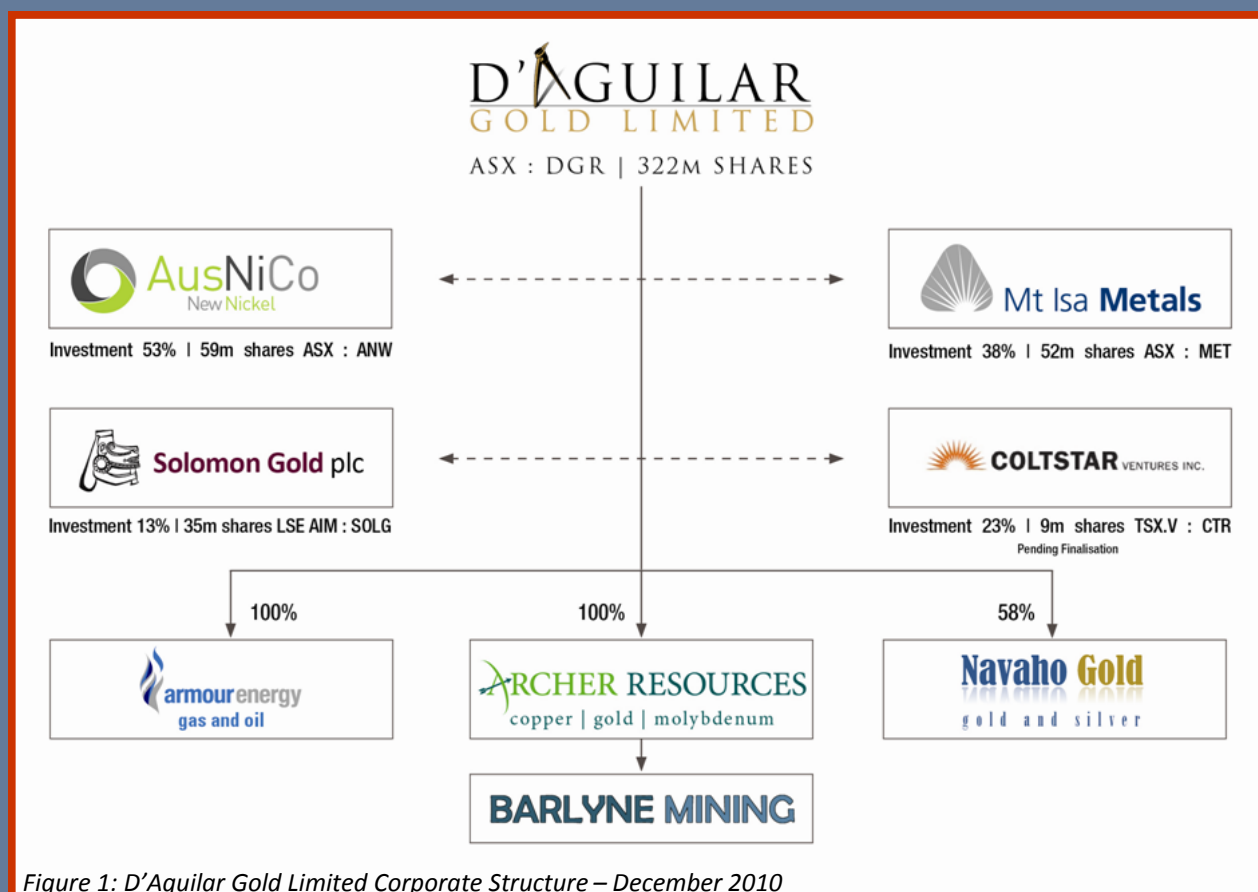


Figure 1: D'Aguilar Gold Limited Corporate Structure – December 2010



## D'AGUILAR BUSINESS MODEL (Cont'd)

D'Aguilar's aim is to hold its key positions in its listed subsidiary companies. As shown in the D'Aguilar Gold Group Corporate Structure in Figure 1, D'Aguilar currently holds 12.5% of AIM listed Solomon Gold plc (AIM: SOLG) and 38% of ASX listed Mt Isa Metals Limited (ASX: MET).

D'Aguilar also listed AusNiCo Limited (ASX: ANW) during this quarter and holds 53%. The pending sale of Ridge Exploration would see D'Aguilar emerge with 23% of Coltstar Ventures Inc (TSX.V: CTR). Preparation of a prospectus for the ASX listing of Navaho Gold in the coming quarter is almost complete. Armour Energy secured a new gas province in the Northern Territory and is completing AUD10.0 million seed raising and will proceed to a AUD50.0 million IPO and an ASX listing in mid 2011. D'Aguilar is also well advanced in plans to list Archer Resources (formerly Barlyne Mining and Anduramba Molybdenum) which is focussed on porphyry copper-gold-molybdenum in South East Queensland.

The ability of D'Aguilar to continually repeat the creation of new mineral exploration and development companies is well illustrated in the following Figure 2.

Typically D'Aguilar generates two or more new wholly owned subsidiaries per year. D'Aguilar raises seed capital, installs Management and Executives and organises an IPO and stock exchange listing

In the crucial early life as a listed company substantial support is provided by D'Aguilar to its subsidiaries,

sharing corporate overhead costs such as offices, company secretarial and accounting and seconding key geoscientists on an "as needs" basis until such time as the new company can justify more full time staff.

As the new company advances and grows over time, D'Aguilar stands as a solid cornerstone shareholder whose equity is increasing substantially in value even though its percentage shareholding is decreasing (see table 1 on page 4 overleaf).



### D'Aguilar Money Makers

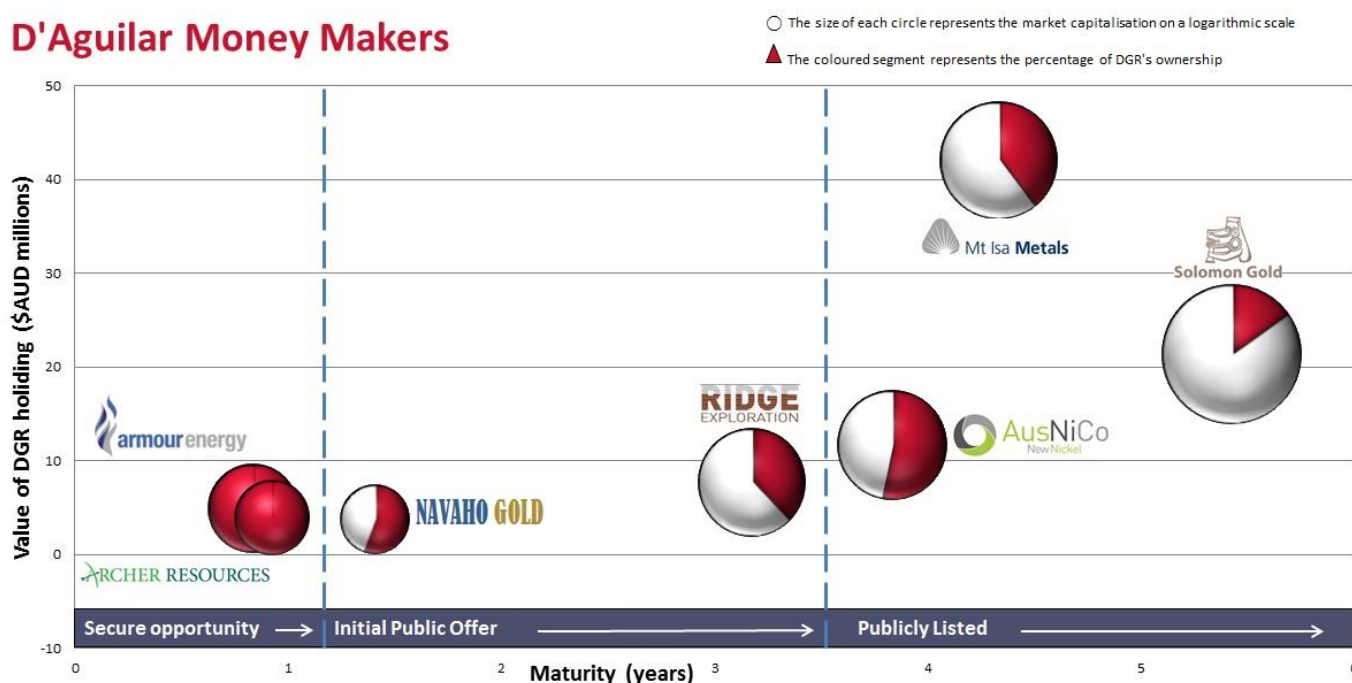


Fig 2: D'Aguilar Gold Limited Corporate Development Pipeline

## Current Portfolio of Assets held by D'Aguilar Gold Limited, and Market Valuation of Listed Entities

KEY ASSET	DETAILS	MARKET VALUE \$m September 2010	MARKET VALUE \$m December 2010
Net Cash		2.0	0.6
Mt Isa Metals (MET)	52 million shares @ <b>75 cents (1)</b>	20.8	39.0
Solomon Gold (SOLG)	35.2 million shares @ 29p (2)	18.6	14.6
Ridge Exploration	8 million shares in Coltstar (CTR) @ C\$0.40 (3)	5.2	3.2
AusNiCo (ANW)	58.85 million shares @ 16.5 cents (4)	11.8	9.7
Shamrock Mine Land	327 h (720 acres mainly farming land) – 3 houses. Rehabilitation of mine area covered by \$450K bond	0.7	0.7
	Sub-total	59.1	67.8
Navaho Gold	DGR holds 58%, proposed IPO early 2011 (5)		
Armour Energy	DGR holds 100% proposed IPO mid 2011 (5)		
Archer Resources	DGR holds 100% proposed IPO mid 2011 (5)		
Prospects in Development	Includes Bathurst and other Projects (5)		
	Total (excl any value for above 4 assets)	59.1	<b>67.8</b>
D'Aguilar Gold	322 million shares @ <b>17.5 cents on 28 Jan '11</b>	48.3	<b>56.4</b>

### FOOTNOTES:

1. This value is based on the market value of MET shares on the ASX at 28 Jan 2011
2. This value is based on the market value of SOLG shares on LSE.AIM on 28 January 2011 and the prevailing exchange rates applying as at that date
3. The sale of Ridge is expected to close on 28 February, 2011. This value assumes that closing will proceed and is based on the value of CTR shares on

the TSX.V at 28 January, 2011 and the prevailing exchange rates applying as at that date

4. This value is based on the market value of ANW shares on the ASX at 28 January 2011 .

5. No value for the purposes of this exercise has been attributed to these assets . No assurance can be given that DGR will be successful in achieving any of these values in the event of a realization of these assets



## Solomon Gold

### Gold & Porphyry Copper-Gold Solomon Islands & Queensland (LSE.AIM:SOLG)

D'Aguilar Gold holds 35.2 million shares representing 12.5% of Solomon Gold plc. Details on Solomon Gold, its Board and projects can be viewed on the website [solomongold.com](http://solomongold.com). The company trades on the Alternative Investment Market of the London Stock Exchange with code SOLG.

Solomon Gold's main projects are in Queensland and the Solomon Islands (see figure 4, over page).

Solomon Gold has two key projects in Queensland – Rannes near Newcrest's Cracow gold mine, and Mt Perry beside Newcrest's (formerly Lihir Gold's) Mt Rawdon gold mine. Since acquiring the Rannes area (Central Minerals Pty Ltd) from D'Aguilar Gold in February 2010 Solomon Gold has engaged 2 drilling rigs and announced a maiden resource of 200,000 ounces at the Crunchie Prospect.

Solomon Gold has two main project areas in the Solomon Islands. On Guadalcanal Newmont is earning 70% in a joint venture on the Solomon Gold tenements located over one of the most comprehensive and relatively unexplored porphyry terrains in the south west Pacific. These project areas are located on the south west Pacific "Rim of Fire" next to world class porphyry copper-gold mines at OK Tedi, Bougainville, Porgera and Grasberg (which have endowments of 40-160 million ounces of gold).

D'Aguilar Gold expects Solomon Gold to participate in a discovery on Guadalcanal with Newmont in the next 12 months. The Mbetilonga Project is highly regarded and exhibits numerous areas of very high copper and gold mineralization coincident with porphyry style magnetic signatures.





## Solomon Gold

Solomon Gold has announced exciting first pass gold exploration results from several prospects in the Fauro Island prospecting licence area (100% Solomon Gold).

Fauro Island in the north west Solomon Islands is 80 kms south of the former Panguna mine on Bougainville Island (see Figure 3).

Fauro is a volcanic epithermal crater where the recent mapping, sampling and geophysical surveys confirm the geology to be similar to the 40 million ounce Lihir Island gold mine now owned by Newcrest.

During the quarter Solomon Gold successfully raised AUD24.2 million with the placement of 54 million shares at 28 pence. While diluting D'Aguilar's equity position to a current level of 12.5%, the additional funding permitted Solomon Gold to commence an intense follow up exploration program. In late December the company announced further encouraging assay results from trenching at Meriguna and Kiovakase, and the commencement of a 9,900 metre diamond drilling program at Meriguna. D'Aguilar Gold will continue to advise shareholders of LSE announcements by Solomon Gold by flagging key results in announcements to the ASX however D'Aguilar shareholders should continue to monitor Solomon Gold on the Solomon website.

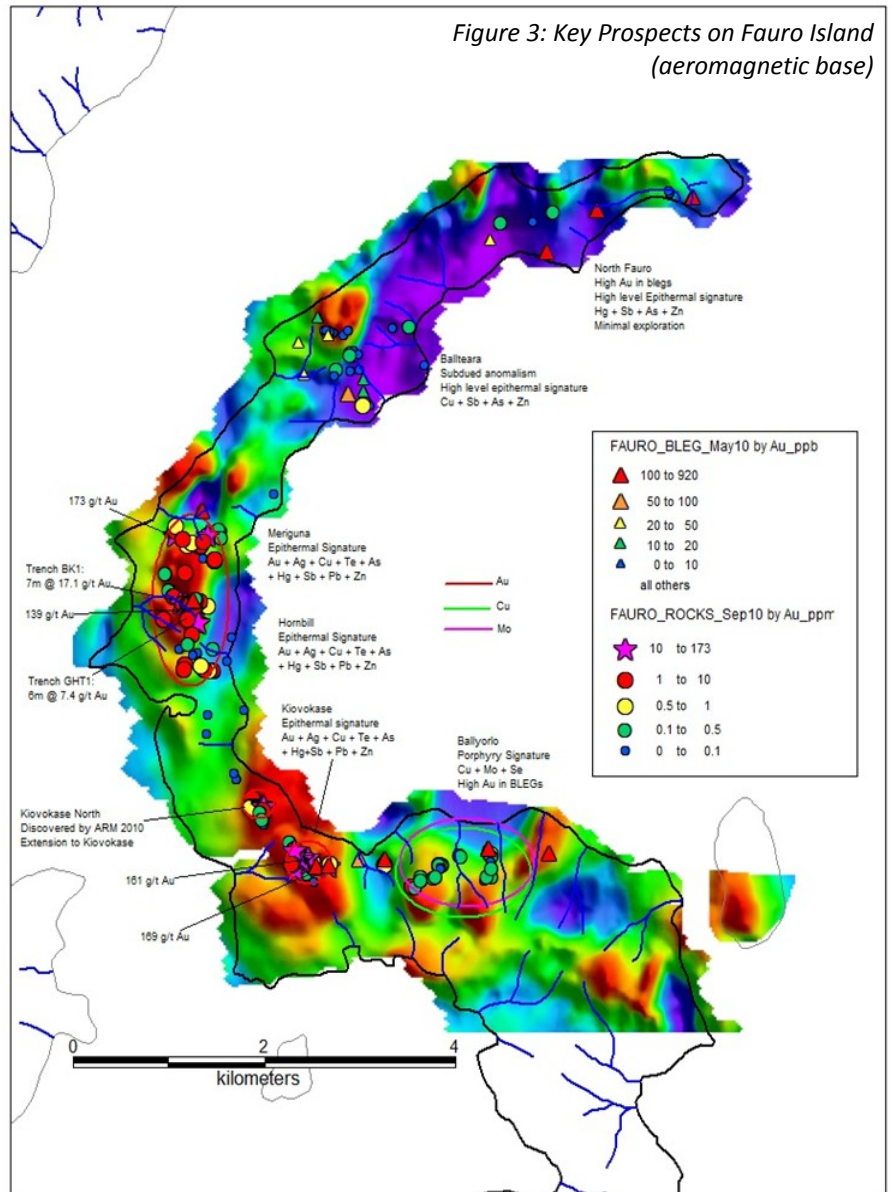


Figure 4: Location of Solomon Gold Exploration Projects





# Mt Isa Metals

## Copper and Gold—Mt Isa and West Africa (ASX:MET)

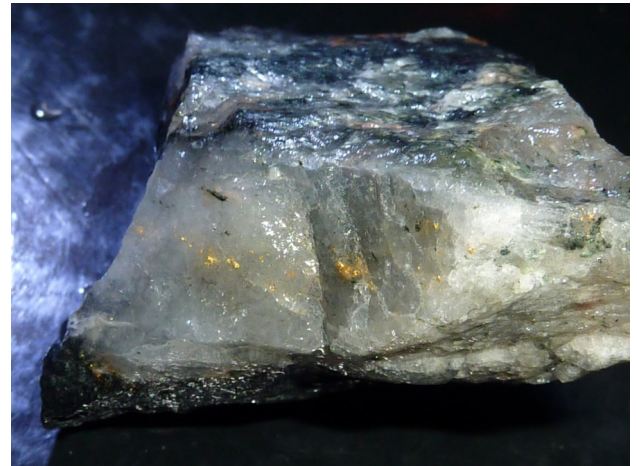
D'Aguilar Gold holds 52 million shares representing approximately 38% of Mt Isa Metals. At the time of this report Mt Isa Metals was conducting a capital raising.

Mt Isa Metals prime endeavour is the discovery of world class gold projects in Burkina Faso. Mt Isa Metals selected Burkina Faso as one of the best places in the world to make such a discovery and conduct exploration programs.

**West Africa** is a world class gold province, host to more than fifty +1 million ounce gold deposits associated with the Birimian Greenstone (with close geological similarities to the greenstone belts of the Eastern Goldfields of Western Australia). Mt Isa Metals is one of the largest tenement holders in Burkina Faso and in contrast to most companies which has one key project Mt Isa Metals has seven. Burkina Faso is an under explored country that has a recent history of stable Government with a modern system of Mining law (see Figure 5). The Mt Isa Metals "footprint" in Burkina Faso covers an area equivalent to holding all the Eastern Goldfields of Western Australia from west of Coolgardie, and bounded by Paddington in the north and Junction to the south.

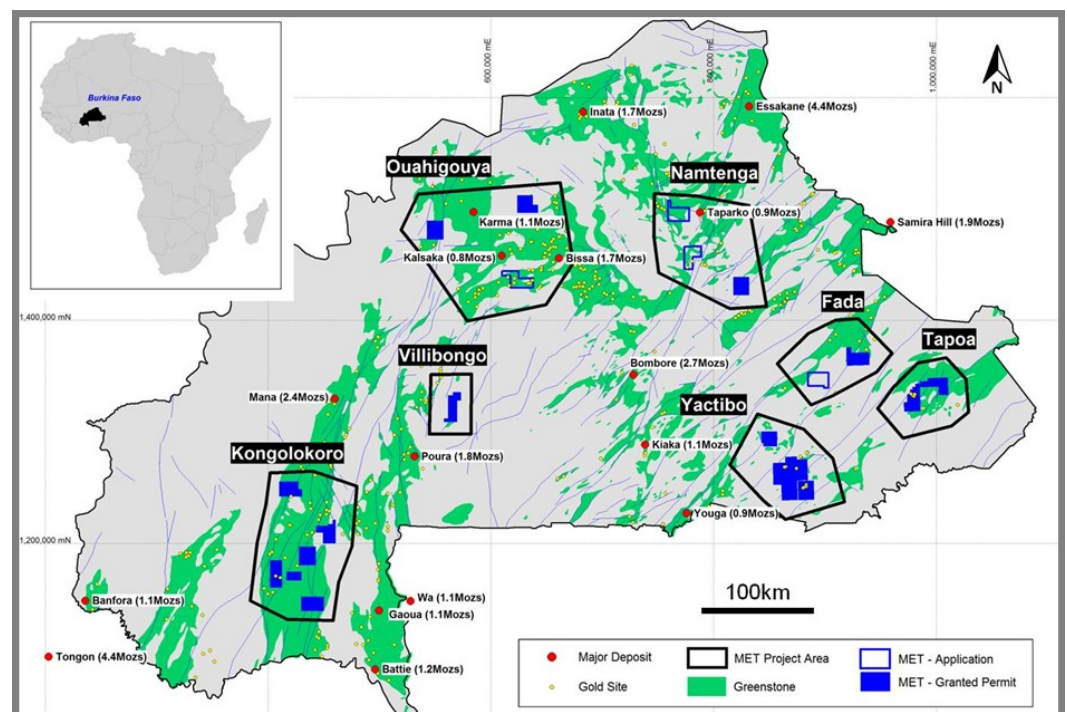
In the **Mt Isa region** MET holds 3,800 km<sup>2</sup> of tenements in 4 project areas focussed on copper and copper-gold targets. The first two drill holes completed at Gregory (IOCG copper-gold target under significant cover) have revealed significant iron oxide alteration and a "live" copper system. The current focus is on the Leichardt project area where an initial resource has already been announced. Leichardt contains multiple near surface copper targets, including Barbara North, Green Zone, North Gossan, Blue Star and Trey Bit.

Mt Isa Metals commenced exploration in **Burkina Faso**, West Africa in June 2010 and in December announced exceptional gold results from initial rock



*Visible Gold in Surface Sample from Yacti Prospect, Burkina Faso, West Africa*

sampling on several prospects. In January 2011 Mt Isa Metals announced exciting gold drill assay results from 20 holes along 3.6 km strike length of multiple high grade quartz lodes on the Nabanga Prospect (within the Yactibo project area) which averaged 5 metres true thickness and 6 gms per tonne gold. D'Aguilar Gold considers the results to herald the potential on over 20 kilometres of potential post structures at Nabanga representing a large high grade gold discovery.



*Fig 5: Mt Isa Metals project Areas in Burkina Faso, West Africa*

## New Shale Gas Province in the Northern Territory



**Armour Energy Limited  
CEO, Phil McNamara**

Armour Energy is D'Aguilar Gold's recently formed energy subsidiary dedicated to the discovery and development of world class gas resources in an extensive new province in the Northern Territory.

Armour has identified a core target area located within and adjacent to the fault bounded trough structure known as the Batten Trough (see Figure 6). The target sediments are the

**Fig 7: Gas flow from Amoco mineral exploration borehole GR-79-9 at Glyde River 1979.**

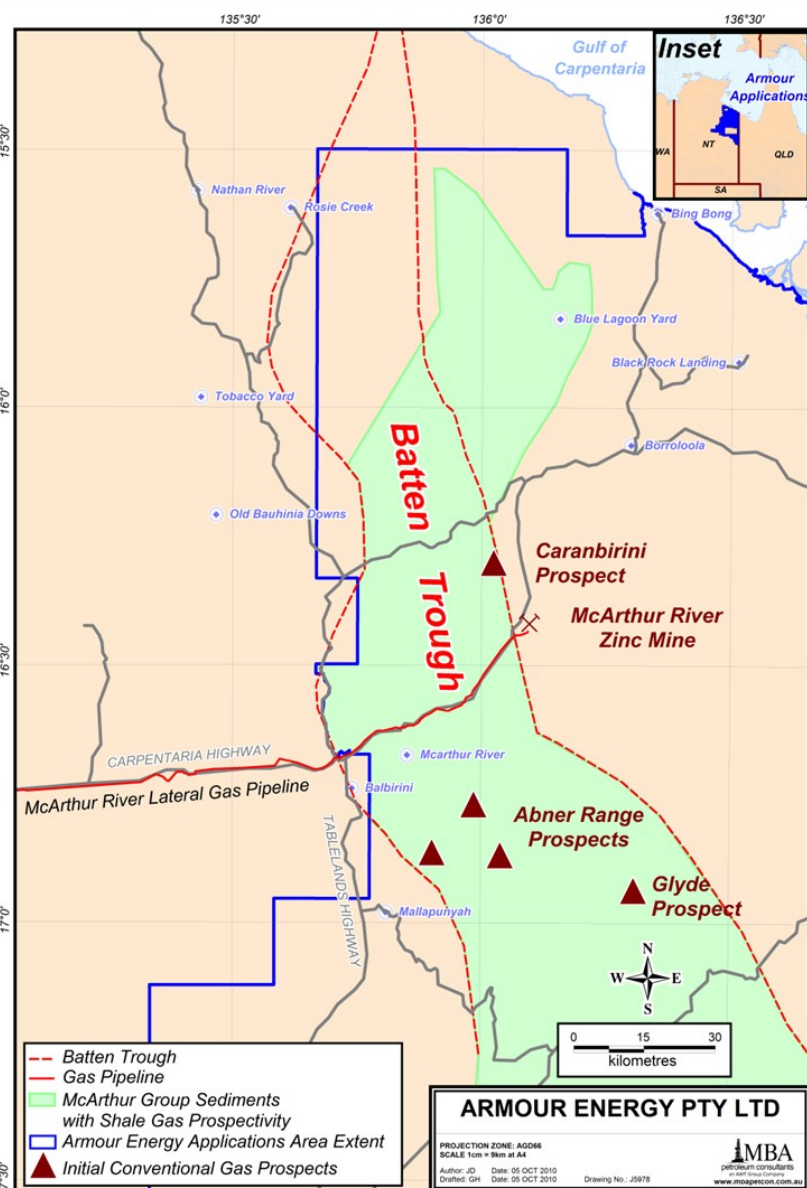


thickened sections of the gas rich Barney Creek Shale which has scope to host up to 40 TCF of gas in the area.

Previous exploration activities for zinc encountered numerous shows of gas condensate oil and bitumen, including a 140psi six month gas blowout (see fig 7).

The area is also prospective for large shale gas resources which are expected to be comparable to or rival shale gas resources contained within known shale gas basins in the USA.

During the quarter tenement access negotiations necessary prior to grant were well advanced, with a focus on progressing Native Title and Cultural Heritage negotiations with Traditional Owners.



**Fig 6: Armour Energy Conventional and Shale Gas Project Area – Northern Territory**

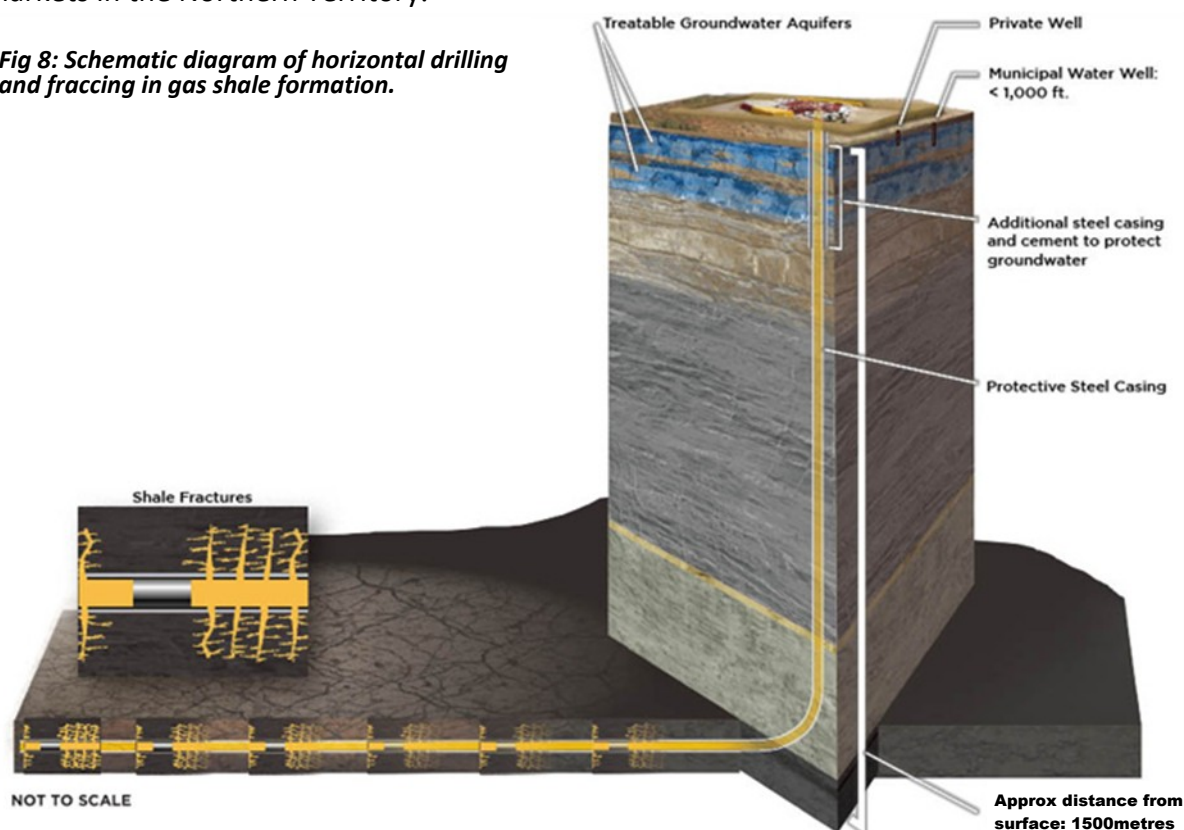


## Market Opportunities Identified

Several short term and lower volume market domestic industrial and power generation opportunities have been identified in and near to the exploration area, or adjacent pipeline infrastructure. Early exploration targets and ultimately reserve definition and production plans have been selected to address these opportunities.

The project area is well positioned to service the Northern Economic Triangle of Queensland and local markets in the Northern Territory.

**Fig 8: Schematic diagram of horizontal drilling and fracking in gas shale formation.**



## US Shale Gas Exploration

### and Development Techniques to be Applied

Shale gas technology developed in the USA and commercially applied by a number of companies and operators in Texas, Wyoming, Oklahoma, Louisiana, Arkansas, North Dakota as well as Saskatchewan and British Columbia in Canada will be applied in the exploration of the area (see Figure 8).

The geology of the Northern Territory target area demonstrates extensive target shale units with total organic carbon content, thermal maturity levels and thicknesses presenting comparable targets to the currently producing Haynesville, Barnett, Marcellus and Bakken Shales that are currently yielding high volume gas production in the USA, (see Figure 9)

Shale gas development and production relies on the

production of gas from artificially fractured low permeability gas bearing shales which are penetrated by radiating horizontal lateral holes drilled off a vertical centre well. Armour's well depths are targeted at between 500 and 1500 metres within the project area.

On the basis of available information and an Australian operating environment, Armour Energy is targeting overall exploration and development costs of \$1.40 per GJ.

## Shale Gas Importance

Shale gas production in 2008 supplied approximately 2TCF of gas per year into the US gas market being equivalent to 9.1% of total US marketed gas production of 21.9TCF. In 2008 US shale gas production exceeded US coal bed methane production<sup>1</sup>.

In 2009, total Queensland gas production was estimated to be

232 PJ. Production from the expanding coal seam methane industry was estimated at 151 PJ having overtaken conventional gas production to now account for 65% of Queensland gas production<sup>2</sup>.

Gas resource targets onshore in the NT have not previously attracted major commercial exploration efforts, owing to historic low gas prices, lack of available markets and a focus on conventional reservoir styles which were perceived to be limited in size potential.

Armour Energy's strategy relies, as with the emergence of the coal seam gas industry in

<sup>1</sup>Source: US Energy Information Administration Website  
<sup>2</sup>Source: Queensland Government Website



Queensland 10 years ago, on the discovery of very large unconventional gas resources extractable with proven, but as yet untried methods in this area, along with the generation of high volume downstream industrial, power generation and export markets.

Armour Energy is targeting similar development of shale gas production in the Northern Territory and believes that shale gas production in the Northern Territory will ultimately provide a significant adjunct to energy supplies in both the Northern Territory and Northern Queensland.

### ***Early Gas flow***

#### ***Potential in Conventional Targets***

In its Northern Territory project areas, Armour Energy has identified potential for shale gas plays in the Barney Creek Shale and potential to discover conventional gas accumulations in the Coxco Dolomite abutting the Barney Creek Shale along the Emu Fault Zone both North and South of the McArthur River Zinc Mine. A mineral exploration hole drilled at the Glyde River prospect in this area by Amoco in 1979 flowed gas and condensates at 140psi for 6 months before it was sealed at the surface (see Figure 7).

Mineral exploration drill holes in the area frequently encountered bitumen, residual oil, gas shows and gas flows further substantiating the presence of a mature petroleum system in the area. Armour has identified several targets adjacent to the Emu Fault Zone near both Glyde and Caranbirini along with other anticline related targets adjacent to the Abner Range. These targets provide immediate potential for approximately 200 Billion cubic feet or approximately 210 PJ of gas with further potential to be identified in similar trap sites.

### ***Relatively Low Land Use, Social and Environmental Conflicts***

Armour is encouraged by the project's location in areas of manageable environmental and social impact with expected negligible impact on groundwater due to depth along with minimal land use conflict.

### ***Capital Raisings and ASX Listing Planned***

Armour has AUD10.0 million seed capital raising underway in the current quarter and plans IPO and ASX listing in mid 2011.

### ***Experienced Board and Management in Major Projects and Gas Exploration***

Armour's CEO, Mr Phil McNamara is highly experienced in the field of major project feasibility and development having recently headed the feasibility study and then successful negotiations with major Chinese constructors, financiers and customers for Waratah Coal. His previous appointments also saw him managing large coal development projects for Yanzhou Coal Australia, and prior to that Xstrata Coal.

Armour is well supported by a team of highly experienced and successful petroleum exploration experts and consultants and draws relevantly on the coal seam methane experience of its chairman and D'Aguilar CEO, Mr Nicholas Mather, who was instrumental in the early business development strategy, project acquisition and exploration programs for Arrow Energy and Bow Energy. He is currently a Non Executive Director of Bow Energy.

Mr Bill Stubbs, Chairman of D'Aguilar was also Chairman of Arrow Energy between 1998 and 2005, during its emergence as a major coal seam methane company, and his experience will be particularly relevant to the emergence of Armour Energy as a major gas company.



***Fig: 9 Oily and Gassy source rocks over 100m thick in the Batten Trough***

# NAVAHO GOLD

## Carlin Style Gold – Queensland and Nevada, USA

Navaho Gold is a 58% owned subsidiary of D'Aguilar Gold with a clear strategy focussed on "Carlin Style" gold mineralisation. "Carlin Style" gold mineralisation was recognised near the town of Carlin in Nevada USA in the early 1980s. Deposits occur as the result of low temperature solutions precipitating gold, silver and sulphide minerals in limey, magnesian and carbonaceous sediments, which have first been made porous by acid solutions emanating from nearby intrusions and fragmentation from fault activity.

In Nevada the mineralisation occurs in >35km long structural corridors known as trends, such as the famous Carlin and Battle Mountain-Eureka trends, which host in excess of 200 million ounces of gold as past production and current resources. The trends are important features which are the focus of the intrusions, faulting and mineralisation. This model and mineralisation style is regarded as a holy grail for gold explorers all over the world. Importantly the world's largest gold deposits are located in sedimentary basins.

### The Navaho Gold Approach

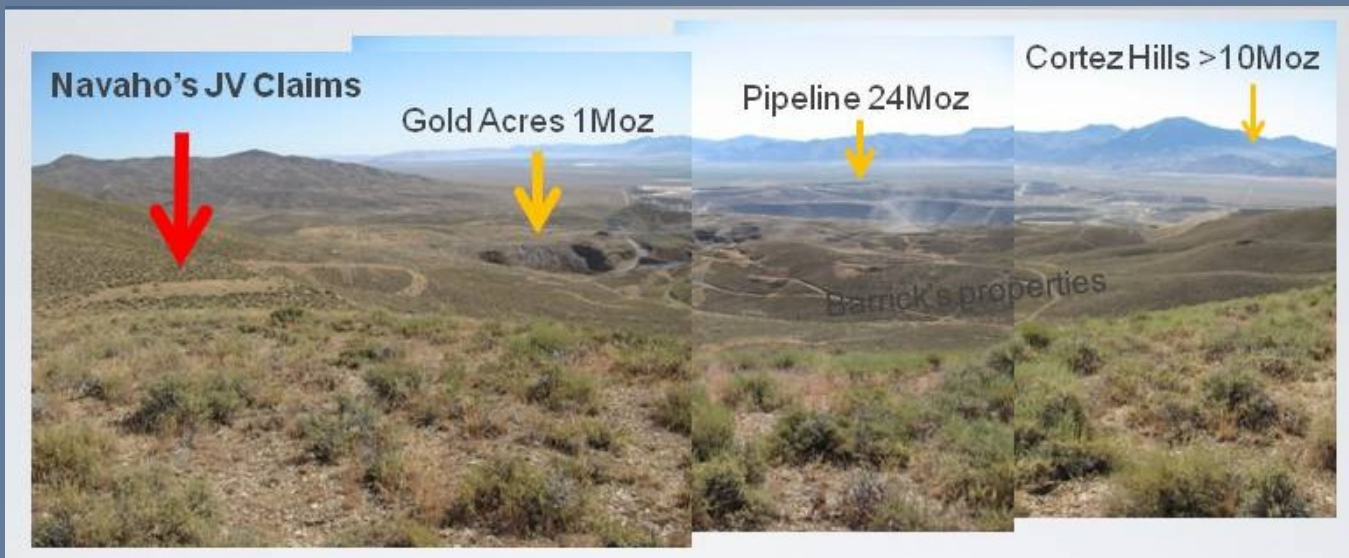
The Navaho Gold team led by CEO Mark Dugmore (former Exploration Manager, BHP for International Exploration. Personal discovery record of >2Moz in several deposits) uses a regional approach to gold exploration using leading edge technologies integrating geophysics with geochemistry combined with extensive global field experience to locate mineralisation. This strategy has been previously successful for members of the Navaho team and by focussing on one of the world's most prolific gold

provinces - where Nevada leads in gold production per unit area (Fig 11) - Navaho can improve its chances of success. Historic drilling in Nevada has, in many places, not reached depths below 150m and Navaho intends an aggressive deeper drilling strategy on its prospects and targets for the discovery of the next generation of gold deposits.

The technical and fund raising strengths combined with extensive industry experience and previous success makes Navaho Gold a premium investment opportunity for investors in the junior resource market, particularly for gold.

During the quarter Navaho has completed option negotiations to acquire seven key properties in the Battle Mountain-Eureka and Carlin areas in Nevada, USA. As illustrated in Figures 10a, 10b and 12, several of these properties are potentially 'on trend' and

**Fig 10a & 10b below show: Location of Navaho Utah Clipper and Crestview Properties, Nevada, USA**





# NAVAHO GOLD

within sight of existing multi-million ounce mines operated by Newmont and Barrick. All of the Nevada properties can be rapidly advanced to the drilling stage.

## Why Nevada?

Exceptionally high prospectivity and discovery record.

In 2009 the USA was the 2nd largest gold producing nation in the world, more than 75% of which came from Nevada<sup>1</sup>.

2008 Nevada gold production of 5.7Moz accounted for 8% of total world mine output<sup>1</sup>.

Production of gold in Nevada in 2008 came from 19 major mining operations (<100,000oz pa)<sup>2</sup>.

The Carlin Trend alone has 100Moz of gold in reserves and resources—more than 70Moz of past production<sup>1</sup>. Nevada is consistently ranked in the top 5 most appealing mining jurisdictions in the world<sup>3</sup>.

Fig 11: Nevada Gold Production Per Unit Area

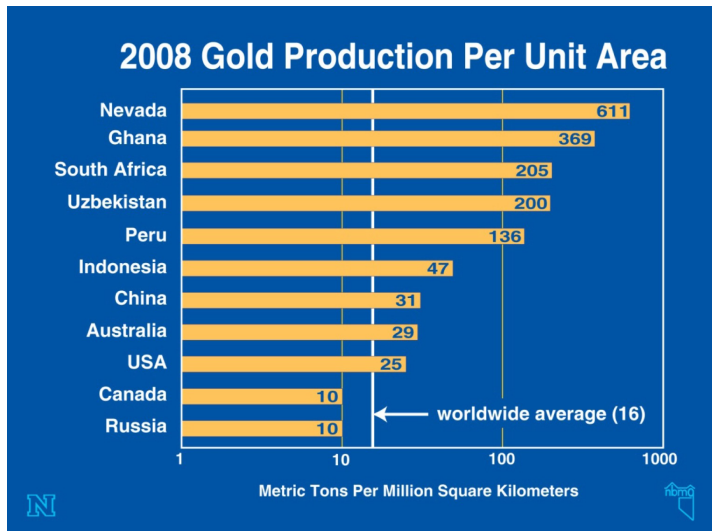


Fig 12: Navaho Carlin East JV Claims, Nevada, USA

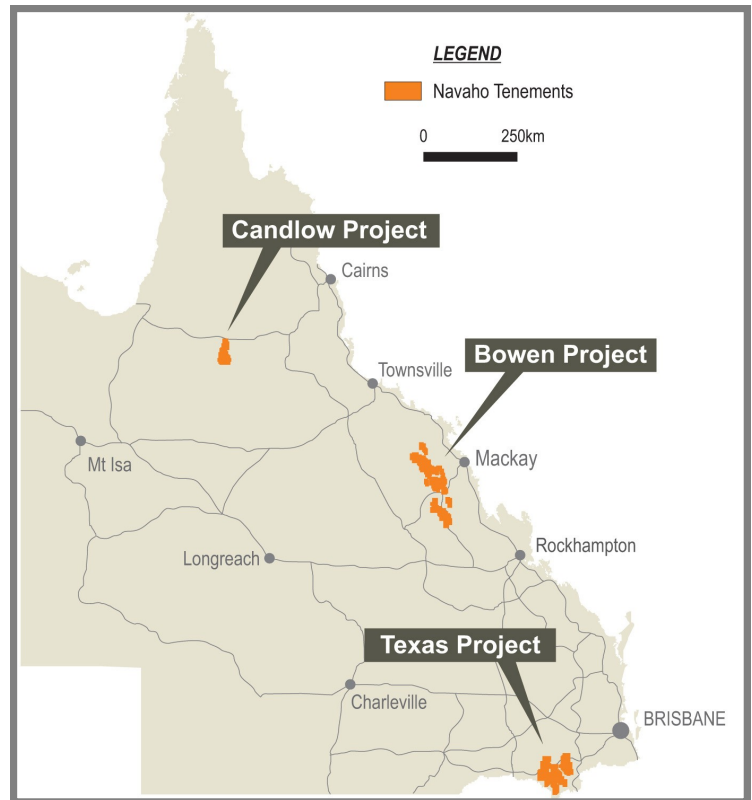


## Queensland

In Queensland, as a result of its own project generation, the company has also identified district scale opportunities for the discovery of Carlin-style mineralisation in parts of unexplored sedimentary basins.

Navaho Gold holds 6 granted EPMs and 20 EPM applications covering more than 7,000 km<sup>2</sup> in southern, central and northern Queensland on three major project areas at Texas, Bowen and Candlow as shown in Fig 13.

Fig 13: Navaho Gold Queensland Project Areas



## Forward Plans

Early in the quarter Navaho Gold completed a seed capital raising of \$1 million to meet the acquisition and initial project related costs for its Nevada properties, and to provide working capital to assist management with the continuing process of taking Navaho to an IPO. Preparation of the prospectus is now all but complete, with plans for an IPO and ASX listing in the coming quarter.

<sup>1</sup> Overview Economic Overview of Nevada Mining Industry, 08-09

<sup>2</sup> Nevada Bureau of Mines & Geology, Special Publication MI-08

<sup>3</sup> Fraser Institute Annual Survey of Mining Companies 09/10

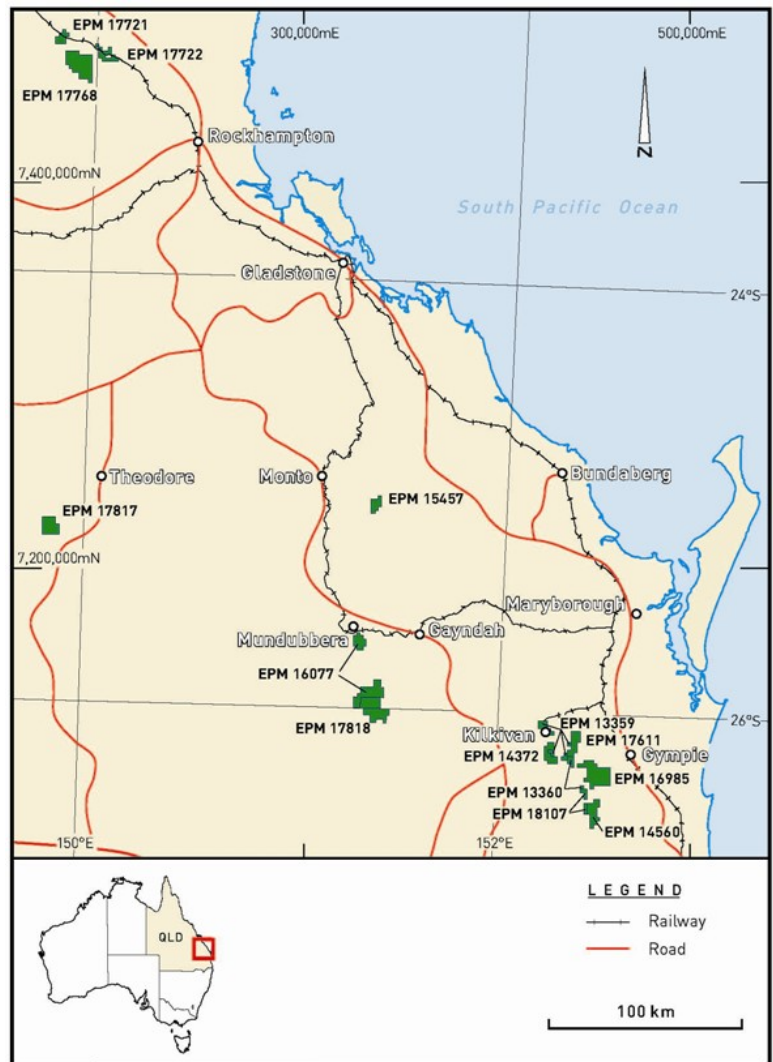


D'Aguilar Gold holds 58.85 million shares representing 53% of AusNiCo Limited following the successful IPO and listing of ANW on the ASX on 21 October.

AusNiCo is led by Chief Executive Officer, Mr John Downie, an experienced Mining Industry Professional.

AusNiCo is focussed on defining and developing nickel sulphide and oxide mineralisation in extensive new provinces in Queensland. The tenement package assembled by AusNiCo is shown in Figure 14.

In 2008, the company discovered the first significant nickel sulphide mineralisation in Qld at Pembroke near Kilkivan in Hole PEM 2 (4.2metres @ 1.1% 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.



**Fig 14: AusNiCo Exploration Tenements in Queensland**

### AusNiCo PEMD1 Diamond Hole

Azimuth 330° Mag. 427471E:7101088 N (AMG)

D_From	D_To	Interval	Au_ppm	Ag_ppm	Co_ppm	Cu_ppm	Ni_ppm
18.1	20.0	1.9	0.89	0.96	149	3,990	1,715
20.0	22.2	2.2	4.41	5.95	320	16,950	2,500
22.2	23.9	1.7	2.78	6.05	313	17,850	2,640
23.9	25.0	1.1	1.23	1.04	135	4,770	1,055
25.0	26.0	1.0	1.68	2.78	181	8,540	1,580
26.0	27.0	1.0	2.14	1.97	150	6,910	1,195
27.0	28.0	1.0	1.90	2.25	168	7,870	1,290
28.0	29.0	1.0	1.10	2.11	154	7,260	1,390
29.0	30.0	1.0	1.33	2.23	146	7,430	1,250
30.0	31.0	1.0	1.41	5.77	299	17,650	2,780
31.0	32.0	1.0	9.56	15.85	638	50,600	5,300
32.0	32.3	0.3	4.45	4.46	208	12,250	2,140
32.3	34.0	1.7	0.73	2.06	246	6,910	2,940
34.0	35.0	1.0	0.98	1.82	134	5,170	1,735
35.0	37.0	2.0	1.13	1.76	115	4,280	1,365
37.0	39.0	2.0	0.62	0.47	130	1,040	1,955

**Table 2— Part 1—18.1 to 39 metres**

Prior to the onset of the wet season AusNiCo completed and announced very encouraging assay results for its first diamond core hole at the Pembroke Prospect. The assay results are shown in Table 2 Parts 1 and 2.

Drilling has recently recommenced and further results are expected to be announced in the coming quarter.





**Figure 15: Pembroke Prospect Discovery Hole**



**Fig 17: Stream sediment sampling Mt Cobalt Area**



**Figure 16: Drilling at Mt Cobalt**

D From	D To	Interval	Au_ppm	Ag_ppm	Co_ppm	Cu_ppm	Ni_ppm
39.0	41.0	2.0	0.03	0.15	154	267	2,610
41.0	43.0	2.0	0.04	0.10	121	232	2,040
43.0	45.0	2.0	0.09	0.22	158	561	2,970
45.0	47.0	2.0	0.03	0.06	218	87	<b>4,400</b>
47.0	49.0	2.0	0.03	0.09	159	192	2,860
49.0	51.0	2.0	0.11	0.34	161	493	2,720
51.0	53.0	2.0	0.03	0.10	123	170	1,960
53.0	55.0	2.0	0.02	0.08	137	97	2,390
55.0	57.0	2.0	0.09	0.52	205	1,170	<b>4,170</b>
57.0	59.0	2.0	0.08	0.21	405	459	<b>8,590</b>
59.0	61.0	2.0	0.02	0.10	273	209	<b>5,620</b>
61.0	63.0	2.0	0.08	0.31	553	527	<b>12,950</b>
63.0	65.0	2.0	0.02	0.18	249	209	<b>4,270</b>
65.0	67.0	2.0	0.23	0.42	125	571	1,910
67.0	69.0	2.0	0.16	0.39	140	620	2,360
69.0	71.0	2.0	0.07	0.41	149	764	2,330
71.0	73.0	2.0	0.16	0.39	138	637	2,020
73.0	75.0	2.0	0.03	0.33	120	640	1,895
75.0	77.0	2.0	0.14	0.71	116	1,300	1,830
77.0	79.0	2.0	0.09	0.71	128	1,590	2,060
79.0	81.0	2.0	0.13	0.81	129	1,960	2,050
81.0	83.0	2.0	0.14	0.76	126	1,880	1,955
83.0	85.0	2.0	0.08	0.52	119	1,290	1,925
85.0	86.7	1.7	0.06	0.51	110	1,140	1,695
86.7	88.0	1.3	0.04	0.46	169	1,110	2,880
88.0	90.0	2.0	0.21	0.52	138	1,020	2,310
90.0	92.0	2.0	0.06	0.41	138	785	2,350
92.0	94.0	2.0	0.12	0.37	133	817	2,360
94.0	96.0	2.0	0.06	0.33	121	699	2,110
96.0	98.0	2.0	0.07	0.36	133	766	2,180
98.0	100.0	2.0	0.06	0.32	136	724	2,280
100.0	102.0	2.0	0.04	0.34	130	752	2,210
102.0	104.0	2.0	0.06	0.36	139	856	2,360
104.0	106.0	2.0	0.08	0.49	110	926	1,850
106.0	108.0	2.0	0.14	0.37	107	757	1,790
108.0	110.0	2.0	0.03	0.35	115	658	1,930
110.0	112.0	2.0	0.02	0.22	116	446	1,910
112.0	114.0	2.0	0.05	0.39	215	849	4,150
114.0	116.0	2.0	0.05	0.32	119	636	2,100
116.0	118.0	2.0	0.13	0.37	111	636	1,940
118.0	120.0	2.0	0.05	0.36	111	622	2,150
120.0	122.0	2.0	0.03	0.35	115	517	2,110
122.0	124.0	2.0	0.06	0.38	136	616	2,400
124.0	126.0	2.0	0.07	0.67	188	1,090	3,850
126.0	128.0	2.0	0.10	0.73	129	1,320	2,210
128.0	130.0	2.0	0.04	0.69	146	938	2,810
130.0	132.0	2.0	0.09	2.11	150	1,240	2,980

**Table 2— Part 2—39 to 132 metres**

## Iron, Titanium and Bauxite – Queensland

Ridge Exploration is 86% owned by D'Aguilar Gold, and together with its wholly owned subsidiary Eastern Exploration holds exploration licences for iron ore over parts of the northern Surat Basin, the underlying basement and other areas where previous work has identified iron ore development with over 40% iron content in lateritised profiles. While over the past 40 years the mining industry has concentrated on the exploitation of haematite ores grading better than 55% iron, it has been overlooked that for most of the history of the iron and steel industry (many centuries), iron ore grading 35+% was the accepted standard. Given that the Ridge target areas are situated adjacent to massive coal and gas reserves (owned by unrelated third parties) and given the current high prices for iron ore, it is possible that lower than currently used grades of iron ore should be able to be very profitably exploited even bearing costs of upgrading by processing.

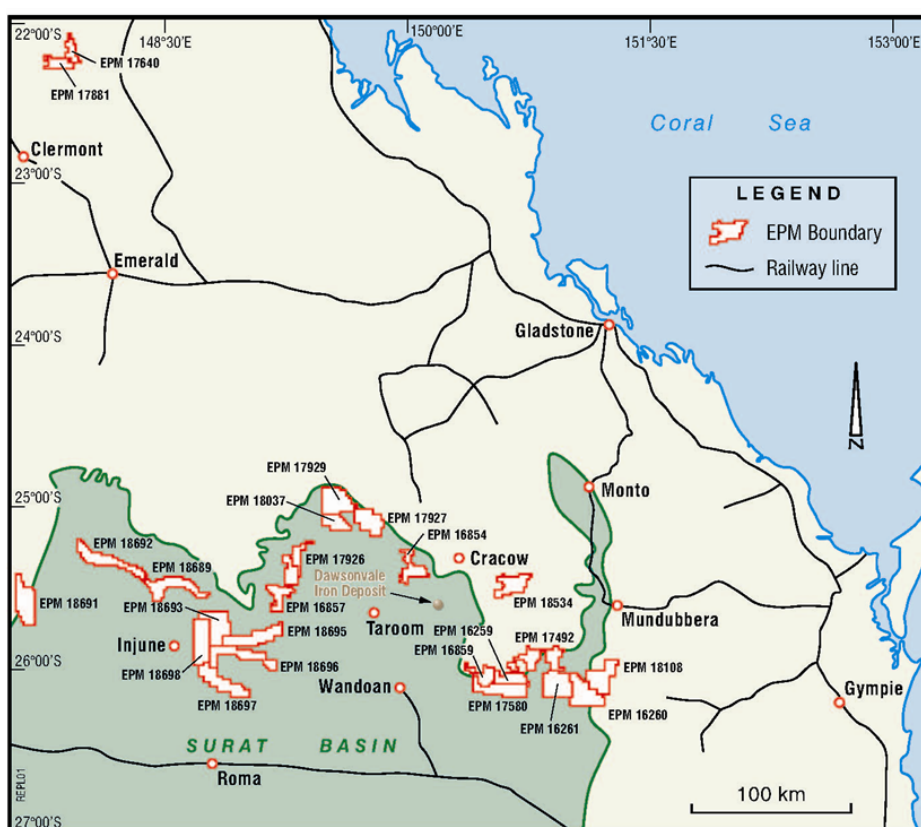
Initial field work has already identified extensive deposits of sediment hosted iron ore with many assays  $>40\%$  Fe. The largest and strongest iron deposit identified lies in the Johnson Creek area on the eastern edge of the Basin approximately 100km southwest of Mundubbera and 80km east of Wandoan, referred to as Cadarga. Mapping and sampling work at Cadarga has also led to the discovery of high grade Titanium Dioxides (to  $31\%$   $\text{TiO}_2$ ) around an interpreted basaltic volcanic centre near the town of Monogorilby. The deposit is flat lying within a lateritised volcanic breccia and covers about 6 square kilometres around a diatreme style of volcanic vent. The location of the Ridge and Eastern exploration tenements in Queensland is shown in Figure 15.

On 29 June 2010 the Directors of D'Aguilar Gold and Ridge Exploration Pty Ltd announced that agreement had been reached for a scrip-based take-over of Ridge Exploration by Canadian company Coltstar Ventures Inc (TSX.V: CTR). Under the Share Purchase Agreement, Coltstar will acquire 100% of the issued

shares in Ridge, in consideration for the issue of 10 million new, fully-paid shares in Coltstar to the Ridge shareholders.

Following the transaction, Coltstar will have approximately 38 million fully-paid shares on issue, together with approximately 5.75 million convertible equity instruments (options and warrants) and CDN\$150,000 worth of convertible debentures.

Ridge shareholders will hold approximately 27% of Coltstar following the transaction (approximately 23% on a fully diluted basis). As the majority shareholder of Ridge, D'Aguilar will hold approximately 8.6 million shares in



**Fig 15:Ridge Exploration Tenements in Queensland**

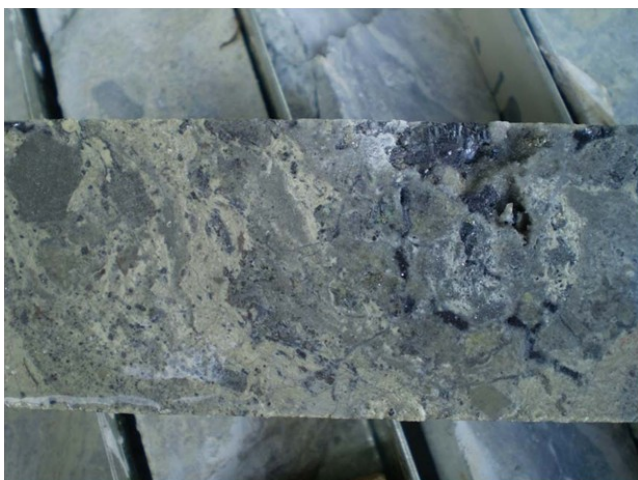
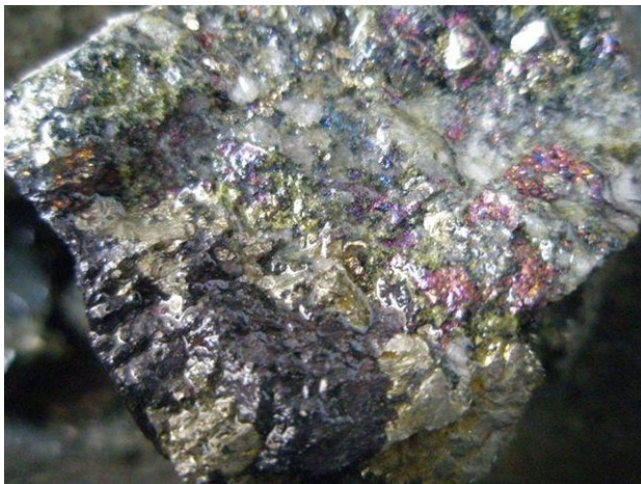
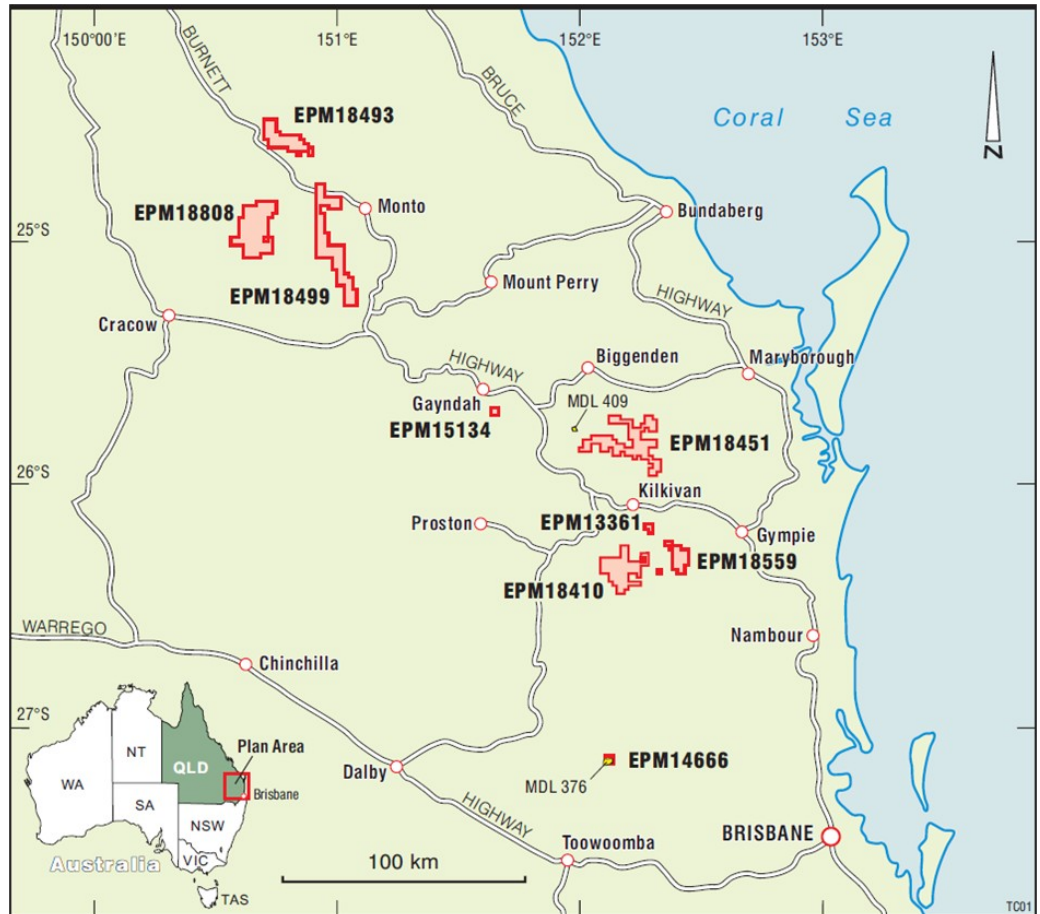
Coltstar following the transaction (approximately 23%). D'Aguilar will be entitled to appoint a Director to the Coltstar Board, and will continue to provide managerial and administrative support to Ridge on commercial terms. The parties are currently expediting the appointment of a Chief Operating Officer for Ridge to lead the further exploration and metallurgical programs.

The necessary due diligence and legal matters that need to be addressed by the parties to finalise the sale of Ridge have taken much longer than initially anticipated however following the approval of the TSX, and then Coltstar shareholders in early December, completion is expected to occur by the end of February 2011.



During the quarter Archer Resources Limited was formed from the merger of the former 100% D'Aguilar owned subsidiaries Barlyne Mining Pty Ltd and Anduramba Molybdenum Pty Ltd. Archer Resources is focussed on the discovery and development of porphyry copper gold molybdenum deposits in south east Queensland, with six key project areas – Peenam, Gayndah and Calgoa (which already host encouraging drill intersections), Great Blackall and Rawbelle (adjacent to the recent Aussie Q Resources discoveries at Whitewash and Gordons), and Anduramba. The location of the company exploration tenements are shown in map to the right.

D'Aguilar is currently seeking to appoint a CEO to Archer Resources. A seed capital raising of \$2 million will be undertaken during this quarter to progress exploration and allow management to prepare a prospectus for an IPO and ASX listing before June.



***Pic top left: High grade Bornite-Chalcopyrite infilling veins, Calgoa prospect***

***Pic bottom left: Late vuggy galena sphalerite veins 200m – 500m Hole BARD 1, Gayndah Prospect***

***Pic above: Pyrite, Chalcopyrite and Magnetite at 149m in Hole PEED1, Peenam Prospect***

# QUARTERLY REPORT



## 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](http://www.daguilar.com.au)

If you would like to receive news releases by email, please send us an email to [info@daguilar.com.au](mailto: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](http://www.daguilar.com.au)

### 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.

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 of this report of the matters based on the information in the form and context in which it appears.

### ISSUED CAPITAL

At 31 December 2010, D'Aguilar Gold Ltd had the following securities on issue:

- 322,202,760 ordinary shares
- 3.0 million (unlisted) options (9¢, 12¢, 15¢) expiring 30/4/11
- 3.0 million (unlisted) 27.5 cents options expiring 30/6/11
- 300,000 (unlisted) 22 cents options expiring 30/6/11
- 16 Million (unlisted) 28 cent options expiring 29 November 2013

### 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](http://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