



ASX Announcement

16 September 2009

Update on Merger of AusNiCo Limited and Lionsgate Metals Inc and Progress on key Gold assets

AusNiCo Limited

Further to the release made on 3 September 2009, the Directors of D'Aguilar Gold Ltd (D'Aguilar) and its 79% owned subsidiary AusNiCo Limited advise that due diligence by all parties is well advanced in respect of the merger agreement with TSX listed tier 1 Canadian company Lionsgate Metals Inc. [TSX-V: LGM]

AusNiCo is D'Aguilar's nickel exploration vehicle, with tenements along an extensive ultramafic zone prospective for nickel in south east Queensland.

D'Aguilar is presently progressing technical, legal and financial due diligence in respect of LGM. In particular a Canadian National Instrument 43 – 101 compliant independent technical report on the AusNiCo projects has been commissioned, and legal opinion, tenement reports and audited financial statements are well advanced. LGM anticipates acquisition documentation to be finalised shortly, and meetings are planned with Canadian regulatory officials in early October, with an aim to proceed with a planned CDN \$3m capital raising by LGM as part of the acquisition agreement.

Completion of the merger will achieve a stock market listing for AusNiCo, currently a 79% owned subsidiary of D'Aguilar, complementing existing holdings D'Aguilar maintains in other listed former subsidiaries ASX listed Mt Isa Metals Ltd [ASX: MET] and AIM listed Solomon Gold plc [AIM: SOLG].

Central Minerals Pty Ltd

Buoyed by the improving market conditions and sentiment, and the rising gold price, D'Aguilar now intends accelerating plans to effect stock exchange listing on a recognised stock exchange of the share capital in its 79% owned subsidiary Central Minerals Pty Ltd. D'Aguilar aims to achieve this in the next quarter.

Central Minerals holds the key gold assets assembled by D'Aguilar focussed around the Rannes and Clermont gold projects in Central Queensland. These projects are located in the basement and basal sediments and volcanics of the Bowen Basin. D'Aguilar's model for the project focuses on the prospectivity for bulk style mineralisation disseminated through large volumes of reactive host rocks in a similar fashion to the Carlin style deposits in Nevada USA.



Encouraging drill intersections and mapping and sampling results previously announced give support to this model, and the tenement position to cover the area has been expanded from the original core size to a strike length of 200km from the Dee River west of Mt Morgan to north and west of the Cracow mine (owned by an unrelated third party).

D'Aguilar's strategy of seeking listing of its key assets on recognised stock exchanges is designed to deliver:

1. Negotiability for its key assets;
2. Less dilutive funding of forward exploration programs; and
3. Expanded and focussed project management teams independent of D'Aguilar.

D'Aguilar's aim is to hold its key positions in the listed companies. Currently D'Aguilar also holds a substantial position (48%) in the ASX listed Mt Isa Metals Ltd, 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 Lionsgate AusNiCo merger and effect a listing of the Central Minerals Pty Ltd, Anduramba Molybdenum Pty Ltd and Ridge Exploration Pty Ltd share capital as soon as possible.

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

On behalf of the Board
K M Schlobohm
Company Secretary

For further information contact:

- Mr Nicholas Mather, Managing Director (07 3303 0680 or 0417 880 448);
- Mr Greg Runge, General Manager (07 3303 0680 or 0418 546 739);
- Mr Karl Schlobohm, Company Secretary (07 3303 0680 or 0419 721 007);

or at info@daguilar.com.au.

Electronic copies and more information are available on the Company website: www.daguilar.com.au