

QUARTERLY REPORT



HIGHLIGHTS

- Merger of AusNiCo Limited with TSX-V listed Tier 1 Canadian Lions Gate Metals Inc. announced
- Placement of new shares in D'Aguilar Gold raises \$1.54M
- Major new gold target identified by Central Minerals at Police Camp Creek
- Preparations well advanced for resumption of drilling on Rannes prospects by Central Minerals before year end
- D'Aguilar drilling at Amamoor encouraging for nickel in the Kandanga belt
- Titanium mineralogy at Ridge Exploration's Monogorilby Prospect identified as predominantly rutile
- Further soil sampling program undertaken at Bathurst Project

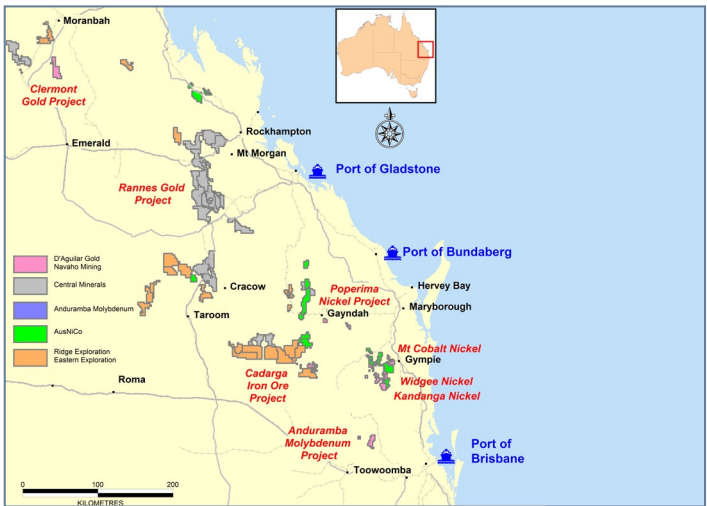


Figure 1: D'Aguilar Gold & Subsidiary Project Locations in SEQ

INTRODUCTION

During the quarter field exploration activities have been concentrated on soil sampling and geological mapping on Central Minerals and D'Aguilar Gold wholly owned projects at Bathurst.

A share placement in the parent company D'Aguilar Gold Limited raised \$1.54M, and ensures the company can continue to fund its corporate plans into the future.

The company has agreed to merge its 80% owned nickel/cobalt subsidiary AusNiCo Limited with the Canadian listed Lions Gate Metals Inc., and also proposes to effect a listing of its shares in 79% owned gold subsidiary Central Minerals Pty Ltd on a recognised stock exchange.

The locations of key project areas of D'Aguilar Gold Limited and subsidiary companies in southern Queensland are shown in Figure 1. The current corporate structure of the D'Aguilar Gold Limited Group is shown on the following Figure 2.

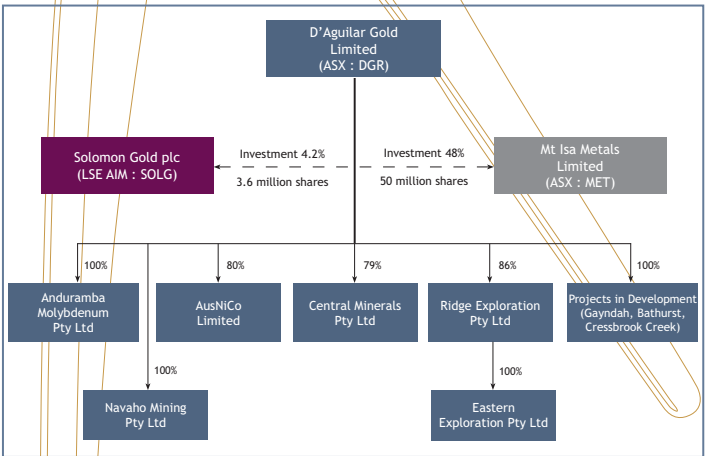


Figure 2: Corporate Structure - D'Aguilar Gold Limited Group

GOLD

Major new gold targets have emerged at Police Camp Creek, approximately 12km south of Rannes Central.

CENTRAL MINERALS PTY LTD RANNES PROJECT AREA

The surface gold values are similar to the main prospects at Central. Best gold and molybdenum soil and rock sample results are from an area some 200m southeast of the Brother Prospect, previously drilled by Queensland Metals Ltd in the early 1990's (see Figures 3 and 4).

Detailed work over the Crackling Rosie prospect (see Figures 3 and 5) has demonstrated that the gold (silver molybdenum) is hosted by a brecciated silicified limestone – identical to Crunchie in appearance. The ground magnetic imagery indicates that the demagnetised gold bearing structure dips north-easterly. No previous holes appear to have tested it. One hole (PD2) intersected 16m @ 2.3g/t Au through the breccia outcropping south of the demagnetised target.

CENTRAL MINERALS PTY LTD CLERMONT PROJECT AREA

New gold zones detected in sub soil sampling have emerged at Niagara north and Carrols Creek – Clermont. The peak sub soil value of 9.8 g/t Au at Niagara North is a remarkably strong result given the lack of outcrop and the suppressing effect of post mineral cover soils (see Figures 6 and 7).

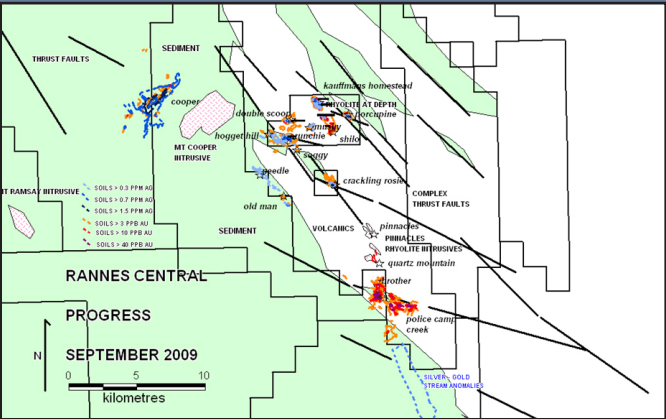


Figure 3: Location of Police Camp Creek, south of Rannes Central

CENTRAL MINERALS PTY LTD CORPORATE

As announced to the ASX in the market update on 16 September, buoyed by the improving market conditions and sentiment, and the rising gold price, D'Aguilar is

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. The listing event will be accompanied by a capital raising that will permit drilling programs to recommence on the various gold prospects.

Plans are well advanced to recommence drilling on Rannes Central prospects at Porcupine Pie, Double Scoop, Crunchie and Crackling Rosie, and also to carry out initial first pass drilling on the Clermont prospects at Niagara North, Mutation and Carrols Creek, hopefully ahead of the commencement of the wet season.

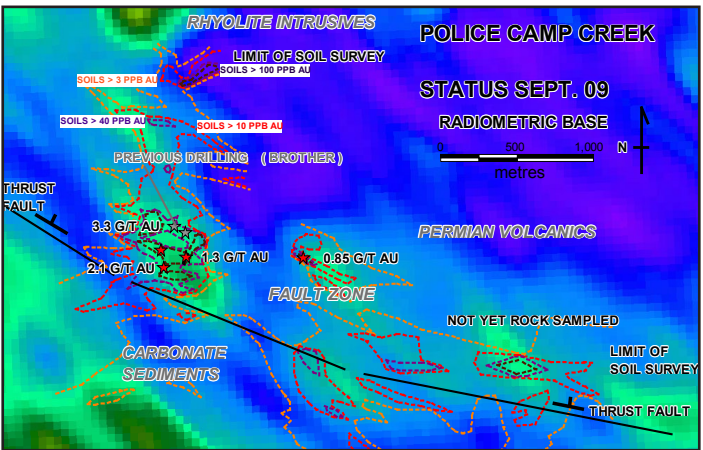


Figure 4: Initial Police Camp Creek Soil Geochemistry and Rock Sampling (radiometric background)

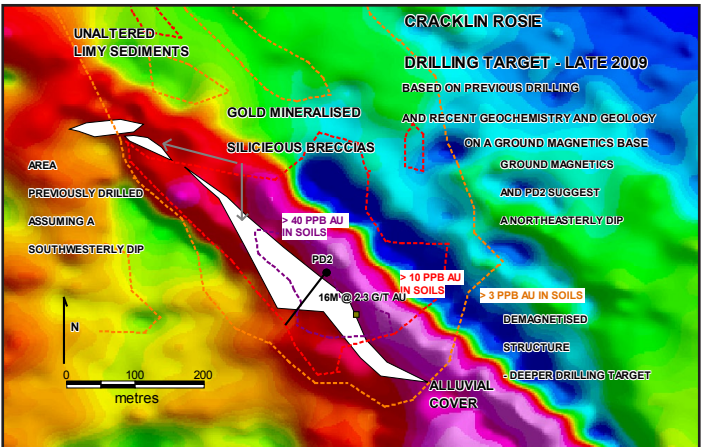


Figure 5: Crackling Rosie Drilling Target on Magnetics Background (with previous drill result)

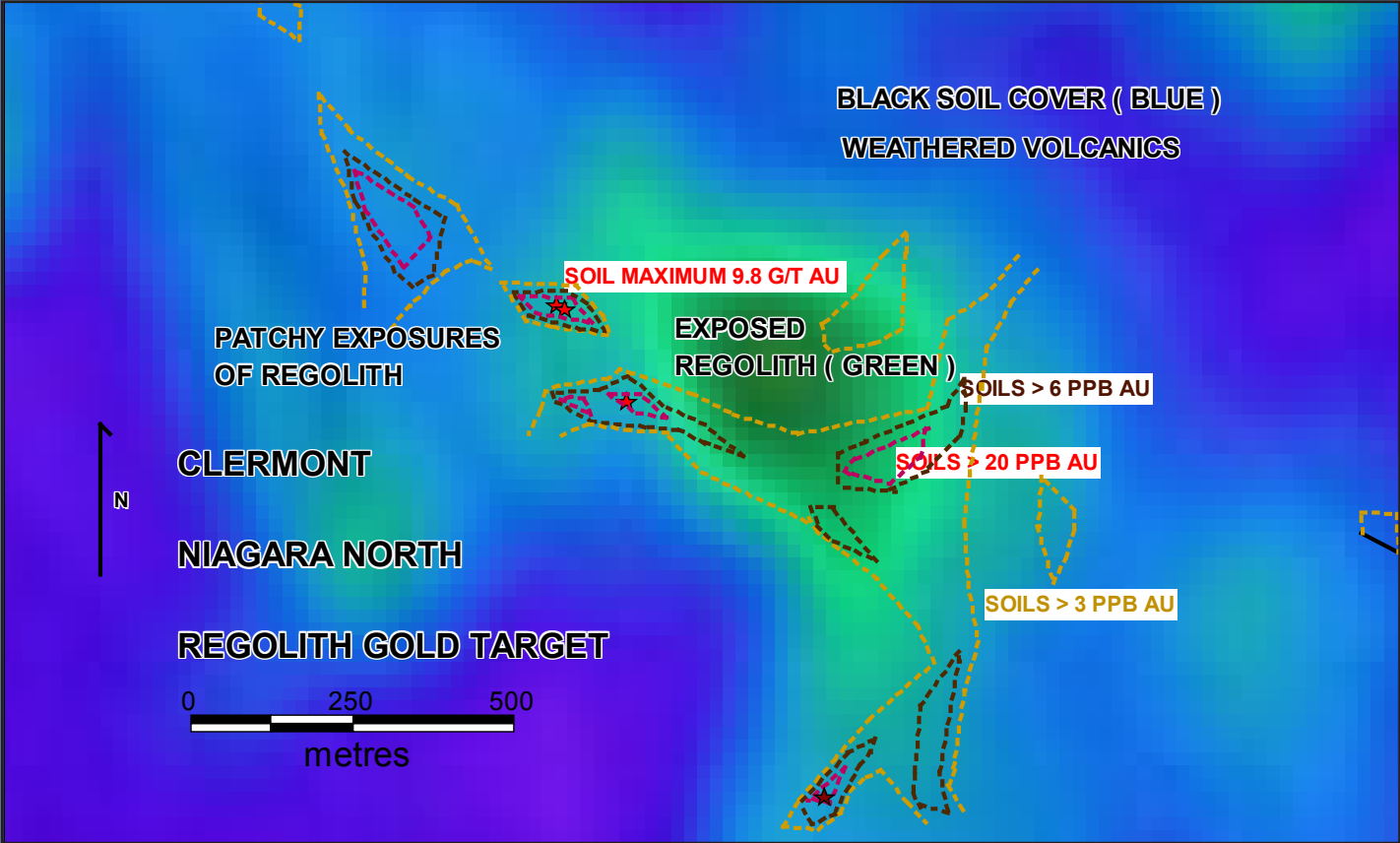


Figure 6: Clermont Project Niagara North Prospect (radiometric background)

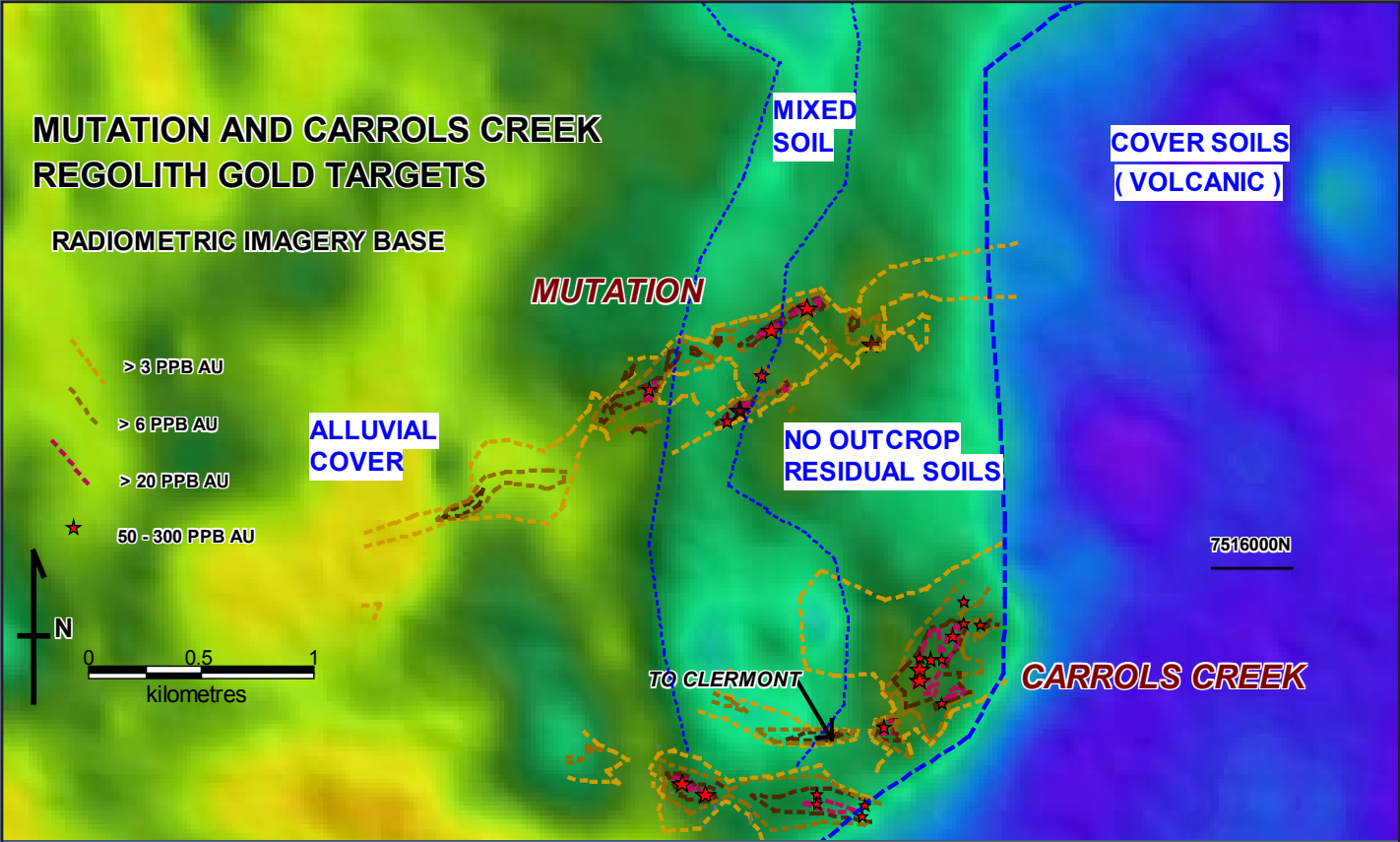


Figure 7: Clermont Project Update on Mutation and Carrols Creek Prospects (radiometric background)

IRON ORE – TITANIUM

RIDGE EXPLORATION PTY LTD

Ridge Exploration Pty Ltd has been undertaking evaluation of iron formations in the Surat Basin since May 2008, and identified a large iron ore, bauxite (aluminium oxide) and rutile (titanium oxide) prospect at Cadarga, 100km south west of Mundubbera and 80km east of Wandoan.

An area in excess of 200 square km has been delineated containing > 30% iron in rocks.

Mapping and sampling work in the Cadarga area led to the discovery of high grade titanium dioxides (to 31% TiO₂) around an interpreted basaltic volcanic centre near the town of Monogorilby 25km east of Cadarga (refer Figure 9). The prospect is flat lying within a lateritised volcanic breccia and covers approximately 6 square km around a diatreme style of volcanic vent. The prospect appears to be up to 10 metres thick, with the outcropping top 1–2 metres thick high grade mineralised material grading 10 – 31% TiO₂. Figure 8 shows a typical exposure of the titanium rich iron ore.

Following considerable delays at an independent laboratory, Ridge has recently received a preliminary report on the mineralogy of a sample of Monogorilby material submitted for Mineral Liberation Analysis (MLA) and Quantitative X-ray Diffraction (QXRD). The chemical assay of the sample is shown in Table 1 below:

| Sample | Al ₂ O ₃ | Fe ₂ O ₃ | SiO ₂ | TiO ₂ |
|--------|--------------------------------|--------------------------------|------------------|------------------|
| | 22.4 | 45.2 | 3.66 | 16.95 |

Table 1: Chemical Assay Data (Wt%)

While the report indicates the constituent minerals are present within complex textures, the titanium component has been clearly identified as predominantly rutile (TiO₂) with goethite (FeO(OH).Fe₂O₃). The iron component is primarily hematite, with goethite; the aluminium component is predominantly gibbsite.

Ridge Exploration believes it will be possible to separate the key mineral components by physical and chemical methods, and with the potential tonnage of material available at Monogorilby further work can now be undertaken. Drums of representative material are presently being collected from the prospect for metallurgical test work.

The location of the Monogorilby prospect close to key infrastructure in southern Queensland is shown on the following Figure 10.



Figure 8: Outcrop at Monogorilby

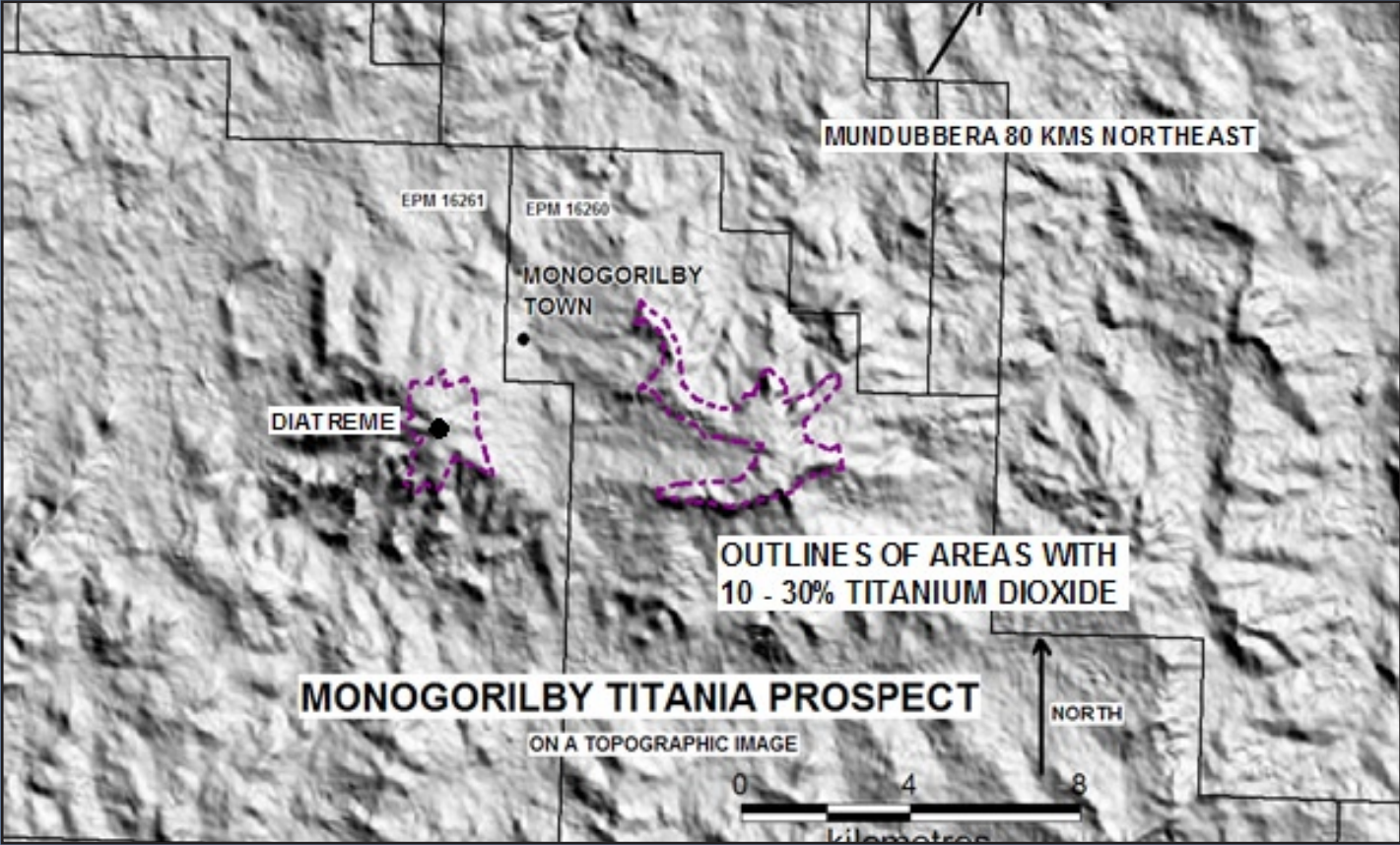


Figure 9: Monogorilby Titanium Dioxide Prospect on Topographic Background



Figure 10: Location of Cadarga and Monogorilby Prospects in South East Queensland



AusNiCo is D'Aguilar's 80% 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 50m zone averaging 0.34% Ni near surface). A large zone of oxide nickel mineralisation is under assessment at Mt Cobalt in the same area.

During the quarter AusNiCo continued surface exploration in the Kandanga nickel belt (located 60km south of Kilkivan) - a 10km long 1km wide belt of ultrabasics at Kandanga anomalous in nickel, cobalt, copper, gold and platinum, and coincident with magnetite rich skarn development (refer Figure 11).

Kandanga is interpreted to be geologically similar to the Pembroke – Mt Cobalt nickel belt south of Kilkivan which was drilled by AusNiCo during 2008 with positive results.

Late in the last quarter D'Aguilar Gold commenced drilling two diamond core holes on the far northern end of the Kandanga ultrabasic belt, supported under the Qld Government Collaborative Drilling Initiative. While base metal assays were not economic, a wide interval of approximately 0.18% Nickel (Ni) is seen as encouraging to the prospectivity of the belt as it widens to the south on the AusNiCo tenement.

AUSNICO LIMITED LIONS GATE MERGER

As announced to the ASX on 3rd September, and updated on 16th September, agreement has been 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 is now well advanced, and the merger is expected to complete in the current quarter.



STATUS OF OTHER PROJECTS AND FORWARD OUTLOOK

During the quarter the company conducted a further mapping and sampling program at the Bathurst gold/copper project. Assay results from over 350 samples are pending.

Planning has recommenced for diamond drilling at Peenam, and at the Oaky Creek prospect (Gayndah Project).

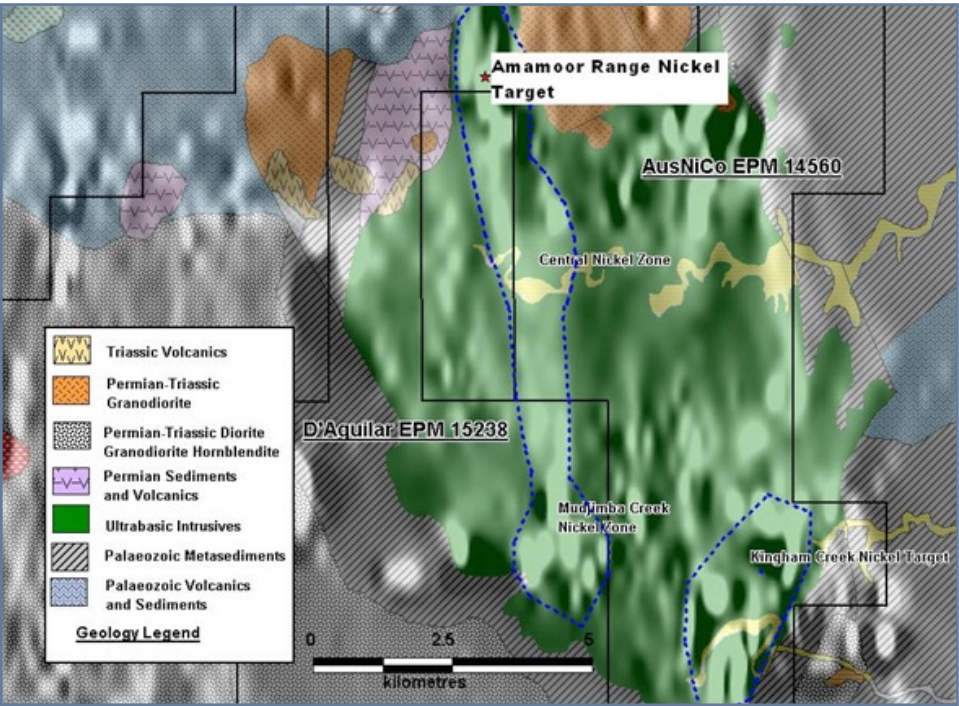
CORPORATE

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. Skilled, experienced, highly qualified and focussed project management teams independent of D'Aguilar.

D'Aguilar's aim is to hold its key equity positions in the listed companies. Currently D'Aguilar holds 4.2% 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 effect a listing of the capital of Central Minerals Pty Ltd, Navaho Mining Pty Ltd, Anduramba Molybdenum Pty Ltd and Ridge Exploration Pty Ltd as soon as possible.

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



COMPETENT PERSONS STATEMENT

The information herein 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 a director of D'Aguilar Gold Ltd's subsidiaries). Mr Mather has more than five years 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). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

Figure 11: D'Aguilar Gold and AusNiCo Kandanga Belt Nickel Target Area



QUARTERLY REPORT

CORPORATE INFORMATION



DIRECTORS

Nicholas Mather (Managing Director)
Ian Levy (Chairman)
Brian Moller
Vincent Mascolo

COMPANY SECRETARY

Karl Schlobohm

EXPLORATION MANAGER

Neil Wilkins

GENERAL MANAGER

Greg Runge

REGISTERED OFFICE AND HEAD OFFICE

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AUSTRALIAN STOCK EXCHANGE ("ASX")

ASX Code: **DGR** (Ordinary shares)

AUSTRALIAN BUSINESS NUMBER

ABN 67 052 354 837

ISSUED CAPITAL

At 30 September 2009, D'Aguilar Gold Ltd had the following securities on issue:

- 244,637,909 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, 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

WEBSITE

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.