



## ASX Announcement

**10 March 2010**

### **Update on Merger of AusNiCo Limited and Lions Gate Metals Inc.**

Further to its previous announcements of 3 and 16 September, and 21 December 2009, the Board of Directors is pleased to announce that it is on track to merge its 80% subsidiary AusNiCo Ltd with Tier 1 TSX.V listed Lions Gate Metals Inc.

All of the relevant parties to the transaction have now executed the definitive Securities Exchange Agreement, and preparations are being made by Lions Gate to complete the Filing Statement for lodgement with the TSX by 15 March 2010. Following completion of the Filing Statement, Lions Gate will seek the final approvals for the transaction in anticipation of settlement by 31 March 2010.

D'Aguilar Gold and Lions Gate are currently finalising the CDN\$4,000,000 capital raising being undertaken in conjunction with settlement of the transaction.

As previously advised, on settlement 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 optionholders.

D'Aguilar Gold is an 80% shareholder of AusNiCo, and also holds 20 million of the 22 million options on issue. Accordingly, following settlement, D'Aguilar Gold will hold 7.8m Lions Gate shares and 2.6m Lions Gate warrants, with a market value of approximately A\$11m, based on the transaction and capital raising pricing of CDN\$1.10.

In addition, Lions Gate will provide A\$250,000 in cash for the discharge of AusNiCo's recorded liabilities at the date of the signing of the Letter of Intent (December 2009), plus the subsequent costs associated with the settlement of the transaction.

#### **About AusNiCo**

AusNiCo is an unlisted Australian company with nickel exploration tenements in South East Queensland, Australia. It is 80% owned by D'Aguilar Gold which is listed on the Australian Securities Exchange (ASX: DGR). The merger of the two companies will create a listed base metals specialist with nickel, copper and molybdenum assets in British Columbia, Canada, and Queensland, Australia.

## **About Lions Gate Metals**

Lions Gate is a Canadian based, junior resource company focused on the exploration, development, and acquisition of both advanced and early stage mineral projects. The Company owns 100% of three substantial copper and molybdenum projects located in British Columbia. The Company's flagship project is the Poplar porphyry copper - molybdenum deposit near Houston, BC. The Huckleberry Mine owned by an unrelated third party, and located approximately 35 kilometres southwest of the Poplar Deposit, produces copper and molybdenum from a deposit of similar age and setting. LGM also holds a substantial ground position around the Thompson Creek Mines porphyry molybdenum project.

On behalf of the Board  
KM Schlobohm  
Company Secretary