

ASX Announcement

20 December 2007

Revised Resource Block Model and Optimisation for Anduramba Molybdenum Project

Highlights:

- Total resources of 32 million tonnes averaging 0.059% Molybdenum Equivalent* (Mo Eq).
- Comprises: Indicated Resources 20.5 Mt @ 0.064% Mo Eq
 Inferred Resources 11.6 Mt @ 0.052% Mo Eq
- Revised optimised pit shows a net present value of discounted cash flows, not including capital costs, in the range A\$203 million to A\$283 million (see details below).
- Core drilling for detailed metallurgical and geotechnical work is underway.

D'Aguilar Gold subsidiary, Anduramba Molybdenum Pty Ltd advises that a new resource estimation and pit optimisation for the Anduramba Molybdenum project has been completed and confirms increases in resource tonnage, increased total contained metals and increased discounted cash flow.

Parameters Used for Pit Optimisation:

A pit optimisation study was conducted using the entire resource to gauge the project size. This optimisation generated a positive net present value of discounted cash flows (excluding capital) of **A\$283 million** used the following key operational parameters:

Resource: 32.1 million tonnes: Indicated 20.5 Mt, Inferred 11.6 Mt (see Appendix)

Cut-Off Grade: 0.03% Mo Eq

Milling Rate: 3 million tonnes per annum

Waste to Ore ratio: 1.6 : 1 **Density** of ore and waste = 2.5 tonnes per cubic metre

Processing & Revenue Parameters:

	Mill Feed Grade (ppm)	Mill Recovery (%)	Net smelter returns (% of price)	Prices (\$US)
Mo as sulphides	415 ppm	85%	87.5%	US\$30/lb
Mo as oxides	118 ppm	70%	87.5%	US\$30/lb
Silver	5.7 ppm	65%	80%	US\$13/oz
Copper	159 ppm	70%	80%	US\$2.50/lb
US\$ to A\$ exchange rate	0.80	Royalties: 2.7% of net smelter returns		Discount rate 10%

Operating Costs: Mining ore & waste \$1.80 to \$2.16 per tonne (\$4.50-\$5.40 per cubic metre)

 Milling \$10 per tonne of ore milled

 Administration \$0.30 per tonne of ore milled

 Totals \$13.18 to \$13.76 per tonne milled

* refer footnote

Comparison Between New and Previous Estimates (see ASX Release 2 July 2007):

Due to increased drilling density, the resource category has increased to 64% of the tonnes being Indicated Resources and 36% Inferred (previously 100% Inferred in July 2007).

There has been a 21% increase in total ore tonnes, a 19% decrease in Molybdenum grade, a 5% decrease in Silver, and a 14% increase in Copper. These changes amount to an overall 15% decrease in Mo Equivalent grade and 2% increase in contained Mo Equivalent metal. The Company feels this resource is more suited to the low cost bulk mining and milling strategy for the deposit.

Resource Category	Tonnes Millions	Resource Metal Grades				Contained Tonnes Metal Mo Equivalent		% increase
		Molybdenum (%Mo)	Silver (%Ag)	Copper (%Cu)	% Mo Equiv*	This estimate	Previous estimate Jul'07	
Inferred Resources	11.60	0.048%	0.0004%	0.011%	0.052%	6,100	18,700	
Indicated Resources	20.50	0.056%	0.0007%	0.019%	0.064%	13,000		
TOTAL RESOURCES	32.10	0.053%	0.0006%	0.016%	0.059%	19,100	18,700	2%

*refer footnote

The price of Molybdenum has continued to hold strongly above US\$32 per lb over recent months, and the new estimate has therefore been based on a Mo price of US\$30 per lb (previously US\$25). Silver recovery has however been conservatively lowered to 65% (previously 85%) pending further metallurgical testing in early 2008.

Project Upsides:

The new assessment has used conservative strip ratios (based on an average pit slope of 45 degrees including haul roads). It has assumed conservative mill operating costs pending further metallurgical testing and process plant specification.

A program of oriented HQ diamond core drilling is currently underway at Anduramba to provide material for further detailed metallurgical testing and in situ bulk density measurements. Geotechnical logging will provide information on expected slope stabilities for detailed mine planning.

On behalf of the board,
D P Cornish
20 December 2007

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 Duncan Cornish, Company Secretary (07 3303 0680 or 0407 623 302);

or at info@daguilar.com.au

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

Footnote regarding estimation and metal equivalents assumptions:

Cut-off grades are based on Molybdenum Equivalence ("Mo Equiv") and the inputs for this calculation are:

1	troy ounce (oz)	=	31.103477	grams (gm)
1	pound (lb)	=	453.5924	grams (gm)

Metal*	Prices (US\$) Feb 2007 outlook	Units	Price per gram (gm) (US\$)	Ratio	Today's Spot Prices for comparison with the February outlook prices used
Mo	\$25.00	/ lb	\$0.055 / gm	1.00	US\$32.20/lb
Ag	\$13.50	/ troy ounce	\$0.434 / gm	7.88	US\$14.00/oz
Cu	\$2.50	/ lb	\$0.006 / gm	0.1	US\$2.87/lb

Where Mo = Molybdenum, Ag = Silver and Cu = Copper (all in ppm)

In the Company's opinion all elements included in the metal equivalents calculation have a reasonable potential to be recovered, approximately in the proportions of 70% to 85% for Mo, 75% to 85% for Ag and 70% to 80% for Cu based on preliminary metallurgical testwork results to date. Recoveries may change as testwork proceeds. On this basis, the formula used to calculate Mo Equiv is as follows (note no recoveries have been included in this calculation):

Mo Equiv = Mo + 7.88xAg + 0.1xCu

Appendix: Explanatory Notes regarding Resource Statement:

Competent Person and JORC Code

The resource report was prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Alex Virisheff, Principal Resource Geologist and Troy Lowien, Resource Geologist, of consultants Coffey Mining Pty Ltd, who are Members of The Australasian Institute of Mining and Metallurgy ("AusIMM").and have a minimum of five years of experience in the estimation, assessment and evaluation of Mineral Resources of this style and are the Competent Persons as defined in the JORC Code. Troy Lowien conducted the geological modelling, statistical analysis, variography, grade estimation, and report preparation. This announcement accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context in which it appears.

Estimation Procedures

Molybdenum mineralisation occurs as coarse molybdenum associated with quartz veining and also disseminated through the host rock in areas. Exploration has been conducted in the area since 1967. The investigations of the Anduramba porphyry have include detailed mapping, soil sampling, stream sediment sampling, the rock chip sampling of an adit, geophysical surveys and various diamond, percussion and reverse circulation drilling programs.

Adequate quality control procedures have been implemented for all data collection by the Company from 2006 onwards so that appropriate levels of analytical precision and accuracy have been achieved for use in resource estimation. A limited amount of quality control data was collected for the pre-2006 drilling. What data is available indicates a reasonable level of quality. Coffey Mining is satisfied that the pre-2006 exploration data is appropriate for use in resource estimation.

The usual sampling interval is 2 metres in each drill hole. Mineralised domain boundaries for the purpose of constraining grade estimation have been interpreted and modelled based on the geological logging, grade constraints and interpreted geological and structural controls. Statistical and geostatistical analyses within domains were carried out on 2m composites. An outlier analysis resulted in the cutting of some high grade composites to avoid overestimation of grade. All Mineral Resources quoted in this report are based on grade estimates contained in 3 dimensional block models created with Surpac® Software. All metal grades were interpolated using an Ordinary Kriging algorithm and validated by visual and statistical comparison. Tonnage calculation was based on limited in situ bulk density measurements obtained from diamond core. Resource classification was in accordance with guidelines as set out in the JORC Code (2004). The key criteria used in classification were drill density, geological and grade continuity, and quality of grade estimates.