

**ASX ANNOUNCEMENT**

25 January 2007

**Diamond Drilling Program commences at Mt Cobalt Nickel Project**

**HIGHLIGHTS:**

- Diamond Drilling Program to test for significant extensions of the mineralised nickel zone at Mt. Cobalt, and targeting -
  - Shallow nickel oxide resources
  - Nickel sulphide resources at depth
- Close spaced electromagnetic and aerial magnetic survey (VTEM) planned for Mt Cobalt and Mt Widgee area
- Metallurgical tests underway
- Investigations continuing into atmospheric temperature and pressure leaching of nickel oxides

The Board of D'Aguilar Gold Ltd is pleased to advise that a diamond drill program has commenced at the Mt Cobalt Nickel Project west of Gympie in SE Qld following the very encouraging results received from the six hole reverse circulation drilling program carried out late in 2006 (refer ASX announcement 13 December).

At Mt. Cobalt, D'Aguilar Gold has defined nickel mineralization open ended over 250m long, 200m wide and 115m deep. The four best mineralised holes of the earlier program all terminated in mineralisation, with the best intersection returning 78 metres from surface at 0.54 % nickel in COB-4.

In addition to the coincidence with strong surface nickel values in rock and soil samples, the mineralised zone is broadly coincident with a strong aeromagnetic signature. Three dimensional modelling of the available magnetic data indicates a strongly magnetic source at a depth of approximately 350 metres below surface and directly under the strongest core of the surface nickel anomaly. The surface anomaly extends over a 400m x 400m area and has previously returned rock chip samples to 1.6% nickel. Previous investigations have returned recoveries of 75% in a 90 day period in an acid leach test from a sample at Mt Cobalt (head grade 1.2% nickel).

D'Aguilar intends to extend the drill coverage up to 400 metres depth to test for extensions of the nickel mineralisation encountered in the top 115 metres currently drill tested. In particular, D'Aguilar is targeting the potential for a significant sulphide zone coincident with the strong magnetic anomaly.

D'Aguilar anticipates an expedited 2,000 metre program over 5 holes. Regional mapping, sampling and drill target generation continues in the Mt Cobalt environs and in the Mt Widgee area 8 kms to the east, and a helicopter borne electro magnetic and aerial magnetic survey (VTEM) is being planned for both areas.

On behalf of the Board  
D P Cornish  
Company Secretary