

## ASX ANNOUNCEMENT

29 September 2006

### **Drilling programs underway – 4 rigs engaged**

D'Aguilar Gold Ltd advises that it has commenced drilling on the Company's wholly owned gold and nickel prospects, and the Anduramba molybdenum project in south east Queensland.

#### **Anduramba Molybdenum Project**

At Anduramba, 150km west of Brisbane, two drilling rigs (one reverse circulation rig and one coring rig) have been engaged to test for resource extensions to the north east, south west and at depth and to collect large diameter core for metallurgical, geotechnical, crushing and grinding tests. A combined total of 2,200m of drilling is planned. The data will be used in a feasibility study on the Anduramba molybdenum project.

D'Aguilar will aim to complete the feasibility by the end of March 2007. The Anduramba project has been the subject of a scoping study which revealed a cumulative cash flow surplus of A\$180m at a molybdenum price of USD 25/lb and based on the recovery of the sulphide component only. During the feasibility study, the Company will also investigate the potential for economic recovery of the oxide component, estimated to contain a further 5 million lbs of molybdenum on the current resource base.

Field work on targets within 15km of Anduramba is also underway. Six priority targets have been identified with potential for additional molybdenum mineralisation.

The Anduramba project is now a wholly owned subsidiary of D'Aguilar Gold for the purposes of project funding.

#### **Gold Projects**

D'Aguilar has engaged two reverse circulation rigs to conduct a program of 2,300 metres drilling on six epithermal vein targets identified in the D'Aguilar Block. The gold prospects are located at Windera, Tansey (ABC - Star of Dawn group), Kilkivan (Long Tunnel and Orttts) and the Itchy Quid - Aurora prospects at Woolooga. The program is expected to take two months to complete.

#### **Cobalt Lode Nickel**

D'Aguilar will also conduct a program of up to 840m drilling on the Cobalt Lode nickel and cobalt prospect near the D'Aguilar operations base at Kilkivan. The target area covers over 160,000m<sup>2</sup> of mineralised serpentinite coincident with soils anomalism over 0.4% nickel. Rock chip samples in the area have returned up to 1.6% nickel. An early shallow drill program, undertaken by D'Aguilar, on the southern margin of the anomaly, intersected an average nickel grade of 0.46% with cobalt and copper credits to 30m depth. Initial laboratory tests leach tests show recovery at 75% of the contained nickel in 90 days under atmospheric conditions.

Recent magnetic modelling by D'Aguilar's consultants has identified a high order magnetic feature at depth, cut by a non-magnetic NE oriented shear zone. The drill program will assess the nickel content of the altered serpentinite host in the area and the presence of a mineralised intrusive under the serpentinite at depth. The presence of low order copper gold and zinc anomalism in the soils and previous drilling data supports this hypothesis.

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## Black Snake Nickel

Immediately following the Cobalt Lode program, D'Aguiar will conduct a program of up to 800m drilling on the Black Snake nickel and cobalt prospect. Twenty two drill sites have been selected to drill test the 350m gap in the nickel trend, joining the Ridleys and Jackson North nickel mineralised areas. Up to 500m of combined aircore and reverse circulation drilling will be required and completed by mid October.

Concurrently, three x 120m inclined percussion holes will be undertaken on the three strongest west dipping, moderate depth electromagnetic anomalies. These will be tested for nickel sulphide mineralisation. The anomalies were outlined in May 2006 by D'Aguiar's consultants on the Black Snake nickel project.

On behalf of the Board  
D P Cornish  
Company Secretary

This announcement has been prepared by Nicholas Mather BSc Hons Geol, a person with over five years experience in the area reported on.

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