

## REPORT FOR THE SEPTEMBER 2006 QUARTER

### HIGHLIGHTS

#### D'Aguilar Block Gold Copper

- First pass drilling completed for Windera. Epithermal gold mineralisation intersected 1m@ 10g/t, 1m@ 18 g/t plus low grade intersections
- Earthworks completed for drill pads at Long Tunnel (seven sites), Ortts (five sites), Itchy Quid-Aurora (numerous), South Burnett programs (six sites)

#### Nickel Project

- Mt Cobalt drilling commenced. Seven holes now completed to test 160,000m<sup>2</sup> anomaly over 0.4% Nickel in soils
- 20m @ 1.2 % Ni in access track sampling
- Black Snake Ni drilling completed. Visible nickel mineralisation
- Anomalous drainages defined at Poperima Ni project

#### Cloncurry Mt Isa Copper Gold Uranium

- Applications for 15 Exploration Permits over 10 Iron Oxide Copper Gold and Uranium projects, north Queensland

#### Anduramba Molybdenum

- Drilling programs commenced
- Visible Molybdenite in most holes
- 1,094m reverse circulation percussion in seven holes to test grade and additional resources
- 248m in PQ coring for metallurgical testing

#### Solomon Gold plc (1.9% direct interest + 1.0% NSR)

- Discovery of the Sutakiki porphyry copper–epithermal gold project, Guadalcanal Solomon Islands

#### New Projects

- Buaraba Creek and Cressbrook Creek applications granted for VHMS project, with epithermal gold drill targets apparent

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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## ACTIVITIES DURING THE PAST QUARTER

### Prospectivity review

Over the past three years the Company has conducted extensive mapping, sampling and drilling campaigns in its search for porphyry copper gold projects in the D'Aguilar Block near Brisbane in south-east Queensland. While the program successfully discovered several mineralised porphyry systems, the grade of copper and gold mineralisation was too low to represent ore grades. Accordingly the Company commissioned a prospectivity review by Kenex Knowledge Systems to assist in the determination of what exploration ground to retain and to identify any areas which may have been overlooked by D'Aguilar Gold.

The study used all the available data for geochemical, geophysical, mapping, rock alteration and radiometric surveys previously conducted by Government and industry. This comprehensive exercise was completed during the quarter, and as a result D'Aguilar Gold has identified approximately 50% of its ground position in the D'Aguilar area which may be relinquished, and has prioritised a number of targets for further follow up.

The work identified that in the Triassic intrusions of the D'Aguilar Block area the gold and copper mineralisation more probably occurs in the upper levels of highly differentiated and evolved systems which have generally been eroded from the block.

D'Aguilar Gold now regards the more prospective ground in its portfolio to be associated with epithermal gold systems and their unexposed intrusive parents. This strategy is directing the Company to as yet unassessed targets in the Esk Trough, west of the outcropping porphyry systems at King Creek, Peenam and Elginvale, where drilling programs through the year intersected low grade gold and copper mineralisation over considerable lengths.

### Anduramba Molybdenum Project

In July D'Aguilar Gold received the results of a revised and updated scoping study on the Anduramba Molybdenum project which shows a cumulative net operating cash flow surplus of \$184 million, based on an inferred resource of 14.4 million tonnes of ore with a grade of 0.065% Mo, as molybdenite (sulphide Mo) and 0.0275% Copper at a strip ratio of 1.6:1 waste to ore. The following assumptions were used in the study:

1. Molybdenum Price USD 25/lb
2. AUD/US exchange rate of 0.75
3. Copper USD3.20/lb
4. Total mining and milling molybdenum recovery of 80% and copper recovery of 70%
5. Ore mining rate of 2mtpa
6. Capital costs of A\$45 million
7. No value in the assessment for the oxide molybdenum content.

The project demonstrates upside for additional ore on the southwest and northern end of the Anduramba ore body, where the lower limit has not been defined. During the next phase of the evaluation of the Anduramba project, D'Aguilar Gold intends to investigate the potential for the recovery of up to a further five million pounds of contained molybdenum in the oxide portion of the mineralised deposit, and not included in the current resource calculation or modelled cash flow.

In addition, as reported during the year, D'Aguilar Gold has commenced investigating five other targets within 15km of Anduramba, (Bunya, Bluff Mt 1 & 2, Maronghi Creek, and Middle Creek) which may, if successful yield further molybdenum ore. Other potential targets led to an application for an adjacent EPM 15684 (Anduramba Extended) which has since been offered to D'Aguilar Gold for grant.

On the current assumptions and assessment of costs, the project break even molybdenum cost is USD16/lb.

The study identified that if realised, additional molybdenum resource targets and the oxide component over the existing resource would significantly enhance the projected earnings of the Anduramba project. Further, management has identified an opportunity for enhancement of the grade of the existing resource with infill drilling in the centre and richer core of the deposit.

Drill site preparation for an 1,800m RC program and 400m diamond core program was completed in early September and drilling commenced on 25<sup>th</sup> September. The results of the drilling program are expected to be available in the current quarter.

During the quarter the Company transferred the project to a wholly owned subsidiary and has commenced discussions with several parties to provide the necessary capital to complete the full feasibility and then fund development of the mine and processing plant.

Work during the current quarter is intended to focus on the mining crushing and metallurgical tests on the large diameter core recently collected and the recoverability of the oxide molybdenum phase.

### **Black Snake Nickel Project**

During the quarter, D'Aguilar Gold continued work on its promising atmospheric heap leach nickel and cobalt project emerging in the Black Snake and adjacent Cobalt Lode areas near Kilkivan. These are situated on a 30km long prospective greenstone belt stretching from Widgee in the south to north of Kilkivan, and form the basis of a proposed nickel leach and recovery project. Precedents for this style of project are being set by the Caldag operation European Nickel plc in Turkey and the Nornico operation being developed by Metallica Minerals NL at Greenvale. D'Aguilar Gold is also exploring highly prospective nickel areas near Widgee (west of Gympie), Wallaville (near Gin Gin) and Poperima (near Monto). These targets were selected after reconnaissance work by D'Aguilar Gold identified extensive serpentinite belts on the basis of aeromagnetic surveys.

The principle nickel project for the company is the Black Snake – Mt Cobalt project near the Company's exploration base south of Kilkivan in south east Queensland.

The Black Snake – Cobalt Lode nickel project was generated as a result of the occurrence of ore grades of nickel and cobalt mineralization in the area, having been originally defined by historic miners and a Department of Mines mapping sampling and drilling program. The mineralisation was originally defined in an iron rich laterite developed at Ridleys (now an inferred tonnage of approximately 800,000 tonnes @.8% nickel at Ridleys and Jacksons) on the Mt Mia Serpentinite, interpreted to have developed from the regional metamorphism of ultramafic rocks; peridotite and harzburgites.

The discovery of recoverable nickel mineralization in the Cobalt Lode area to the north in the serpentinite by D'Aguilar, following up soil and rock chip sampling conducted by the Mines Department, at the same time as the Avebury nickel discoveries in Tasmania by Allegiance Mining suggested that the area held potential for much larger tonnages in altered serpentinite units overlying or adjacent to granitic intrusives. D'Aguilar went on to define a regional ultramafics 30 km belt long which is ubiquitously anomalous in nickel at the .25% level and enriched up to 3% in areas where Nickel has been scavenged from the serpentinite minerals by sulphur introduced from the granitic intrusions.

D'Aguilar has identified an even later stage liberation in hydrothermal alteration systems associated with the late stages of the intrusive activity. Numerous targets have been outlined for follow up mapping and sampling in the belt, however work is currently focused on the most promising of these the Cobalt Lode prospect on the northern end of the Black Snake zone, 3km east of the exploration base at the Shamrock, south of Kilkivan. Government sampling over the conical hill at Cobalt Lode outlined extensive nickel and cobalt anomalism over 160,000m<sup>2</sup>.

Two holes were put into the southern edge of the anomalous zone in 2005 returning 0.45 % nickel and up to .11% copper to the limit of the holes at 30 metres. Previous activity at the Cobalt Lode mine focused on a rotting green "seam" which contained up to 6-10% Co in patchy manganese wad, and up to 2% Ni in the green garnierite clay. D'Aguilar has proposed the presence of a deep porphyry source underneath the Cobalt lode hill explaining the presence of magnetite wollastonite skarn mineralization, the Mt Clara copper mineralisation, to the north and intrusive dykes and veins in the altered serpentinite host. Hydrothermal alteration, including swarms of silica veins also support the presence of a deep porphyry.

During the quarter D'Aguilar conducted modelling of the magnetic data which showed the development of a high magnetite content zone in the serpentinite, with a low magnetite zone corresponding to the late stage silica veining.

### ***Cobalt Lode***

During the quarter D'Aguilar placed bulldozer road cuts and drill pads for 7 x 120m drillholes around the peak of and near the Mt Cobalt workings. The earthworks exposed common green and black nickeliferous / cobaltiferous weathered species of clays and manganese minerals in strongly brecciated ultramafic rocks with overprinted networks of epithermal quartz veins.

Four rock chip channel samples were collected to gain shallow sub-surface information on nickel tenor of the unusual serpentinite and silica breccias in the area.

Results received for these samples since the end of the quarter are encouraging. A 20m chip channel sample taken in the access track cut some 20m distance uphill from the Cobalt lode workings, returned 1.1% Ni and 0.013 % Cobalt (1.2%Ni equivalent). Three other samples collected from various other track cuttings ranged between 0.6 to 0.7% Ni. Gold, copper and silver were subdued, with zinc weakly elevated. These results further substantiate the high tenor of nickel mineralisation at Mt Cobalt and substantiates the rationale for the drilling program.

Drilling commenced since the end of the quarter and seven holes have been completed to a maximum depth of 115 metres. Variably weathered and fractured serpentinite with variable low temperature quartz veining was intersected in all holes. Mineralisation consisted of varying amounts of green and black earthy manganese cobalt and nickeliferous oxides and clays and in two of the holes minor amounts of sulphide minerals at depth. The holes were located to target the geochemical and geophysical anomalies modelled on the conical peak of Mt Cobalt.

### ***Black Snake***

Twenty two (22) drill sites were selected to test the gap between Ridleys and the Jackson North Ni mineralised (resource) areas as outlined in the March 2006 program, and concurrently to test/infill the Jackson North area to close off open ended drillholes from the earlier program.

Drilling of this shallow hole RC program commenced on 9 October and was completed on 16 October with a total meterage of 461m. A deep RC hole will be drilled later this quarter to test the EM ground geophysical target (for Ni sulphides) identified in May.

Strong oxidation and possible nickeliferous banded clays have been encountered in all 22 holes, with some of the softer holes penetrating to 39m.

The down hole materials are described as serpentinite and hornfelsed serpentinite, with increasing evidence of magnetite and chromite. Two holes, BSN\_A30 and BSN\_A33, some 140m apart striking NNW and situated in a 50-80m wide igneous-serpentinite contact "corridor" on the western flank of the Station Creek Adamellite, both encountered mixed sulphides as described below. This is roughly parallel to the EM anomaly outlined in May, and could mean that there is a sulphidic zone present over a moderate distance but of uncertain width.

#### Hole A30

0-2m total oxidation

2-24m hornfelsed serpentinite. EOH

From 18-20m 10% sulphide pyrite chalcopyrite and a white hexagonal unspecified sulphide. Fine traces sulphide 22-24m.

#### Hole A33

0-2m total oxidation

2-26m partial oxidation hornfelsed veined serpentinite bx textures.

Some minor felsic dykelets

26-39m eoh fresh hornfelsed (skarn?) serpentinite.

31-36 bluish colour and disseminated sulphide-mt possible tr violarite

#### ***Ridleys***

At Ridleys 2 x 120m inclined RC holes will be drilled in late October to test the moderate to weak modelled west dipping EM anomalies (for Ni sulphides) generated during May this year.

#### ***Widgee Nickel***

D'Aguilar Gold rock results returned a best assay of 0.4% Nickel over 10m zone of fine silica / iron network veined serpentinite.

Additional mapping and sampling is planned to define drill targets.

#### ***Wallaville Ni Project***

Modelling of aeromagnetic data by D'Aguilar consultants during the quarter suggests that here is a large discrete deep-seated shallow dipping magnetic source below the near-surface basalts. Previous explorers have identified stream sediment nickel anomalism in the area.

Further mapping and sampling is planned to attempt to define a drilling target in the area.

#### ***Poperima Nickel project***

The Poperima Nickel project is located near Monto in south east Queensland.

During the quarter reconnaissance revealed similar geology to the Black Snake Nickel project and also possible gold mineralisation related to acid intrusives.

Drainage assay results for 32 reconnaissance samples were received. Gold results were weak with only four samples with greater than 1ppb Au (max 2.8 ppb Au). Nickel results were very encouraging in four samples with > 150 ppm Ni (max 802 ppm) in an area draining ultrabasics near contact with acid intrusives. Weakly elevated copper, cobalt and arsenic samples were also received and will be field checked in the current quarter.

## **Cloncurry Mt Isa Copper Gold Uranium**

During the quarter, the company's recently established wholly owned subsidiary D'Aguilar Minerals continued to generate iron oxide copper gold and untested uranium targets in the Cloncurry Mt Isa belt of northern Queensland. The area is regarded by the Queensland Department of Mines as the most valuable exploration terrane in the world on the basis of the known metal endowment per unit area.

The Directors believe that the engagement by the company of Mr Cam Switzer during the Quarter to manage the generative and exploration effort for this project gives D'Aguilar a competitive edge in the search for this style of mineralisation. Mr Switzer has had considerable experience as Principal Geologist for MIM before it was taken over by Xstrata. D'Aguilar Minerals has now applied for fifteen exploration licences over ten different mineralised target areas in the region. These targets exhibit uranium channel radiometric (if outcropping) and aeromagnetic anomalies characteristic of the quartz hematite breccias which host the copper gold mineralisation in an IOCG system. IOCG systems are responsible for some of the larger orebodies in Australia, including Olympic Dam and Prominent Hill in South Australia and Ernest Henry in the Cloncurry area. More recently, IOCG systems have been recognised at extensive prospects held by competitor companies near Cloncurry at Swan and Amethyst Castle. Importantly the most significant mineral discoveries in recent years have been of this style utilising the exploration techniques that D'Aguilar Minerals have deployed.

### ***Isa West***

Located west of the Lady Annie Cu oxide deposit north of Mt Isa, the Isa West target exhibits a strong uranium channel radiometric anomaly not typical of the regional host rocks in the area. Magnetics and adjacent occurrences of significant copper mineralisation indicate that hydrothermal activity has mobilized copper and uranium in the area.

### ***Isa North***

The Isa North application covers anomalous uranium channel radiometric responses in rock units ascribed to the Leichhardt Volcanics, hosts to the nearby significant Skal and Valhalla uranium projects (held by summit resources). The level of anomalism is consistent with other prospects where there are significant drill intercepts of high grade uranium bearing material.

### ***Isa North Extended***

At Isa North Extended, discrete high order uranium channel radiometric responses are observed in sediments of the Surprise Creek Formation, the Quilalar Formation, the Bigie Formation and the Fiery Creek Volcanics north of the Isa North application area. These radiometric responses are not typical of host rocks in the area and suggest potential for hydrothermal mineralization which may be readily identified by weak uranium anomalism.

### ***Isa South***

Anomalous uranium anomalies occur over a strike length of 15km are observed in rocks of the Argylla Formation south of Cloncurry, near the recently reported Kings Minerals "Kalman" prospect. Numerous small copper bearing shears and tectonic breccias are also observed in the area. D'Aguilar believes that these may represent the upper portions of more significant mineralisation at depth.

### ***Isa Central***

The Isa Central application covers a high order uranium channel radiometric anomaly that is interpreted to be associated with a typical fractionated granite akin to the granites of the Mary Kathleen area. These granites are genetically related to the significant uranium mineralisation observed at the Mary Kathleen Deposit. The anomalies are also thought to represent IOCG breccia zones which may also be prospective for gold and copper

## ***Isa East***

The Isa East project is located in a repeat analogue of the Mary Kathleen setting in which the quartzite and Corella Formation calc silicates are juxtaposed against intrusive granite bodies. Coincident uranium channel anomalies associated with a moderate magnetic high are evident and are similar to the signature over the recently discovered Rocklands Deposit. Numerous small copper bearing shears and tectonic breccias are observed in this area and are interpreted to be related to a larger body at depth.

## ***Big Hill***

The Big Hill prospect is the subject of a competitive application immediately east of the Mt Isa Mine Lease. The project area covers a variety of highly prospective rock units including the under explored Leichhardt Volcanics which host significant uranium results up to 0.51% in rock chip samples from known occurrences at Armstrong's.

Numerous additional copper - uranium occurrences including Big Hill, Beehive, Glen Lea, Baghdad and Spider in the area are yet to be fully evaluated.

## ***Gregory One and Gregory Two***

The Gregory One and Two prospect areas form a continuous and extensive series of elongate magnetic highs over a 60km strike extent, 240km north of Mt Isa. D'Aguilar interprets this signature to be a hydrothermally altered basement, similar to the mineralised basement in the Ernest Henry Copper Gold mine area to the south east. Thick post mineralisation cover sequences ranging in thickness from 342 meters to 600 meters have discouraged any prior significant exploration activity. Recent discoveries such as Carapateena and Prominent Hill in SA have highlighted the association of significant copper gold uranium mineralisation with hematite (a dense iron oxide) bodies adjacent to such magnetic features. Exploration models for this system dictate that the hematite bodies exhibit diagnostic gravity high anomalies which present high order copper gold targets. The targets are Olympic Dam style hematite dominated Cu-Au-U-Ag breccia mineralisation adjacent to the magnetite altered basement. D'Aguilar plans to collect detailed gravity and magnetic data over the target area. No work of this type has been conducted in the area previously.

During the quarter the company continued to compile existing exploration data and develop exploration models for the exploration permit application areas, and held discussions with interested potential farmin parties.

D'Aguilar plans in the forthcoming year to expedite the development of D'Aguilar Minerals PL into an independently funded managed and ASX listed copper gold explorer in the region.

## D'Aguilar Block Gold Copper

### High grade gold vein targets

During the quarter D'Aguilar commenced exploring the high grade vein targets which have been defined in the D'Aguilar Block project during the last year. The company is focussing on the following systems where high grade gold has previously been identified.

D'Aguilar has commenced a drilling program of approximately 2,700 meters at resource definition on seven individual vein systems. The targeted vein style systems and previous key intersections include:

Long Tunnel	2 m @ 15g/t Au @ 52 m depth and 2m @ 5.7 g/t Au @ 54m
ABC/Star of Dawn/ South Burnett Mine	1.2 m @ 25.4g Au, 46 g/t Ag @ 115m, 1.3 m @ 13.2 Au & 12.4 Ag @ 140 m, 1.9 m @9.6 g/t Au & 15.2 g/t Ag @ 155m
Golden Spur and Red Rock, Windera	1m @29.9Au @ 21m, 1 m @ 14 g/t @ 13 m, 1m @ 12.8 g/t Au @17m 1m @18 g/t Au @ 29m, 10 m @1.55 g/t Au @39m
Itchy Quid, Woolooga	20m @ 1.18 g/t Au from 9m, 6 m @ 2.98 g/t Au from14 m, 8 m @ 2.38 g/t Au from 26 m
Ortts	Not previously drilled
Dranes Gully	Not previously drilled
Manumbar	up to 2 m @ 36.3 g/t Au

(Note these intersections are not true widths and are previously published exploration results)

### Itchy Quid

At Itchy Quid near Woolooga between Kilkivan and Gympie, sediments and volcanic rocks of the Permian aged Gympie group which host the 4m oz Gympie field to the south east are intruded by Triassic aged porphyries. Both rock units are mineralized by crosscutting veins which host significant gold mineralization which was drill tested by Gympie Gold in the 1990s.

A significant mineralized area was identified and this was targeted for extensions by D'Aguilar drilling a traverse of 5 x 40m holes angled at 60 degrees to the NNW. A further two holes are planned to extend a 2m @ 5.4 g/t intersection encountered in the previous drillhole by Gympie Gold, DP 9. This program represents a total of 280m over seven holes and results are expected in the current quarter.

### Windera

The Windera Epithermal Gold project is located north west of Gympie in south east Queensland on a major structure believed to control the emplacement of significant minerals systems in the area. Several historic workings occur in the area and drilling by Gympie Gold in 1992 outlined several ore grade interections up to 1m @ 39g/t gold. During the quarter the Windera-Boonara regional stream sediment geochemical survey was completed, which narrowed the epithermal gold exploration to structural targets in the Golden Spur red Rock tuffnut vein systems.

During the quarter, 13 shallow holes were completed for an aggregate 430 metres.

Thin (<1m) quartz sulphide veins, showing occasional epithermal (Low temperature) textures, were encountered in diorite, granite and associated rhyolite host rocks.

## **GOLDEN SPUR RC Drilling RESULTS**

GOS_1;	16 to 18m, 2m @ 0.24 ppm Au
GOS_3;	11 to 13m, 2m @ 0.27 ppm Au incl. 12 to 13m 1m @ 0.60 ppm Au
GOS_4;	17 to 20m, 3m @ 3.65 ppm Au incl. 18 to 19m, 1m @ 10.60 ppm Au
GOS_5;	23 to 29m, 6m @ 0.30 ppm Au
GOS_6;	19 to 20m, 1m @ 3.17 ppm Au
GOS_7;	25 to 27m, 2m @ 0.43 ppm Au
GOS_8;	25 – 26m 1m @ 2.46 ppm Au
GOS_9;	4 – 6m, 2m @ 0.23 ppm Au 30 – 32m, 2m @ 1.21 ppm Au

Since the end of the quarter, initial results have been received from exploration drilling on the Red Rock and Tuffnut veins at Winderera. Intersections of 1m @ 18 g/t gold from 21m and 1m @ 10 g/t gold from a depth of 18 metres were returned from the Red Rock and Tuffnut veins respectively. Drilling in hole TUF 4 on the Tuffnut vein terminated in pyrite quartz mineralisation due to drilling difficulties. The vein system is evident in outcrop and as loose float in a surface cover of laterite and silicified rubble, over a zone up to 500 metres long (north south) and 500 metres (east west). The area has never been prospected by modern methods.

Results from the program and additional mapping conducted concurrently with the drilling indicate that there are five vein systems outcropping and several more undercover to the east and north of the Tuffnut and Red Rock veins.

D'Aguilar plans additional drilling in the area and will direct the larger drilling rig capable of deeper holes to the target area on completion of the current program of work at the Anduramba Molybdenum prospect.

### ***Long Tunnel***

The Long Tunnel project is located 8km south south east of the town of Kilkivan in south east Queensland. Mineralisation at long tunnel consists of disseminated gold associated with fractures and a porphyry dyke complex. While a coherent source of gold has not yet been defined the area is the apparent source of approximately 100,000 ounces of alluvial gold mined from the area in the 1990s.

Site preparation for a seven hole drilling program was completed during the quarter. The drilling program is expected to commence in November.

## ***Tansey***

The Tansey project consists of a series of epithermal gold veins and workings near the town of Tansey north west of the D'Aguilar base at Kilkivan in south East Queensland.

During the quarter assay results of 13 stream samples, 69 soil samples and 33 rock chip samples collected from the three main epithermal gold prospects at Tansey; the South Burnett, ABC, and Star of Dawn were received.

The best rock chip result was an unbiased 8m wide chip of pink fractured quartz veined silicified trachyte, on contact with conglomerate, returning 9.1 g/t Au. This confirms earlier anomalous results from a previous explorers sampling along the same outcrop.

Soil results of between 10-30 ppb Au were returned around the ABC, and around and south of the South Burnett mines and are considered to support a drilling program in the area.

Six drill targets have been marked out and drill pads emplaced to test these targets and extensions where gold-in-soil anomalies have generated new possible extensions to known mineralisation, up to 200m south of the known workings.

Drilling is expected to commence in early to mid-November 2006.

## ***Ortts***

The Ortts prospect consists of a complex of calcite, quartz and base metal sulphides which trends north west over a 1km length between the Sawpit Creek and the southern end of the Long Tunnel West Coast Creek prospects south of Kilkivan south east Queensland. Ore grade silver lead zinc and gold grades have been recovered from rock chip sampling programs in the past although the vein has never previously been drilled.

Drill site preparation for drilling for five hole program was completed during the quarter. The prospect is scheduled for drill testing during the current quarter.

## ***Rannes***

During the quarter, the Rannes Gold Project was acquired by D'Aguilar Gold Ltd under two separate applications following the relinquishment of the area by Newcrest. The Rannes area is regarded by D'Aguilar as a significant system with strong similarities to the three million ounce Cracow Gold system, 120km to the south. The area yielded excellent drill results in the late 1980's by Queensland Metals Corporation.

Mineralisation is typically hosted within the Camboon Andesite and as at Cracow, is characteristically epithermal in character. Aeromagnetic data and structural interpretations as at Cracow form the basis for early stage target selection. Extensive shallow drilling by QMC, Placer and Resolute have outlined a small open ended non JORC compliant resource in the order of 35,000 ounces at the Porcupine Prospect. There are additional highly encouraging intersections at other prospects that require follow up exploration activity. Eighteen other known prospects have never been drill tested.

Importantly the size of the system is large as alteration and geochemical anomalism can be observed over an area measuring in excess of 30km by 15km. D'Aguilar tenements cover the entire mineral system.

Drilling by previous explorers returned highly encouraging drill results as follows.

#### Porcupine Pie

PPD 002      59m @ 1.49ppm Au from 117m  
PPD 003      128m @ 1.15ppm Au from 56m  
PPP 001      86m @ 1.36ppm Au from 6m  
PPP 003      58m @ 0.88ppm Au from 76m  
PPP 007      66m @ 1.67ppm Au from 76m

Other elements gave an epithermal signature and the mapping shows a 1400m by 100m alteration area open ended to the NW where drill results are 10m @ 1.6 ppm Au.

A non JORC compliant resource of 35,000 ounces may be defined on the data to date and remains open in all directions.

#### Brother Prospect

Intersections are typically in the order of 16m @ 0.3ppm Au and all in shallow holes Rock chips results are up to 15 ppm Au with a strike length in the order of 700m

#### Cracklin Rose

The Cracklin Rosie prospect is situated in a 600m by 50m wide alteration zone and has previously yielded intersections of 16m @ 2.35 ppm Au and 2m @ 9.95 ppm Au.

#### Crunchy

10m @ 1.57 ppm Au,  
38m @ 1.10 ppm Au,  
12m @ 1.89 ppm Au,  
12m @ 1.56 ppm Au

During the quarter D'Aguiar commenced a detailed review of all of the data for the project prior to commencement of a drilling program later in the current year.

#### ***Cressbrook - Buaraba***

The Cressbrook Buaraba prospects are located near Esk 100 km west of Brisbane. The mineralisation in the area is characterised by base metals prospects in Permian aged volcanic rocks, which host deposits in northern NSW. The area was explored by CRA in the 1990s, culminating in a limited drilling program. CRA drilled on WSW azimuths, parallel to the veinlets that Auralia mapped and assayed (grades to 70 g/t Au). The best intersection was 14m @ 1.1 g/t Au in epithermal style mineralization overprinting the mineralized volcanics.

D'Aguiar has identified targets to drill test in the next quarter.

#### ***Elginvale North***

Elginvale North regional stream sediment geochemical survey (38 samples) over rhyolite radiometric and magnetic belt within Neara Volcanics was completed.

No significant anomalies were identified and the area is being re evaluated.

### ***Wallaville Gold***

During the quarter a molybdenum bearing Triassic Granite west of Childers was identified in the previous data. The NE trending intrusive has mapped workings for gold which have not been followed up since exploration by Anglo American in the 1970's/80's. There are numerous Molybdenum drainage anomalies surrounding the intrusive.

Field work to check the prospect will be conducted on completion of the current D'Aguilar regional drilling programs.

### ***Black Ridge Clermont***

Very low outcrops of veined basement close to the extensive eluvial and alluvial workings. This epigenetic mineralisation had never been subject to exploration despite the hundreds of workings that had been put in to test and mine the (deep lead) alluvials.

### ***No Work during the quarter:***

Ban Ban Zinc Project – farmout proposals being sought

Dranes Gully – drill pad construction activities were delayed by livestock calving in the area.

### ***Chillagoe Mungana***

Three (3) competitive Exploration Licence Applications were lodged surrounding the existing identified resources at Mungana and the previously mined Red Dome Mine (Au production estimated at 1.0M oz's) near Chillagoe, north Queensland. The applications cover extensive areas of prospective stratigraphy cut by the Palmerville Fault and host numerous mineral occurrences, which since the closure of Red Dome have been the subject of only limited exploration activity. D'Aguilar believes these areas to be highly prospective for significant precious and/or base metal resources. Target styles of mineralisation include skarns, porphyry Cu Au and related epithermal mineralization. The applications have not yet been determined and no work was conducted during the quarter.

### ***Bathurst, NSW***

In the last financial year, D'Aguilar applied for a 160km<sup>2</sup> exploration area south of Bathurst in New South Wales. The area covers the historic copper gold mines at Apsley, Red Hill, Davies, and Cow Flat. These historic mines and prospects had previously been regarded as volcanogenic massive sulphide deposits. However D'Aguilar believes they represent skarns related to porphyry intrusions. The area covers 50 different mineral occurrences.

Mineralisation is characterized by the presence of such diagnostic species as magnetite, garnet, molybdenum and copper, with peripheral zinc mineralisation. The area contains a number of untested significant magnetic features interpreted as porphyries and NSW geological Survey notes refer to the Apsley and Cow Flat Systems as "Very Large". D'Aguilar believes that metal zonation patterns in the existing occurrences may direct the company to a significant core mineralized porphyry system.

The area lies on the interpreted Lachlan Transverse Zone which hosts the world class mines such as Cadia (100km to the west) and North Parkes as well as the Mineral Hill Mine. The area was granted to D'Aguilar during the quarter, however no field work has yet commenced.

# CORPORATE INFORMATION & DIRECTORY

## DIRECTORS

Christopher Rawlings (Non-Executive Chairman)  
Nicholas Mather (Managing Director)  
Ian Levy  
Brian Moller  
Vincent Mascolo

## COMPANY SECRETARY

Duncan Cornish

## EXPLORATION MANAGER

Julius Marinelli

## GENERAL MANAGER

Greg Runge

## REGISTERED OFFICE AND HEAD OFFICE

D'Aguilar Gold Ltd  
Level 5  
60 Edward Street  
Brisbane QLD 4000  
Phone: + 61 (0)7 3303 0680  
Fax: + 61 (0)7 3303 0681

## 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, [www.shares.com.au](http://www.shares.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  
Level 12, 300 Queen Street  
Brisbane QLD 4000  
Phone: +61 (0)2 8280 7454

## ISSUED CAPITAL

At 30 September 2006, D'Aguilar Gold Ltd had the following securities on issue:

- 106.3 million ordinary shares
- 3.35 million (unlisted) 12.7c staff options expiring 31/7/08
- 19.2 million (unlisted) 19.7c options expiring 30/9/08

## AUSTRALIAN STOCK EXCHANGE ("ASX")

ASX Codes: DGR (Ordinary shares)

## INTERNET ADDRESS

All Company announcements, reports and presentations are posted on our website [www.daguilar.com.au](http://www.daguilar.com.au)

If you would like to receive news releases by email, please send us an email to [info@daguilar.com.au](mailto:info@daguilar.com.au) with the subject "email alerts" or register your details on our website by clicking "Contact Us" and entering your details.

Website: [www.daguilar.com.au](http://www.daguilar.com.au)

## AUSTRALIAN BUSINESS NUMBER

ABN 67 052 354 837

The information on ore reserves, mineral resources and exploration results contained in this report are based on information compiled by Mr Nicholas Mather who is member of the Australian Institute of Mining and Metallurgy. Mr Mather has relevant experience in relation to the mineralisation being reported on, to qualify as a Competent Person as defined by the Australasian Code for Reporting of Mineral Resources and Reserves.