

## ASX Announcement

28 November 2008

### Chairman's Address to Shareholders of D'Aguilar Gold Limited Annual General Meeting

Ladies and Gentlemen,

Over the last 15 months, your company has achieved its objectives of becoming an advanced exploration and pre-development company with assets superior to our peers and competitors. However, the market volatilities of 2008 have swamped your company's remarkable achievements and our shares are languishing at or near their all-time lows.

Rather than use this global stockmarket problem as an excuse, we want to focus on our future plans together today. It is time for the supportive shareholders to look beyond the recent market downturns and help invigorate your company so that it can exploit its significant discoveries and deliver returns to shareholders as soon as possible.

#### ECONOMIC SETTING FOR OUR BUSINESS

The minerals industry fundamentals remain positive – China, India, Brazil, Vietnam, Mexico and several other significant emerging economies are simultaneously committed to industrialisation which means a strongly increasing demand for minerals, maybe not every year but certainly decade-on-decade.

This unprecedented minerals demand first became “noticeable” in 2003 but the lack of exploration prior to 2003 meant there was no new supply. This supply shortfall was exploited by hedge funds and they drove-up metal prices to record highs in mid 2007. During 2008, financial problems which started in the USA, curtailed the availability of credit and weakened physical demand significantly. This market downturn was exacerbated by the selling and forced redemption activities of hedge funds who were trading volumes of commodities several times larger than the physical market actually consumed. Consequently, metal prices have slumped to meaningless and unsustainably low levels. Mine closures worldwide have been sudden and dramatic – **but even more dramatic has been the rapid cessation of exploration activity in the mineral provinces of the world.**

Because global exploration has been massively curtailed, new mines will now take a long time to be explored, discovered, evaluated and developed. D'Aguilar already has discoveries and pre-development projects – which means it will be well-placed as markets improve.

#### BASIC STRATEGY

Experienced experts argue that even despite volatile financial markets, physical demand for commodities will deplete stockpiles and metal prices will recover. But because mines take considerable time to reopen, there is a likelihood that minerals will experience positive market conditions well before the financial markets do. If D'Aguilar can continue a modest level of exploration during 2009, it can deliver value to shareholders well before our peers and competitors. Our business has two drivers – time and money; we must not waste either if we are to deliver major mineral assets for shareholders.

## CORPORATE DEVELOPMENTS

**Mt Isa Metals Limited:** In mid 2008, D’Aguilar successfully conducted an Initial Public Offering and public listing of shares in Mt Isa Metals Limited – with the IPO being oversubscribed. D’Aguilar retains 48% of the shares of Mt Isa Metals which trades on the ASX under the code MET. We remain solidly supportive of MET which is achieving its goals, albeit in an unappreciative market. Results to date have been impressive and include a Copper Joint Venture at Barbara in Nothwestern Queensland where its joint venture partner, Syndicated Minerals which has already intersected economic copper grades and widths in a strongly mineralised copper lode immediately adjacent to the leases that are 49% owned by MET.

In late October 2008, MET reached an agreement to form a joint venture that combines its phosphate deposits at D-Tree West (near Mt Isa and Lady Annie mines in north-west Queensland) with the nearby phosphate deposits belonging to Legend International Holdings Inc. MET will hold a 20% contributing interest in the joint venture which will have access to Legend’s proposed 100%-owned Lady Annie phosphate plant 15kms to the east of D-Tree. This joint venture enhances MET’s potential to participate in early cashflow from a much larger project.

**AusNiCo Limited – Australian Nickel and Cobalt:** In June 2008, our 90% owned subsidiary, AusNiCo Limited achieved a remarkable set of discoveries on the Black Snake plateau south of Kilkivan, 200 kilometres NE of Brisbane, Queensland:

- **Nickel sulphides** discovered at Pembroke & 2 other sites
- **Copper-gold** discovered at Pembroke, above the nickel sulphides
- **Copper-silver sulphides** discovered at Silver Valley
- **Cobalt lode** at Mt Cobalt mine
- Exciting **nickel-cobalt** system at Mt Cobalt

all within 2 to 5 kilometres of granted mill leases nearby that D’Aguilar owns.

Due to a weakening nickel market which caused all Australian nickel stocks to lose more than 50% of their value, and the more recent severe financial crisis, the AusNiCo Board has decided to delay the planned Initial Public Offering (IPO) and listing the shares of AusNiCo on the ASX until 2009.

**Rannes Gold Project:** Central Minerals Pty Ltd, a wholly owned D’Aguilar subsidiary, has discovered a very large, sediment-hosted gold province at its Rannes Gold Project located 130 kilometres west-south-west of Gladstone in central Queensland. It is important that shareholders appreciate the importance of this major asset – our management team has delivered something that could become company-transforming in the medium-term.

This discovery is a demonstration of D’Aguilar’s entrepreneurial process involving discovery, reinterpretation and revaluation. At Rannes, D’Aguilar’s exploration team believes that previous drilling by earlier explorers had been inappropriately located and had therefore failed to intersect the principal gold mineralised structure. In recent months, it has become clearer that there is a strong association of gold mineralisation hosted in altered sedimentary rocks rather than just in the volcanic rocks that were targeted by previous explorers. Our exploration team is close to “breaking the codes” at Rannes.

The 2008 drilling program has just been completed at Rannes and spectacular gold intercepts, typically 10 to 45 metres thick and averaging 1.5 to 2.5 grams gold equivalent per tonne have been returned from assays received to date. More assays are pending.

Your Directors consider that the exploration targets identified in the gold prospects already subjected to first-pass preliminary testing could represent a significant gold reserve in shallow open pit settings and considerably more below current drilling depths. However, the drilling of these gold occurrence to sufficient density of samples to estimate Resources that can be reported in accordance with the JORC Code, will take considerable amounts of both time and money.

**Anduramba Molybdenum** is our most advanced project located west of Brisbane and north of Toowoomba, southern Queensland. Under the management of General Manager, Vincent Mascolo, drilling, resource estimation, pit optimisation, metallurgical studies, cost estimations and a preliminary feasibility study have been completed. The feasibility study concluded that the Anduramba Molybdenum project is economically viable under moderate price scenarios. Molybdenum is a steel-additive metal in petroleum pipelines and other specialist applications – a true modern metal. The recent sharp fall in Molybdenum prices is considered to be unrealistic and not substantial.

## MANAGEMENT CHANGES

I am pleased to have introduced our new Company Secretary, Kevin Nagle today. Kevin has been with us for several weeks and has a large role to play in the Group. Our outgoing Secretary, Duncan Cornish and his team have helped make the transfer of roles as smooth as possible – they leave us today with our thanks and best wishes for the future.

## COST CONTAINMENTS

To conserve our limited funds in the short-term, management has implemented the following measures:

1. Stopped all drilling (our highest cost item);
2. Rationalised iron-ore and uranium exploration by the merger of two subsidiaries, Ridge Exploration Pty Ltd and Eastern Uranium Pty Ltd;
3. Terminated several contractors and field staff;
4. Suspended engineering studies on Anduramba Molybdenum project. Efforts are continuing to generate viable funding options for the development of the project.

The company has retained its Exploration Manager, 4 geologists and 3 field staff.

## FUNDING STRATEGIES

To ensure that the company is well funded and delivering value to shareholders, the Board is reviewing a number of financing strategies in keeping with its stated objectives of financing the group's activities in the project focussed subsidiaries.

## OUTLOOK

Your Board and senior management team are achieving remarkable results and, subject to support from shareholders, we have a more positive outlook than at any time in the company's history.

## ACKNOWLEDGEMENTS

On behalf of shareholders, I thank the Board, staff and management of the D'Aguilar Group – their astute work makes these projects increasingly valuable. I wish to specially thank our General Manager, Greg Runge for his excellent management and mining engineering skills that have allowed us to take on more advanced projects.

I congratulate our Managing Director, Nick Mather and Exploration Manager, Neil Wilkins on their exploration successes and the extraordinary pipeline of advanced prospects and commercial opportunities that have been identified and advanced significantly during this exciting year of growth. Finally, I thank our shareholders for their support.

Ian Levy  
Chairman

**For further information contact:**

**Mr Nicholas Mather**  
Managing Director  
Ph: 07 3303 0680 or 0417 880 448

**Mr Greg Runge**  
General Manager  
Ph: 07 3303 0680 or 0418 546 739

**Mr Ian Levy**  
Chairman  
Ph: 07 3303 0680

**Mr Kevin Nagle**  
Company Secretary  
Ph: 07 3303 0680

Email: [info@daguilar.com.au](mailto:info@daguilar.com.au)

Electronic copies and more information are available on the Company website: [www.daguilar.com.au](http://www.daguilar.com.au)

**Footnote - Gold Equivalents (“Au Equivalent”) assumptions:**

In most gold-silver mines of this geological type, both gold and silver are recovered and sold. Gold is far more valuable per gram than silver but the two precious metals can be combined into a gold equivalent value “g/t Au Equivalent”. The assumptions used for this Au Equivalent calculation are:

1 troy ounce (oz) = 31.103477 grams (gm)

Metal*	Prices (US\$) 15-Oct-08 outlook	Units	Price (US\$) per gram (gm)	Ratio	Spot Prices at 24 November for comparison Ratio 83.3
Ag	\$11	/ troy ounce	\$0.354 / gm	76	US\$9.60/oz
Au	\$836	/ troy ounce	\$26.88 / gm	1	US\$799.50/oz

Where: Ag = Silver and  
Au = Gold (Note that gold and silver assays are expressed in grams per tonne of ore “g/t”)

In the Company’s opinion all elements included in the metal equivalent calculation have a reasonable potential to be recovered, approximately in the proportions of 85% to 95% for Ag, 90% to 95% for Au based on standard industry practice. Recoveries may change as testwork proceeds. On this basis, the formula used to calculate Au Equivalent is as follows (note no difference in relative recovery rates have been included in this calculation):

**$g/t \text{ Au Equivalent} = g/t \text{ Au} + g/t \text{ Ag} / 76$**

**Competent Persons Statement**

The information herein that relates to Exploration Results is based on information compiled by Nicholas Mather B.Sc (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Holdings Pty Ltd which provides certain consultancy services including the provision of Mr Mather as the Managing Director of D’Aguilar Gold Ltd (and a director of D’Aguilar Gold Ltd’s subsidiaries).

Mr Mather has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves’ (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.