

**ASX Announcement**

4 December 2009

**D'Aguilar Gold Ltd & Solomon Gold plc create  
integrated south west Pacific gold company**

**Highlights:**

- D'Aguilar to sell Central Minerals to Solomon Gold plc - AIM London Stock Exchange Listed (LSE-AIM:SOLG).
- D'Aguilar will receive 29.388m shares in Solomon Gold and hold a total of 32,943,557 shares including its current holding representing approximately 17.05% of Solomon Gold plc.
- Payment of \$2m as \$1m cash and \$1m convertible notes provides substantial return of outlay and working capital for D'Aguilar.
- Creates integrated diversified south west Pacific gold explorer with world class targets in Joint Venture with Newmont Ventures on Guadalcanal, Solomon Islands and wholly owned gold exploration projects at Fauro Island near Bougainville, Carlin style targets at Rannes, central Queensland, 120km north of Cracow (Newcrest operation) and high grade veins porphyry and intrusion related gold projects on the Mt Perry Goldfield adjacent to the Mt Rawdon gold mine (Lihir Gold) in south east Queensland.
- Capital raisings completed in Solomon Gold plc to fund acquisitions and exploration programs. Solomon Gold has \$4.5m cash currently.
- Significant element of D'Aguilar's business strategy for its subsidiary companies.
- Creation of new Australian based south west Pacific gold exploration company.

The Directors of D'Aguilar are pleased to advise that an agreement has been entered for the sale of its 79% interest in Central Minerals Pty Ltd (ACN: 125 394 132) (Central Minerals or Central) which holds gold exploration interests in central Queensland at Rannes and Clermont.

### **Sale of Central**

The agreement provides for the acquisition of 100% of Central by Solomon Gold plc in consideration of the issue of 37.2m shares in Solomon Gold and prorata allotment to the shareholders of Central; and the payment of \$2m as \$1m cash on completion of the acquisition and \$1m in convertible notes to acquire D'Aguilar's \$2,281,000 debt with Central. The notes mature 12 months from the date of issue, bear a 10% coupon and are convertible at market price for Solomon Gold shares at the time of conversion to Solomon Gold shares. D'Aguilar will receive 29.388m shares and with the 3,555,557 m it already holds will hold a total of 32,943,557 shares or 17.05% of Solomon Gold plc.

Solomon Gold's board comprises five members including three independent directors, Messrs Cameron Wenck, (Chairman), and John Bovard; and Dr Robert Weinberg. Mr Wenck has 25 years commercial experience in professional insurance and investment businesses and Mr Bovard and Dr Weinberg have had considerable experience in the gold investment and mining industries. Dr Weinberg is a geologist with 36 years experience in mining finance and marketing and has been a consultant to and Director of several junior exploration companies, including currently Medusa Mining. He was previously CEO of the world gold council and served at James Capel. Mr Bovard a civil engineer, has approximately 35 years experience in the operational aspects of the mining industry having headed the construction of Porgera (PNG) and Bronzewing Gold Mines (WA) and served as the general manager of OK Tedi Mining Limited.

Messrs Mather and Moller are both Directors of Solomon Gold, D'Aguilar and Central, and abstained from the resolutions by Solomon Gold and D'Aguilar in respect of the agreement. As a result of the acquisition of Central, Mr Mather and associated interests will become entitled to a further 558,000 shares in Solomon Gold.

The agreement is subject to shareholder approval by the shareholders of D'Aguilar in a general meeting to be held in January 2010. The sale of D'Aguilar's interest in Central is recommended by the independent non-conflicted directors of D'Aguilar subject to there being no higher bid capable of acceptance received by D'Aguilar. D'Aguilar has agreed to pay a cash break fee amounting to 1% of the total value of the proposed consideration

in the event that the sale is not approved. Solomon Gold also has a right to match any higher offer received.

In recommending the sale of Central to Solomon Gold, the D'Aguilar Chairman Mr Bill Stubbs said "This agreement provides D'Aguilar with a consideration well above the \$2.28 m it has cost D'Aguilar to date. At the current Solomon Gold market price, and current exchange rate, the value of the cash, notes and Solomon Gold shares received would be approximately A\$6.65m. More importantly, we regard the potential for world class gold and copper discoveries in Solomon's Guadalcanal and Fauro projects, and for nearer term economic discoveries at Mt Perry and Rannes to be realistic. D'Aguilar will, importantly, enjoy the cash and convertible note component of the consideration, which largely covers our costs and provides a basis for D'Aguilar's ongoing new generative efforts and ameliorates the need for further raisings".

D'Aguilar's shareholding in Solomon Gold after the sale of Central to Solomon Gold will complement D'Aguilar's existing holdings in other exploration companies it has generated as part of its ongoing business. D'Aguilar holds a 48% interest being 50 million shares in Mt Isa Metals Ltd (ASX:MET) with a current market value of \$10million and a proposed holding of 10 million shares in Lions Gate Metals Inc (TSXV:LGM) with a proforma value of A\$9.25m. DGR is also planning the listing of additional subsidiaries on recognised stock exchanges during the course of the next year.

"The sale of the Rannes project interests into an existing listed entity is consistent with D'Aguilar's business strategy of unlocking value in project investments through independent financing, management, and stock exchange listing. The proposed deal affords the opportunity to D'Aguilar and its shareholders to participate in future growth of the Rannes projects along with the Mt Perry and Guadalcanal gold project areas through its shareholding of 32,943,557 shares in Solomon following completion of the sale.

D'Aguilar considers that the creation of the new Pacific gold focus in Solomon Gold is an exciting opportunity for D'Aguilar shareholders. Bringing together these three large project areas under one umbrella provides the potential to identify multi million ounce deposits while spreading risk," said Mr Stubbs. "We believe the likelihood of major success from these project areas is high because they all contain significant drill hole gold intercepts, and in the case of Guadalcanal, the additional current support of Newmont in the Guadalcanal Joint Venture." he added.

The acquisition of Acapulco Mining and Central Minerals by Solomon Gold will complement Solomon Gold's existing exploration project with Newmont in the search for giant porphyry gold and copper projects on Guadalcanal in

Solomon Islands and Fauro Project near Bougainville. The Acapulco and Central gold projects have both yielded recent and significant gold discoveries from drilling in a low risk environment adjacent to existing gold mining operations at Mt Rawdon (Lihir Gold) near Mt Perry and Cracow (Newcrest Operations), 120km south of Rannes in Queensland. The Queensland projects at Mt Perry provide the opportunity to define deposits in excess of several million ounces of gold in strongly mineralised intrusive related porphyry systems. At the key Rannes prospects which have been drill tested to date, there is potential for the discovery of up to three million ounces of gold at grades between 1 and 3 grams of gold per tonne in low temperature gold mineralising systems similar to the world renowned Carlin and Battle Mountain trends in Nevada, USA. Central and Acapulco geologists have recognised new common structural controls to mineralisation in both the Rannes and Mt Perry project areas, as a persistent north-north-west fracture system. Structural and geological similarities and management synergies between both projects are expected to assist in the efficient exploration of both areas.

All statements relating to exploration targets and statements relating to potential quantity and grade made in this report are conceptual in nature. There has been insufficient exploration undertaken to date to define a gold resource and it is uncertain if further exploration will result in the determination of a gold resource.

### **D'Aguilar Gold's Business Strategy**

D'Aguilar's business strategy continues to be to generate new resource projects, install independent management and secure listings of these on recognised stock exchanges in association with significant capital raisings.

D'Aguilar's business strategy is to hold key positions in the resulting listed entities and to support the development of those companies and their assets. Currently, D'Aguilar also holds a substantial position of 50 million shares (48%) of ASX listed Mt Isa Metals Ltd with a current market value of A\$10m. D'Aguilar also continues to progress finalisation of the merger of its nickel exploration subsidiary AusNiCo Ltd with Canadian TSX –V listed Lions Gate Metals Inc which will when completed provide D'Aguilar with approximately 8 million shares in Lions Gate worth approximately \$9.25m. D'Aguilar also intends to effect stock exchange listings of its subsidiaries, Anduramba Molybdenum Pty Ltd and Queensland iron ore, bauxite and rutile explorer, Ridge Exploration Pty Ltd over the next year.

### **Acquisition of Acapulco Mining by Solomon Gold**

Solomon Gold Plc will concurrently acquire 100% of the share capital of Acapulco Mining Pty Ltd (ACN: 067 983 582) for a consideration of 49.6

million Solomon Gold shares. Acapulco has spent approximately A\$ 3 million at Mt Perry to date. Mr Mather, a director of D'Aguilar and Solomon Gold is also a director of Acapulco and Mr Mather is a shareholder of Acapulco. Interests associated with Nicholas Mather, the Managing Director of Solomon Gold, hold 20.03% of Acapulco Mining and on completion would be entitled to a further 9,938,075 Solomon Gold shares.

The Acapulco Mining shareholders have agreed to a six (6) month voluntary escrow on their consideration shares in Solomon Gold subject to certain carve outs in the event takeover offers are received for the company during the escrow period.

After the acquisitions of Acapulco and Central, Solomon Gold will have 193,170,075 shares on issue.

After completion of the acquisition of Central Mining Pty Ltd, D'Aguilar Gold Ltd will be entitled to a further 29,388,000 shares in Solomon Gold and will hold 32,943,557 (17.05%) of Solomon Gold. Mr Mather and his associated interests will hold a total of 30,780,936 shares (15.93%) as a result of both the Acapulco Mining and Central Minerals transactions completing.

Solomon Gold currently has A\$4.5m in cash to be applied to the acquisitions, its Queensland exploration activities and exploration of the 100% owned Fauro project in northern Solomon Islands over the next 12 months. It is expected that year round drilling conditions and relatively easy access arrangements combined with local knowledge, management and relatively cheap exploration costs will enable the delivery of regular exploration updates from these projects in addition to the ongoing results from the Solomon Islands projects.

## **Solomon Gold**

Solomon was created by D'Aguilar in March 2005 to fund exploration on the extensive Guadalcanal porphyry copper gold project. Solomon Gold listed on the London Stock Exchange AIM Board (LSE-AIM:SOLG) (see website [solomongold.com](http://solomongold.com)) following a £5 million pound (A\$13M at the time) capital raising in February 2006. D'Aguilar shareholders received an in specie distribution of 10 million Solomon shares at that time. Solomon Gold currently has 106,170,075 shares on issue and holds exploration licences covering 600km<sup>2</sup> in Solomon Islands of which 300km<sup>2</sup> are on Guadalcanal in joint venture with Newmont Ventures, a subsidiary of Newmont Mining Inc one of the worlds most efficient porphyry copper and gold explorers and miners. It also holds a recently granted exploration licence over Fauro Island near the Papua New Guinea border in the north of Solomon Islands, immediately south of the Island of Bougainville, host of one of the regions best endowed copper gold porphyry systems at Panguna. Fauro hosts five

significant gold targets and numerous artisanal alluvial gold mining operations. Fauro will be subject to an intensive program of airborne electromagnetic to identify potentially gold bearing silica zones, and magnetics to identify host porphyry and related systems, along with detailed mapping sampling trenching and drilling programs over the two years.

On the Guadalcanal projects, Newmont is earning in accordance with a March 5 2009 agreement, a 51% interest by expending US\$6m within 3 years with a right to a further 19% by spending a further 6m within a further 2 years. Several key targets have been outlined to date:

- Chikora, Koloula valley - drill ready porphyry copper gold target
- Kuma, Kuma valley – Large mineralised high sulphidation system with numerous magnetic electromagnetic and geochemical targets
- Mbetilonga – Significant electromagnetic magnetic and geochemical targets at Vuanimaho, Vuramindi, Vuralangomma, Hambusimaloso, and Vatuchichi

D'Aguilar itself currently holds 3,555,557 shares or approximately 3.35% of Solomon Gold, prior to the acquisition of Central Minerals.

**Acapulco Mining** Pty Ltd holds extensive exploration tenements in the Mt. Perry and Normanby areas of Queensland, with several high grade vein style or high tonnage porphyry style gold targets currently identified by first pass drilling and ready for resource definition at Bania, New Moonta, Red Hill, Edina Range, Chinaman's, Regan's, Nicko's, Harper's, Augustine, Dingle's and Cradle Gully. Additional as yet undrilled prospects exist at Mt Flori and Edina Range and a number of unnamed prospects. The project area lies adjacent to the Lihir Gold 120,000 oz pa Mt Rawdon Gold Mine

**Central Minerals** (79% D'Aguilar) holds extensive exploration tenements near Rannes, 120km north of Newcrest's Cracow Gold mine on the eastern edge of the Bowen Basin. The Rannes project is focussed on the search for extensively altered and mineralised rock packages with similar characteristics to the prolific Carlin gold belt in Nevada, USA. The project encompasses a number of advanced targets also ready for more detailed resource definition, and several other targets already identified for first pass drilling. Significant potentially economic intersections have been defined at five prospects to date: Crunchie, Homestead, Kauffman's, Cracklin Rosie and Porcupine Pie. Central has outlined a further 13 targets over a 200 km strike length covering more than 6,000 km<sup>2</sup> (see previous D'Aguilar presentations and attached summary). Six are high priority at Police Camp Creek – Brother, Cooper and Soggy-Hogget Hill.

The combined projects will see Solomon with projects which have both yielded recent and significant gold discoveries in low risk Queensland and an

exploration project for a giant porphyry gold copper project with Newmont on Guadalcanal in the Solomon Islands. The Queensland projects at Rannes, Normanby and Mt Perry provide the opportunity to define deposits in excess of several million ounces of gold in both Carlin style and intrusive related systems respectively.

For further information on Solomon Gold and the Acapulco projects, shareholders are directed to the Solomon Gold website [solomongold.com](http://solomongold.com)

On behalf of the Board  
Karl Schlobohm  
Company Secretary

For further information contact:

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

### **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.