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Cover Story



D'Aguilar Gold Limited (ASX: DGR) is a resource investment vehicle - offering exposure to project generation and development across a range of commodities such as copper, gold, nickel, molybdenum, iron ore, titanium and gas in a number of world class resource provinces around the world.

Instead of looking after a few specific projects, D'Aguilar is a parent company - looking after a number of independently funded and managed resource companies that have diverse potential and have all been releasing an exciting flow of news to the capital markets.

"It's a diverse resource generation and incubation house," Managing Director Nicholas Mather told the Australian Investor.

D'Aguilar Gold operates as a "one-stop-shop" for investors looking to gain access to a variety of projects, he said

Mr Mather explained that D'Aguilar builds its assets from the ground up to give its shareholders the maximum benefit along the way.

"The great advantage D'Aguilar has over other resource investment companies is that we create our assets - we don't go out and buy them."

"And the asset will go on to become a large company we have a valuable investment in."

One of these positions with huge potential is Mt Isa Metals (DGR 52 million shares, approximately 44%), listed on the ASX in 2008 and currently on the verge of further growth and a re-rating, based on its world class gold exploration project in Burkina Faso, Western Africa.

This year Mt Isa Metals secured over 5,000 km² of highly prospective Birimian greenstone ground "C" which Mather regards as an African mirror image of the WA gold fields.

"We can't see a reason why we can't get a plus million ounce resource discovery in Burkina Faso for Mt Isa Metals which would see a very serious re-rating for the Company, Mt Isa Metals, and D'Aguilar shareholders."

DGR subsidiary AusNiCo Limited (DGR 53% post IPO) is closing out its IPO and moving towards ASX listing with the drilling of key project areas expected to commence in second quarter FY11. D'Aguilar's position is estimated to have a market value upon listing of AUD11.5million.

Two exceptional near surface discoveries of ore grades and widths of primary (fresh, un-oxidised) sulphide mineralisation were made by AusNiCo during May-June 2008, namely: the discovery of gold and nickel sulphides at Pembroke within the south west anomaly domain south of Mt Cobalt; and secondly, the discovery of copper-silver sulphides at Silver Valley.

"Our intention is to nurture AusNiCo in the same way as Mt Isa," Mr Mather commented.

Solomon Gold Plc, listed on the London Stock Exchange in 2006 and, was the first project to be successfully 'spun out' by D'Aguilar and in April 2009 confirmed the discovery of a significant copper gold porphyry system at Sutakiki, in Solomon Islands.

"Massive upside comes from the Solomon Island projects," Mr Mather said.

Solomon Gold plc was recently further re-rated by the London market following the release of further assay results from the initial batch of surface samples taken on its 100% owned Fauro Island Project.

Results from the initial 215 surface samples taken on Fauro Island have been released, and contain high grade gold and encouraging molybdenum and copper mineralisation.

A further exploration campaign on Fauro, including areas to be sampled for the first time, commenced in early October with drilling at Fauro planned for late 2010.

Solomon Gold management believes that the Fauro Island project has the potential to host a world class gold deposit with compelling mega structural geological similarities to the Lihir Gold Mine in PNG.

D'Aguilar Gold Limited holds 35.2 million shares in Solomon Gold, which equates to 15.6% of the Solomon Gold issued capital. On the basis of the recent closing price of 38 pence, D'Aguilar's investment stake in Solomon Gold is now worth approximately AUD22 million.

This current investment stake in Solomon Gold, when added to D'Aguilar's other investment stakes in Mt Isa Metals, AusNiCo (ASX: ANW, due to list on 21 October 2010, worth approximately AUD11 million at the IPO price of \$0.20) values D'Aguilar's current, listed resource company investments at approximately AUD55 million.

Following encouraging drilling results from Peenam and Oaky Creek, D'Aguilar formed a new subsidiary, Barlyne Mining Pty Ltd, to focus primarily on the exploration and development of porphyry copper-gold-molybdenum projects in Queensland. New tenements have been secured at Great Blackall and Pinnacle near Aussie Q Resources' Whitewash Project. Plans are advanced for listing of Barlyne Mining (-including its subsidiary Anduramba Molybdenum Pty Ltd) in FY11.

In addition, D'Aguilar's emerging listed resource company investments include 8.6 million shares in TSX.V-listed Coltstar Ventures (involved in the scrip-based take-over of Ridge Exploration Pty Ltd), 10 million shares in Navaho Gold (Carlin-style gold in Queensland and Nevada, USA) and the recent exciting energy vehicle, Armour Energy. All of these assets are expected to be in listed form within the next few months.

D'Aguilar recently announced that Navaho Gold Pty Ltd has entered into joint venture agreements with Columbus Gold (US) Corporation whereby Navaho can earn into four of Columbus Gold's Nevada Gold Projects: Whitehorse Flats, Stevens Basin, Utah Clipper and Crestview.

"Nevada, USA, is a very highly mineralised part of the world," Mr Mather added.

Mr Mather was also enthusiastic about the creation of new energy subsidiary, Armour Energy Pty Ltd which focuses on unconventional oil and gas exploration in tight shale formations. Armour has applied for 118,814 square kilometres of shale gas province in the Northern Territory.

"We are looking at defining a very large shale resource there," Mr Mather stated.

"We plan to use our major project skills and experience to make this project a resource production reality."

Planned underwritten capital raisings and ASX listing for Armour Energy are to take place during the current financial year.

Having such a rapidly advancing portfolio of subsidiaries de-risks business for D'Aguilar with incredible diversity.

Mr Mather believes building a pipeline of projects from the ground up means investors reap the benefits when each projects full potential is realised.

Investors can choose to either invest specifically in a project/commodity by investing in the subsidiary or, by investing in D'Aguilar, they can invest in the resource company generating business plus have substantial indirect carried interest, via the significant D'Aguilar equity, retained in the subsidiaries. This way D'Aguilar and its subsidiaries offers appeal to a wider range of investors

"We're a one-stop-shop for value creation from the early idea stage to the development stage," Mr Mather advised.

"We give investors the opportunity to ride the value train all the way through."

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