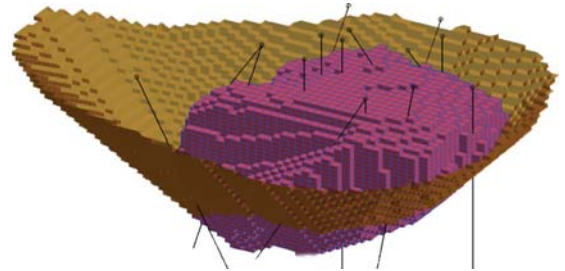


D'AGUILAR

GOLD LIMITED



ANNUAL REPORT

YEAR ENDED 30 JUNE 2006



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ABN 67 052 354 837

Front Cover images (L-R)

Drilling at Windaera for gold.

Bulldozing tracks for drill pad access, Cobalt Lode, Black Snake Nickel Project, SE Queensland.

Deposits block model and pit shell for the Anduramba Molybdenum deposit, SE Queensland.

Back Cover images (L-R)

Sutakiki porphyry typical outcrop grade .85 g/t gold, Sutakiki Porphyry Project, Guadalcanal, Solomon Islands – D'Aguilar Gold has a share holding in this company.

High grade epithermal gold overprint, max value 1.020 g/t, Sutakiki Porphyry Project, Guadalcanal, Solomon Islands – D'Aguilar Gold has a share holding in this company.

Nickel silicate mineralization of serpentinite at Cobalt Lode prospect, Black Snake Nickel Project, Kilkivan, SE Queensland.

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chairman's report

Dear Shareholder

D'Aguilar Gold geological staff have had a very busy year exploring the D'Aguilar Block. The main targets were large porphyry intrusions and associated mineralised occurrences. Large tracts of ground have been intensely mapped. Surface rock and soil profiles have been sampled and analysed to highlight mineralised anomalies and better define drill targets. As a consequence a number of defined drill targets were drilled.

Gold was found over wide intervals in many of the boreholes, but unfortunately, not in economic quantities.

As a consequence, your company decided to conduct a review of all of the tenements held by D'Aguilar Gold, to determine which had higher mineral potential (either porphyry style or epithermal style) and which, as a conclusion of the information gathered to date had, lower potential and could be relinquished, thus conserving costs.

A renewed focus on epithermal mineralisation, particularly associated with rhyolite rocks, is now being implemented over a reduced area in the D'Aguilar block and the adjacent Esk trough. Rhyolite rocks are known to be late stage fractionating products of underlying igneous bodies. The new focus is aimed at defining economic occurrences of epithermal gold and using the knowledge gained to explore for underlying porphyries.

In parallel with the D'Aguilar exploration efforts, the corporate team is developing ways of unlocking value for shareholders from other mineralised occurrences being defined and acquired. Solomon Gold Plc is one example of this. Additional funds were raised and this company was floated on the London Alternative Investment Market (AIM) in February of this year. D'Aguilar Gold's shareholders received the bulk of the Company's holdings via an in specie distribution of Solomon Gold Plc shares and that company is now actively exploring large and very prospective copper-gold porphyries on Guadalcanal, with very positive results.

Further opportunities to spawn new companies with independent management and separate finances working on specific defined resource projects are being examined with molybdenum at Anduramba, nickel at Black Snake and copper-gold-uranium in the Mt Isa block. The Company aims to undertake a feasibility study on the molybdenum project and is presently examining suitable funding proposals. All of these opportunities have come from the initiative and deductive thinking of the geological team within D'Aguilar.

The Company has a number of projects, which could result in significant resource developments. Unfortunately, the value created in these projects has not yet been recognised. I am confident, however, that with the revised and refocused exploration plans, an expanded and experienced geological team, development of the strategy to unlock value from the Company's other projects and the new projects generated by the geological team, that this value will soon be realised.

Best regards,

Chris Rawlings

Chairman

review of operations and future developments

SUMMARY

The year ended 30 June 2006 has been a very active year for D'Aguilar Gold Limited. The Company continued to explore the D'Aguilar Block north of Brisbane for porphyry copper gold orebodies and this culminated in 3,233m of drilling. A detailed prospectivity review has led to a rationalisation of the Company's D'Aguilar Project and a reinvigoration of the project portfolio and strategy.

Considerable effort has gone into the identification of and application for new gold exploration projects at Rannes, north of Cracow, Mungana, North Queensland, and Bathurst, NSW. D'Aguilar Gold is reviewing other gold opportunities in addition to these projects.

During the year, the Company continued the development of its more advanced projects being the Anduramba Molybdenum and Black Snake Nickel projects.

The D'Aguilar Gold exploration team continued its efforts in the program and have been supplemented by additional geologists with experience in a wide range of geological terrains and a variety of projects.

The Company has recently established a wholly owned subsidiary D'Aguilar Minerals Pty Ltd which focuses on iron oxide copper gold systems in the Cloncurry Mt Isa belt. D'Aguilar Gold plans in the forthcoming year to expedite the development of D'Aguilar Minerals into an independently funded, managed and ASX listed copper gold explorer in the region.

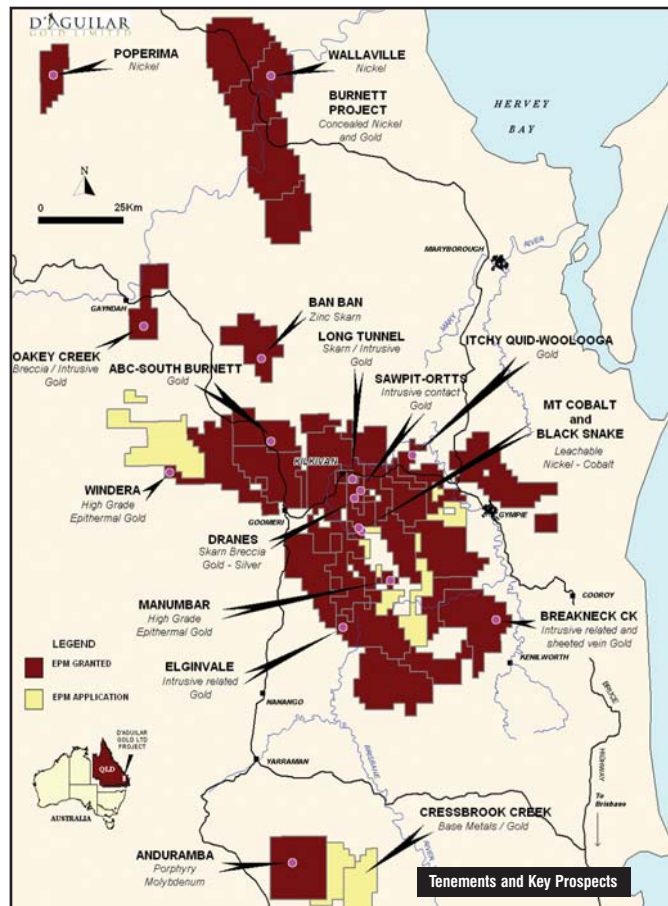
D'Aguilar Gold intends to continue to develop a strategy of identification and acquisition of projects with high value potential and develop them in a pipeline of independently funded and managed project specific vehicles. D'Aguilar Gold's investment strategy for each holding will be assessed on a case by case basis. The Company will apply a lateral approach to resource evaluation and expects to advance both Greenfield's exploration projects and previously defined but misinterpreted mineral systems in addition to existing resources.

D'AGUILAR BLOCK PROJECT

Prospectivity review and development of the exploration strategy

During the year the Company 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.



The study used all the available data for geochemical, geophysical, mapping, rock alteration and radiometric surveys previously conducted by Government and industry. As a result, D'Aguilar Gold has identified approximately 50% of its ground position 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.

Results at Elginvale, Manumbar, Court le Roi, Peenam and Sawpit Creek

During the year D'Aguilar Gold conducted 3,233 metres of drilling on numerous prospects identified in the D'Aguilar block. Significant mineralisation was encountered at Elginvale, Sawpit, and Peenam porphyry targets. Encouraging intercepts of 48m @ 0.23 g/t Au and 0.22% Cu was returned from the Peenam Porphyry target and several gold intersections were returned from Sawpit Creek, with highlights of 26m @ 0.54 g/t Au, 8m @ 0.97 g/t Au and 12m @ 0.51 g/t Au. Broad low grade gold zones up to 68m @ 0.21 g/t were intersected at Elginvale.

The program confirmed the porphyry copper gold model in the D'Aguilar Block, however the mineralisation encountered was not ore grade. D'Aguilar Gold now believes following the recent prospectivity review that gold mineralisation is more likely to have been concentrated in late stage evolved rhyolite and aplite dykes and quartz vein systems above the intrusions which host the less evolved, earlier emplaced porphyry systems and future efforts in the D'Aguilar block will focus on quartz vein aplite and rhyolite hosted prospects.

High grade vein targets

Since the end of the financial year, D'Aguilar Gold has commenced exploring the high grade vein targets which have been defined in the D'Aguilar Block project. The Company is focussing on the following systems where high grade gold has previously been identified.

D'Aguilar Gold 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	2m @ 15g/t Au @ 52m depth and 2m @ 5.7 g/t Au @ 54m
ABC/Star of Dawn/South Burnett Mine	1.2m @ 25.4g Au, 46 g/t Ag @ 115m, 1.3m @ 13.2 Au & 12.4 Ag @ 140m, 1.9m @ 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, 6m @ 2.98 g/t Au from 14m, 8m @ 2.38 g/t Au from 26m
Ortts	Not previously drilled
Dranes Gully	Not previously drilled
Manumbar	up to 2m @ 36.3 g/t Au

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

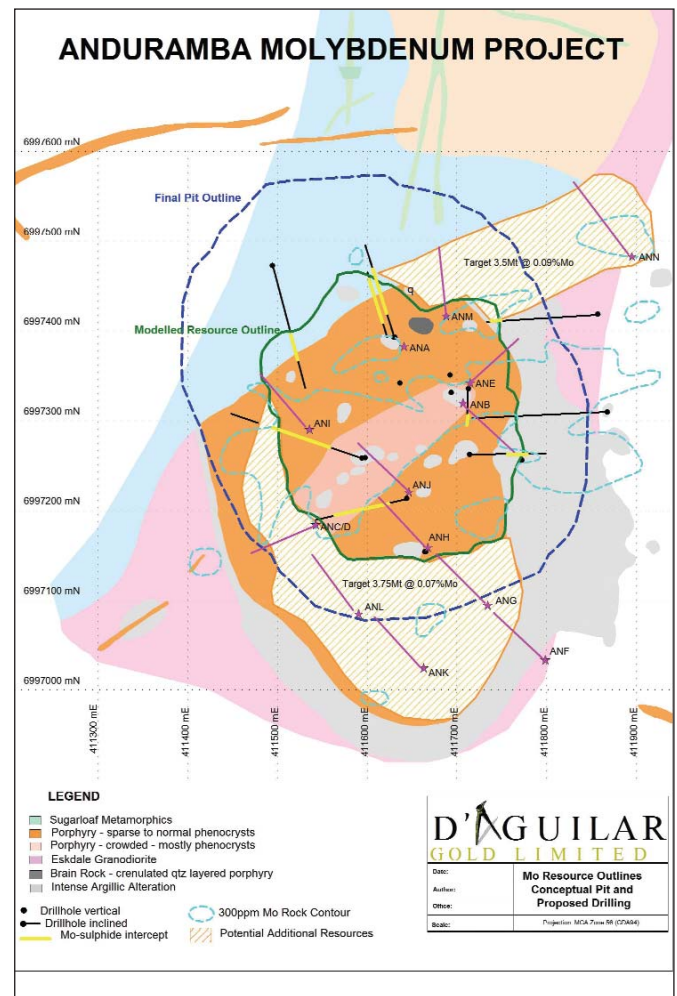
During the year, results from Dranes Gully confirmed that poddy contact and skarn style mineralisation is apparent, with further soil lines locating high gold results. Rock chip assays of up to 28 g/t gold have been returned from the prospect in previous mapping programs. At Ortts the Company is planning to test the south eastern end of the vein complex close to the Sawpit prospect. Drilling is planned this year.

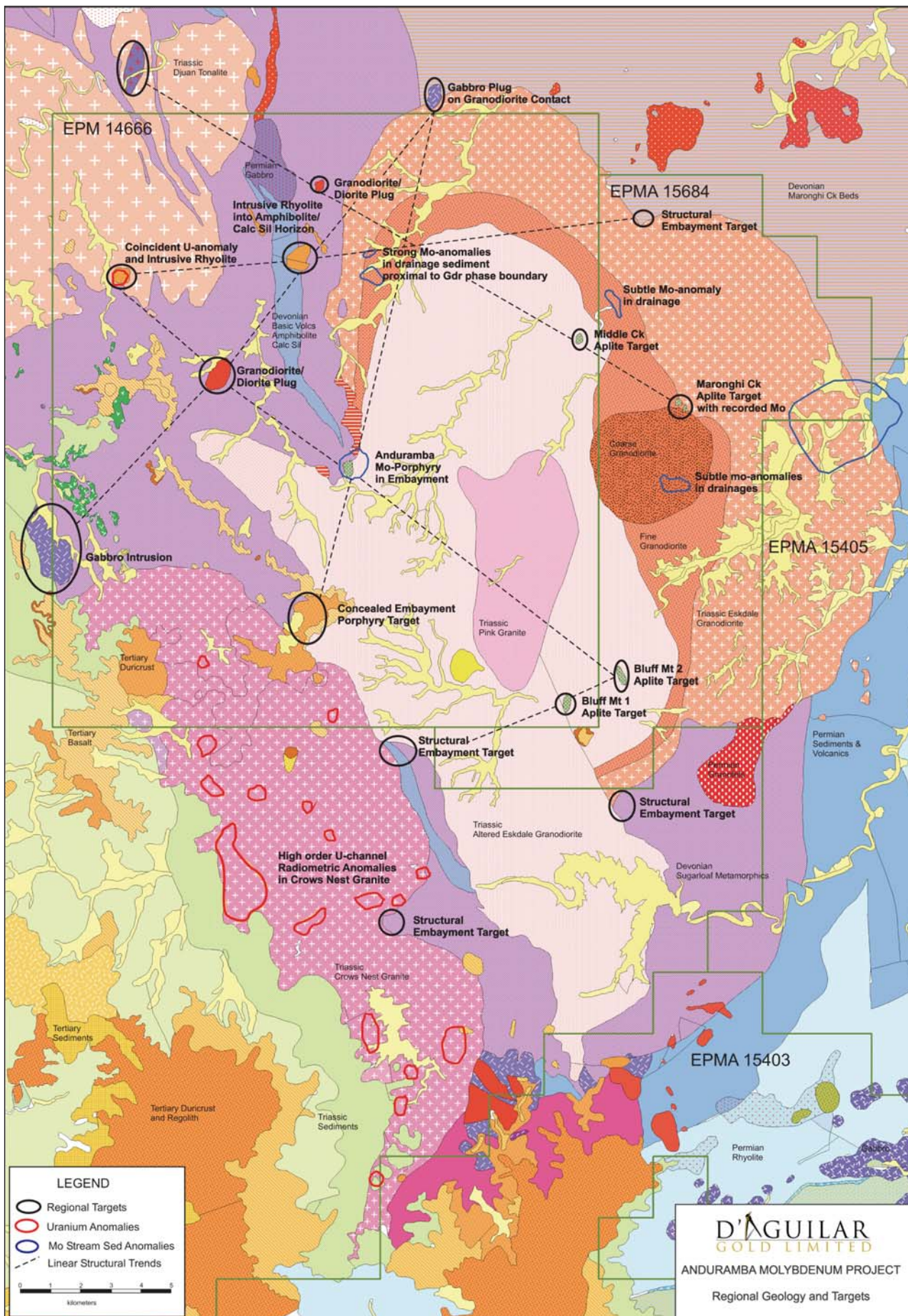
Anduramba Molybdenum Project

During the year the Anduramba Molybdenum Project, situated 16km north-east of Crows Nest and 1^{1/2} hours west of Brisbane, was the subject of a detailed reassessment, utilising external advice as required from mining and processing consultants. Resource definition and modeling, conceptual mine design and planning advice was provided by Tennant Isokangas Pty Ltd, now part of Coffey International.

In July 2006 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:

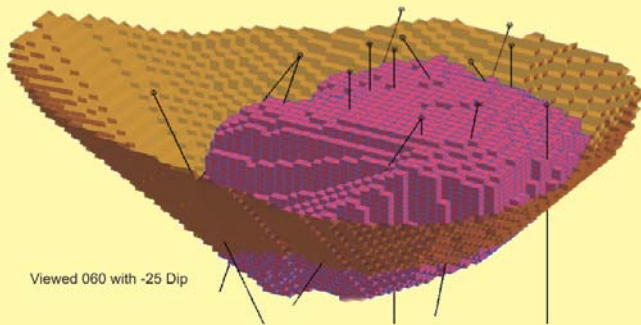
1. Molybdenum Price USD 25/lb
2. AUD/US exchange rate of 0.75
3. Copper USD3.20/lb
4. Total mining and milling molybdenum recovery of 80% and copper recovery of 70%
5. Ore mining rate of 2mtpa
6. Capital costs of A\$45 million
7. No value in the assessment for the oxide molybdenum content.





ANDURAMBA MOLYBDENUM PROJECT

Conceptual Pit Outline over Currently Constrained Mo-Sulphide Block Model



Viewed 060 with -25 Dip

PROJECT UPSIDE

- 5 m lb Mo in oxide
- 7.25 m tonnes additional resource targeted at Anduramba
- Define high grade core
- Regional - 4 x Anduramba sized targets
- Opex, capex and pit slope reductions

BASE CASE (Scoping Study)

- 1 ½ hours west of Brisbane, local power grid
- Inferred Resource 14.4 m tonnes
- Mo 0.07%, Cu 0.03% (as sulphide)
- Waste/ore 1.6:1 (Discarding Oxide Mo)
- Recovery: Mo 80%, Cu 70%
- Mo USD25/lb, Cu USD3.20/lb
- AUD/USD Exchange rate 0.75
- Milling rate: 2 m tpa
- Capital (start up and contingencies) \$45 m
- Net operating cash surplus (Modeled) \$184 m

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 5 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 surplus.

In addition, as reported during the year, D'Aguilar Gold is currently exploring 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. Additional savings in operating cost reductions are also being investigated.

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

D'Aguilar Gold has commenced a drilling program to recover samples to assess metallurgical recoverability, and potential profitability of the oxide molybdenum.

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.

Since the end of the year the Company has transferred the project to a wholly owned subsidiary and has commenced discussions with several parties to providing the necessary capital to complete the full feasibility and then fund development of the mine and processing plant. Preparations for the application for a mining lease are under way.

Black Snake Nickel Project

During the year 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 heap leach 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.

Black Snake: During the year further promising nickel intersections were confirmed in drilling at Black Snake. Using a 0.4% Ni cut-off in soil sampling, the nickeliferous zone extends for 900m parallel to and offset to the west of the Mount Mia Serpentinite-Station Creek Adamellite contact. Nickel saprolite and overlying laterite mineralisation is up to 26m thick from surface.

A preliminary inferred resource assessment using the located historic drilling data for 48 holes (29 with mineralisation) and the 2006 D'Aguilar Gold drillholes (8 mineralised) was completed, using polygonal inverse distance weighting between drillholes. Using a 0.4% Ni cut-off, minimum 4m thickness, and SG of 1.7, an inferred resource of 792,000 tonnes grading 0.87% Ni and 0.07% Co in two separate zones at Black Snake has been calculated. There is considerable potential for mineralisation between the two bodies, separated by 350m distance, and to the east of the northern body. A drilling program to test these areas commenced in mid-September. Approximately 1,800m of shallow aircore drilling is planned to test the saprolite zone.

In addition to the drilling undertaken at Black Snake during the year a time-domain electromagnetic (TEM) test survey was completed during May. Three lines were surveyed over the geochemically anomalous zone. The surveys delineated several conductive features, some of which appear to be associated with zones of known nickel mineralisation, and analogous to the greenstone-granite contact type of Ni mineralisation evident in the Allegiance Mining operation at Avebury, Tasmania. The results of the test TEM survey have provided scope for delineating potential zones of economic sulphide mineralisation at the Black Snake prospect, and these will be tested by additional drilling this October.

Further, following the earlier encouraging results from laboratory leach testing of material from Mt Cobalt, a composite sample of mineralised drill samples from Black Snake has been forwarded to the Xstrata Metallurgical Laboratories for nickel leach tests. Results from these tests are expected in October.

Cobalt Lode: The Cobalt Lode prospect covers an area of 400 x 400 metres with soil sample results over 4,000 ppm nickel and rock chip results up to 1.6% nickel. An agitated leach test returned 75% nickel recovery from a surface sample of the weathered altered saprolite with a head grade of 1.6% nickel. Drilling during the year returned up to 30m (end of hole) at a grade of 0.46% nickel from surface from a hole located outside of the 4,000 ppm Ni contour.

D'Aguilar Gold recently received the results of a detailed magnetic interpretation of the Mt Cobalt area which highlights prospective targets on the contact between the serpentinite and various porphyritic intrusives further to the north of earlier testing. Following the successful conclusion of negotiations to gain access, plans are well advanced to undertake a multi hole drilling program at Mt Cobalt commencing in October.

Widgee: At Widgee, on the southern end of the 30 km serpentinite belt previously identified by D'Aguilar Gold, reconnaissance traverses of the McCarthy's and Petersen's Copper – Nickel prospects have commenced. Earlier 1960's drilling intersected up to 13.7% Cu, 0.3% Ni and 0.26% Co over 1.2 feet from 52.7 feet below collar at Petersens. Surface sampling by D'Aguilar Gold in the vicinity of the McCarthy's prospect returned 15m @ 0.5% nickel in a continuous rock chip sample.

Wallaville: D'Aguilar Gold has recognised past explorers' co-incident stream sediment Ni-Co elevated geochemistry over a large basalt covered 3km diameter strongly magnetic feature at Berrembea near Gin Gin. A detailed three dimensional interpretation of the existing aeromagnetic data and rock chip, soil and stream sediment sampling of the prospect has been completed and an ultramafic intrusive body prognosed. D'Aguilar Gold is currently evaluating the data and model for this project.

Poperima: The Poperima Creek nickel laterite tenement near Monto, south-east Queensland was granted in July, and initial field work has commenced.

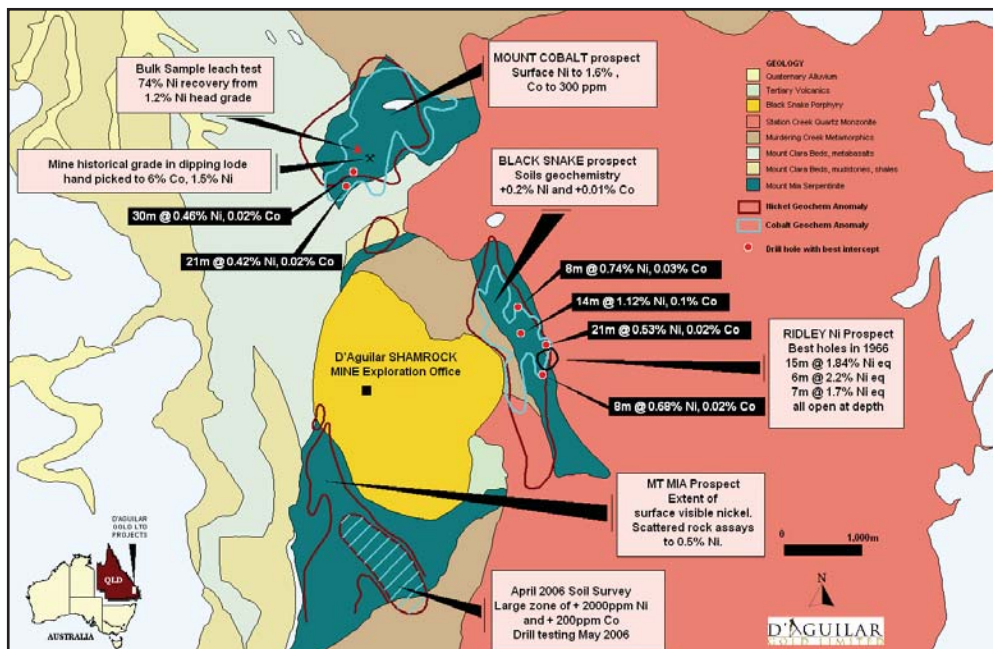
Other Projects

Ban Ban Zinc

During the year a review of the 1.5mt 7% Ban Ban zinc project was completed, identifying additional resource targets. Follow up work on these was not encouraging and the Company is currently engaged in farmout discussions.

New Projects

During the year, as a result of reconnaissance review and research D'Aguilar Gold identified and applied for four new gold exploration targets outside of the Cloncurry Mt Isa area.



Chillagoe Mungana Region

Three (3) competitive Exploration Licence Applications were lodged over the highly prospective Palmerville Fault Region in north Queensland. These applications cover the surrounding areas to the existing identified resources at Mungana and the previously mined Red Dome Mine (Au production estimated at 1.0M oz's). The applications cover extensive areas of prospective stratigraphy and a plenitude of identified mineral occurrences which in recent times since the closure of Red Dome have had limited exploration activity completed on them. D'Aguilar Gold considers these applications to be highly prospective for the identification of significant precious and/or base metal resources. Target styles of mineralisation include skarns, porphyry Cu Au and epithermal related mineralisation.

Bathurst, NSW

A 160km² exploration area south of Bathurst in New South Wales has recently been granted by the New South Wales Government. 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 Gold's interpretation is that they are skarn systems related to porphyry intrusions. The area covers some 50 different mineral occurrences.

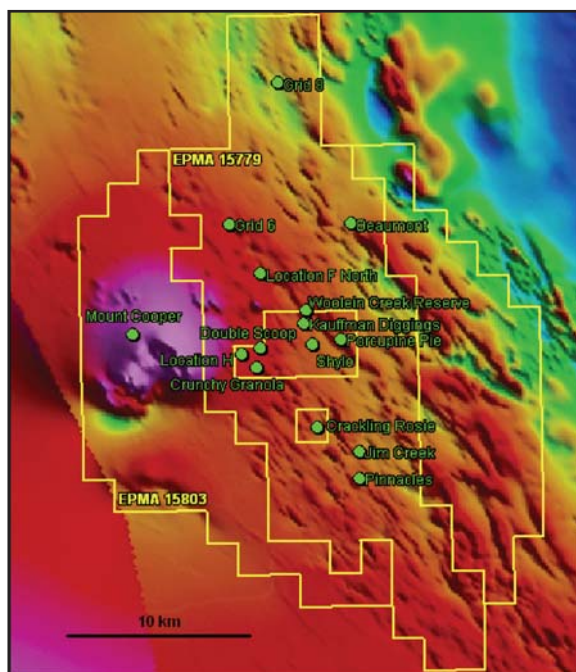
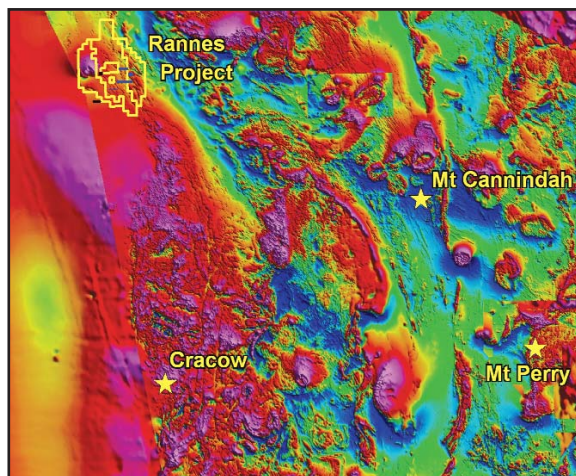
Mineralisation is characterised by the presence of such diagnostic species as magnetite, garnet, molybdenum and copper, with peripheral zinc mineralisation. The area contains a number of untested significant magnetic features interpreted as porphyries and NSW geological Survey notes refer to the Apsley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

Cressbrook – Buaraba

D'Aguilar Gold has applied for 100 sub-blocks over the Cressbrook – Buaraba Creeks area, located 15km west of Esk. The application area is considered prospective for volcanic hosted massive sulphide deposits (with or without gold) and stockwork quartz vein hosted gold deposits.

The application area covers a significant portion of the Cressbrook Creek group of Early Permian age. This suite of rocks contains acid to intermediate volcanics and sediments, and contains significant surface indications of propylitic and silica alteration and pyritisation.



A number of historic base metal occurrences are recorded in this geological formation. Small scale mining for copper, lead, zinc and silver occurred sporadically in the early part of the 20th century.

During the 1990's CRA Exploration in joint venture with Auralia Resources highlighted a number of metal anomalous zones from drainage, soil and rock geochemistry, with CRA drilling up to eight holes in and around the Kipper prospect.

Drilling by CRA encountered significant gold and base metal intersections within the prospective Permian lithologies. Best results included 3 separate holes assaying 14m @ 1.12 g/t Au and 0.2% Zn; 8m @ 0.42 g/t Au, 0.9% Cu, 0.8% Zn, and 2m @ 2.37 % Cu. Several areas of base metals drainage anomalies and soil ridge and spur anomalies within a zone measuring 11km strike length, have not been followed up since that time.

With the significant price rises in gold, copper lead and zinc in 2005 and 2006, D'Aguilar Gold sees an opportunity to re-evaluate the Cressbrook Creek area for economic mineralisation.

Rannes

Summary

The Rannes Gold Project was acquired by D'Aguilar Gold under two separate applications following the relinquishment of the area by Newcrest. The Rannes area is regarded by D'Aguilar Gold as a significant system with strong

similarities to the 3 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 like Cracow, is characteristically epithermal in character. Extensive shallow drilling by QMC, Placer and Rolute have outlined a small open ended non JORC compliant resource in the order of 35K oz's at the Porcupine Prospect. There are additional highly encouraging intersections at other prospects that require follow up exploration activity.

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 Gold tenements control the entire system.

Discussion

The Rannes Project is located some 50km NW of Biloela and 120km north of Cracow, as shown in the image above.

From a regional perspective Rannes is located on the intersection of a major north-east trending fracture and a significant north-west trending series of regional scale faults, again a similar setting to Cracow. An important similarity is the structural/magnetic framework, controlling the emplacement of significant post mineralisation intrusives and this is evident in the magnetics which form a key basis for D'Aguilar Gold's interpretation. The presence of rhyolitic intrusives contemporaneous with the mineralisation and a strong geochemical signature, indicating an association of gold with other diagnostic epithermal mineralisation indicators is a further important similarity.

Geological mapping and sampling by Newcrest identified at least fifteen additional prospects over the region which remains to be investigated. Most activity to date has been prospect focussed, with a lack of looking at the project from an entire system perspective, which will form the basis of the D'Aguilar Gold strategy.

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 1,400m by 100m alteration area open ended to the north-west 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

D'Aguilar Gold has commenced a very detailed review of all the data for the project prior to commencement of a drilling program later in the current year.

D'Aguilar Minerals Cloncurry Mt Isa Project

Since balance date D'Aguilar Gold established a wholly owned subsidiary D'Aguilar Minerals to explore for iron oxide copper gold (IOCG) systems in the Cloncurry Mt Isa area of north Queensland. The engagement by the Company of key explorationists to manage the generative and exploration effort for this project we believe gives D'Aguilar Gold a competitive edge in the search for this style of mineralisation.

D'Aguilar Minerals has now applied for nine exploration licences over eight different mineralised target areas in the region. These targets all exhibit uranium channel radiometric 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 Roxby Downs 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.

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 characteristic of the regional host rocks in the area. Magnetics and adjacent occurrences of significant copper mineralisation indicate that hydrothermal activity has mobilised copper and uranium in the area.

Isa North

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

Isa North Extended

At Isa North Extended, discrete high order uranium 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 mineralisation which may be readily identified by weak uranium anomalism.

Isa South

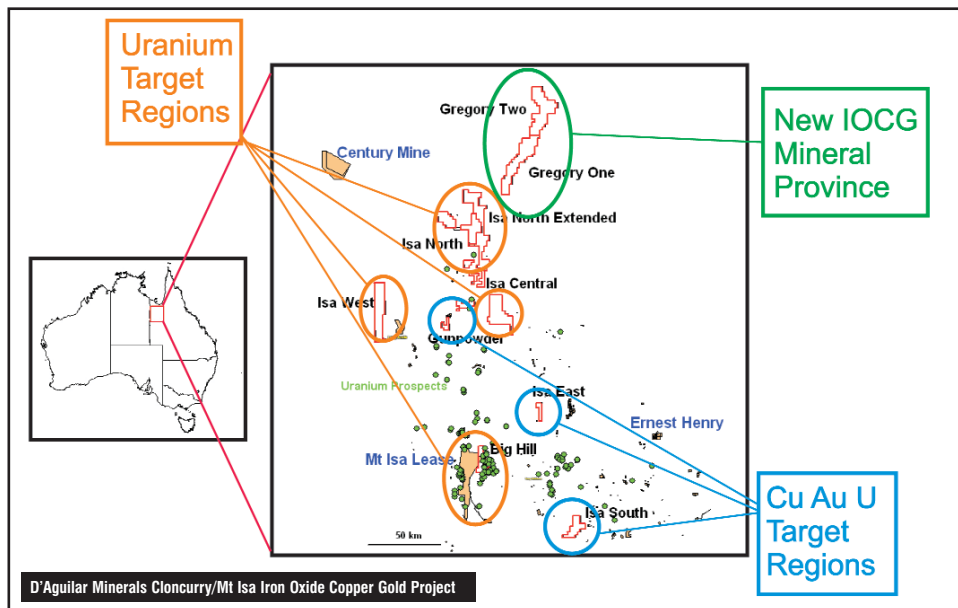
Anomalous uranium anomalies that occur over a strike length of 15km are observed in rocks of the Argylla Formation south of Cloncurry, near the recently reported Kings Minerals "Kalman" prospect. Numerous small copper bearing shears and tectonic breccias are also observed in the area. D'Aguilar Gold 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 Gold 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 estimated at over 400m have discouraged any prior significant exploration activity. Recent discoveries such as Carapateena and Prominent Hill in South Australia have highlighted the association of significant copper gold uranium mineralisation with hematite (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 Gold plans to collect detailed gravity and magnetic data over the target area. No work of this type has been conducted in the area previously.

Solomon Gold plc

During the year D'Aguilar Gold continued with the process of floating its Solomon Island Gold projects on the London Stock Exchange Alternative Investment Market ("AIM"). The float of Solomon Gold plc was concluded on 10 February 2006 (AIM code SOLG). The Company raised £5 million and has since been engaged in a very active program looking for world class copper gold porphyry systems on the main Island of Guadalcanal.

Since the listing date Solomon Gold has been conducting continual mapping sampling and drilling programs on the key project areas at Mbetilonga, 15km south of the national Capital and Solomon Gold operations base Honiara, in the Sutakiki Valley, 10km south of the 2m oz Gold Ridge mine; and in the Koloula Valley, 30km south east of Honiara.

Solomon Gold holds tenure over highly prospective ground which exhibits all the geological characteristics of world class orebodies on the south west Pacific Rim, particularly in Papua New Guinea and Indonesia, where the giant Grasberg, Ok Tedi and Panguna, Bougainville projects are located. These orebodies hold mined and current resources of in excess of 40 million ounces of gold each, and exemplify the targets the subject of the Solomon Gold exploration effort.

Drilling operations during the year were focussed on the Mbetilonga project where approximately 18 individual targets were initially identified. The Company has narrowed its focus in the year to the main targets:

- Hambusimaloso (copper)
- Hahala (copper gold)
- Vatuchichi (epithermal gold)
- Vuralanngoma (copper)

A further 2,400 meters of drilling is planned on these targets over the next 6 months. Since the end of the financial year, the Solomon Gold field crews have followed up encouraging historic sampling data collected by Newmont in 1989 in the Sutakiki River. Solomon Gold has discovered a large mineralised porphyry copper gold system in the headwaters of the river in an area not previously visited by Westerners, and in which no exploration work had previously been conducted. The mineralised zone sits in a drainage basin of some 4km² and is evident over a 1,500 meter long zone up to 500m wide and consistently 150m wide. The mineralisation occurs in a classic south west Pacific porphyry system showing background grades of 0.85 g/t gold and 0.12% copper and an overprinted vein system averaging 7.5g/t gold and 0.41% copper to date. Gold values up to 1,020 g/t, copper up to 3.29% and silver to 228 g/t are present in the vein systems. The average copper gold and silver values are expected to increase at depth as the system is exposed at a high level.

D'Aguilar Gold holds 500,000 shares in Solomon Gold and since the end of the year distributed legal title to 10,500,000 shares in Solomon Gold to the shareholders in D'Aguilar Gold registered at 8 November 2005. D'Aguilar Gold also retains a 1.0% Net Smelter Return Royalty in any future production from the tenements or any consequent title.

Solomon Gold is at the time of this report negotiating a second drilling rig to conduct operations over 5,000m initially on the Sutakiki project and the nearby Koloula and Kuma Valleys which host similarly large mineralised intrusive systems.

director's report

Your directors submit their report for the year ended 30 June 2006.

DIRECTORS

The following persons were directors of D'Aguilar Gold Ltd during the financial year end and up to the date of this report:

Christopher Rawlings
Nicholas Mather
Ian Levy
Brian Moller
Vincent Mascolo

DR CHRISTOPHER RAWLINGS BSc (PhD), FAusIMM, FAICD (Non-Executive Chairman)

Dr Rawlings was appointed on 21 May 2003 and acts as the Company's Chairman. Dr Rawlings has over 25 years experience in the Australian mining industry, including six years as a Managing Director of South Blackwater Coal Limited and six years as a Managing Director and chief executive officer of QCT Resources Limited. He is a former President of the Queensland Mining Council.

Dr Rawlings is a fellow of the Australian Institute of Company Directors and the Australasian Institute of Mining and Metallurgy.

Dr Rawlings is Non-Executive Chairman of Australian Magnesium Corporation, director of Uniquest Pty Ltd and JK Tech Pty Ltd, is Chairman of Directors of Renison Consolidated Mines NL and Northern Energy Corporation Ltd and was recently appointed Chairman of Queensland Energy Resources Ltd.

During the past three years, Dr Rawlings has also served as a Director of the following listed companies:

- Gympie Gold Ltd (from 13 June 2001 to 16 June 2004)
 - Advanced Magnesium Ltd * (formerly Australian Magnesium Corporation Ltd) (since 3 October 2002).
 - Renison Consolidated Mines NL* (since 26 July 2002)
 - Northern Energy Corporation Ltd* (since 17 February 2005)
- * denotes current directorship

Dr Rawlings is a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee.

NICHOLAS MATHER BSc (Hons, Geol) (Univ. QLD) MAusIMM (Managing Director)

Mr Mather was appointed on 26 October 2001. Nick Mather has 25 years' experience in exploration and resource company management. His career has taken him to a variety of countries exploring for precious and base metals and fossil fuels.

Mr Mather has focused his attention on the identification of and investment in large resource exploration projects.

He was managing director of BeMaX Resources NL from 1997 until 2000 and instrumental in the discovery of the world class Gingko mineral sand deposit in the Murray Basin in 1998.

As an executive director of Arrow Energy NL, until October 2004, Mr Mather drove the acquisition and business development of Arrow's large Surat Basin Coal Bed Methane project in South East Queensland. He was managing director of Auralia Resources NL, a junior gold explorer before its \$23 million merger with Ross Mining NL in 1995. He was also a non-executive director of Ballarat Goldfields NL, having assisted that company in its re-emergence as a significant emerging gold producer.

Mr Mather is also Chief Executive Officer of Solomon Gold plc which recently listed on the Alternative Investments Market of the London Stock Exchange (AIM). Solomon Gold plc is a former subsidiary of D'Aguilar Gold Ltd.

During the past three years, Mr Mather has also served as a Director of the following listed companies:

- Ballarat Goldfields NL (14 October 2002 to 27 August 2004)
 - Arrow Energy NL (13 May 1998 to 20 October 2004)
 - Bow Energy Ltd* (since 17 September 2004)
- * denotes current directorship

IAN LEVY BSc (Hons) (ANU) MSc (Dist) (London) & Dip of Imperial College (Royal School of Mines) (Non-Executive Director)

Mr Levy was appointed on 12 February 2003. Mr Levy has had 28 years experience in both mining geology and mineral exploration including 12 years with Western Mining Corporation Limited and 11 years experience in mining business development positions.

Mr Levy commenced his mining career with Western Mining Corporation Limited at the Kambalda Nickel Operation in Western Australia. He worked on the Kalgoorlie Golden Mile and Central Norseman Gold Mines prior to being appointed senior commercial geologist at Western Mining's head office in Melbourne in 1980.

In 1984, Mr Levy was appointed Chief Geologist of the Tavua Basin Joint Venture with Emperor Gold Mines in Fiji. During this time, exploration teams under his management discovered the million-ounce Prince William ore system. From 1987 until present, Mr Levy has worked in development roles for mining-exploration companies including Pancontinental Mining and Gympie Gold Limited. He was recently appointed Chief Executive Officer of Allegiance Mining Ltd.

Mr Levy has been Federal President of the Australian Institute of Geoscientists and was a member of the Joint Ore Reserve Committee (JORC) for 10 years including four years as Vice Chairman.

During the past three years, Mr Levy has also served as a Director of the following listed companies:

- Gloucester Coal Ltd* (since 6 April 2004)
- * denotes current directorship

Mr Levy is a member of the Remuneration and Nomination Committee.

BRIAN MOLLER LLB (Hons) (Univ. QLD)
(Non-Executive Director)

Mr Moller was appointed on 2 August 2002. Mr Moller is a corporate partner in the Brisbane based law firm Hopgood Ganim. He was admitted as a solicitor in 1981 and has been a partner since 1983. He practices almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions.

He holds an LLB Hons from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association.

Mr Moller acts for many public listed resource and industrial companies and brings a wealth of experience and expertise to the board particularly in the corporate regulatory and governance areas. He is a former Chairman of Gold Aura Limited, a Queensland based ASX listed company.

Mr Moller is currently a non-executive director of Solomon Gold plc, which recently listed on AIM. Solomon Gold plc is a former subsidiary of D'Aguilar Gold Ltd.

During the past three years, Mr Moller has also served as a Director of the following listed company:

- Gold Aura Ltd (from 26 July 2002 to 8 April 2004)

Mr Moller is a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee.

VINCENT MASCOLO BEng Mining (Univ. Wollongong) MAusIMM, MEI Aust
(Non-Executive Director)

Mr Mascolo was appointed on 30 September 2002. Mr Mascolo is a qualified mining engineer with extensive experience in a variety of fields including, gold and coal mining, quarrying, civil-works, bridge-works, water and sewage treatment and estimating.

Mr Mascolo has completed assignments in the Civil and Construction Industry, including construction and project management, engineering, quality control and environment and safety management.

Mr Mascolo is a member of both the Australian Institute of Mining and Metallurgy and the Institute of Engineers of Australia.

Mr Mascolo is a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee.

SECRETARY

Mr Duncan Cornish was the secretary of the Company during the period and until the date of this report.

DUNCAN CORNISH (COMPANY SECRETARY)

BBus (Acctcy), ACA

Mr Cornish has more than ten years experience in the accountancy profession both in England and Australia, mainly with the accountancy firms Ernst and Young and PriceWaterhouseCoopers.

He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities.

Mr Cornish is a Chartered Accountant. He holds a Bachelor of Business (Accounting) and is a member of the Australian Institute of Chartered Accountants.

Mr Cornish is also company secretary of other listed companies.

Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of D'Aguilar Gold Ltd were:

	Ordinary Shares	Unlisted \$0.197 options exercisable on or before 30 September 2008
Christopher Rawlings	1,438,501	-
Nicholas Mather	5,135,101	35,648
Ian Levy	490,987	11,882
Brian Moller	891,667	-
Vincent Mascolo	1,697,711	-

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was mineral exploration. There were no significant changes in the nature of the Company's principal activities during the financial year.

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the financial year.

REVIEW OF OPERATIONS

Detailed comments on operations and exploration programs up to the date of this report are included separately in the Annual Report under Review of Operations and Future Developments.

REVIEW OF FINANCIAL CONDITION

Capital structure

During the period, the Company completed a placement of 15,025,176 ordinary shares at 15.0 cents per share and 7,512,600 free attaching (unlisted) \$0.197 options expiring on 30 September 2008, raising \$2,253,780.

Also during the period:

- 28,656,000 listed options (31/03/06 @ \$0.197) and 4,500,000 unlisted options (31/10/05 @ \$0.197) expired.
- A further 11,650,000 unlisted options (30/09/08 @ \$0.197) and 3,650,000 unlisted options (31/07/08 @ \$0.127) were issued. 300,000 of the 31/07/08 \$0.127 options were exercised into ordinary shares during the period at \$0.130 (i.e. prior to a reduction in the option exercise price).

At 30 June 2006, the Company had 89,830,815 ordinary shares, 3,350,000 unlisted options (31/07/08 @ \$0.127) and 19,162,571 unlisted options (30/09/08 @ \$ 0.197) on issue.

As further noted below, on 14 October 2005, the shareholders in D'Aguilar Gold Ltd approved a reduction in the capital of D'Aguilar Gold Ltd by way of a distribution in specie of the 10,500,001 new ordinary shares in Solomon Gold received in consideration for the sale of ARM (including one ordinary share issued on incorporation). The effect of the Capital Return was to reduce the exercise price of all options on issue at that time by 0.3 cents per option. The options effected were:

- 28,656,000 listed options (31/03/06 @ \$0.20) – later expired on 31 March 2006;
- 4,500,000 unlisted options (31/10/05 @ \$0.20) – later expired on 31 October 2005; and
- 2,450,000 unlisted options (31/07/08 @ \$0.13) – following the exercise of 300,000 options, a further 1,200,000 options were issued, at the lower price of \$0.127.

Financial position

The net assets of the consolidated entity have increased by \$1,427,824 from 30 June 2005 to \$6,349,223 as at 30 June 2006. This increase has largely resulted from the following factors:

- Proceeds from share issue raising \$2,253,780 which has largely been directed on the Company's (capitalised) exploration expenditure, partly offset by;
- Operating losses.

Treasury policy

The Company does not have a formally established treasury function. The Board is responsible for managing the Company's currency risks and finance facilities. The Company does not currently undertake hedging of any kind.

Liquidity and funding

The Company has sufficient funds to finance its operations and to allow the Company to take advantage of favourable business opportunities, not specifically budgeted for, or to fund unforeseen expenditure.

OPERATING RESULTS

For the year ended 30 June 2006, the consolidated loss from ordinary activities for the economic entity after providing for income tax was \$1,027,861 (2005: \$18,358 loss)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred in the financial period:

- 28,656,000 listed options (31/03/06 @ \$0.197) and 4,500,000 unlisted options (31/10/05 @ \$0.197) expired.
- A further 11,650,000 unlisted options (30/09/08 @ \$0.197) and 3,650,000 unlisted options (31/07/08 @ \$0.127) were issued. 300,000 of the 31/07/08 \$0.127 options were exercised into ordinary shares during the period.

Changes in controlled entities:

- In May 2005 Solomon Gold Ltd was incorporated with D'Aguilar Gold Ltd being the sole shareholder until August 2005 when Solomon Gold Ltd undertook a capital raising. The effect of the capital raising was to dilute D'Aguilar Gold Ltd to a minority interest. Solomon Gold did not trade during the period May to August 2005.
- On 30 September 2005 Solomon Gold acquired all of the issued share capital of Australian Resource Management (ARM) Pty Ltd ("ARM") from D'Aguilar Gold Ltd in exchange for 10,500,000 new ordinary shares in Solomon Gold. On 14 October 2005, the shareholders in D'Aguilar Gold Ltd approved a reduction in the capital of D'Aguilar Gold Ltd by way of a distribution in specie of the 10,500,001 new ordinary shares in Solomon Gold received in consideration for the sale of ARM (including one ordinary share issued on incorporation). Accordingly, 10,500,001 new ordinary shares in Solomon Gold were distributed pro rata to D'Aguilar Gold shareholders on 8 November 2005.

There were no other significant changes in the state of affairs of the Company during the year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 18 August 2006, a total of 16,475,000 Ordinary Shares was issued. 16,000,000 shares were issued pursuant to a Share Purchase Plan at an issue price of 5.0 cents each, raising \$800,000 (before issue costs). A further 475,000 shares were issued to underwriters of the Share Purchase Plan, who elected to receive their underwriting fee in shares.

This transaction did not impact upon the financial report as at 30 June 2006.

There have been no events since the end of the financial year that impact upon the financial report as at 30 June 2006.

FUTURE DEVELOPMENTS

Likely developments in the operations of the Company and the expected results of those operations in subsequent financial years have been discussed where appropriate in the Annual Report under Review of Operations and Future Developments.

There are no further developments of which the directors are aware which could be expected to affect the results of the Company's operations in subsequent financial years other than information which the directors believe comment on or disclosure of, would prejudice the interests of the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity is subject to environmental regulation in relation to its exploration activities. Save for the securing for the benefit of the Company of bonds totalling some \$600,000 in respect of a possible future liability for rehabilitation of mining leases, there are no matters that have arisen in relation to environmental issues up to the date of this report. Details of these bonds appear in Note 23 in the Notes to Financial Statements.

REMUNERATION REPORT

Remuneration policy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The Remuneration and Nomination Committee of the Board of Directors is responsible for determining the reviewing compensation arrangements for the directors and the executive team. The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of directors and executives are set out in this Remuneration Report.

The Company aims to reward the Executive Director and Senior Management with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director and Senior Management remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Company's specific policy for determining the nature and amount of emoluments of board members of the Company is as follows:

- The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is \$185,000 per annum. Additionally, Non-Executive Directors will be entitled to be reimbursed for properly incurred expenses.
- If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to Non-Executive Directors. A Non-Executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or General Meetings of the Company or otherwise in connection with the business of the Company.

- The remuneration of any Executive Director may from time to time be fixed by the Directors. The remuneration may be by way of salary or commission or participation in profits but may not be by commission on, or a percentage of, operating revenue.
- All directors have the opportunity to qualify for participation in the Directors' and Executive Officers' Option Plan, subject to the approval of shareholders.

The remuneration of Non-Executive Directors for the period ending 30 June 2006 is detailed in Table 1 of this Remuneration Report.

Executive Director and Senior Management remuneration

The Company aims to reward the Executive Director and Senior Management with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Executive Director and Senior Management may from time to time be fixed by the Board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

1. performance based salary increases and/or bonuses; and/or
2. the issue of options

All directors and executives have the opportunity to qualify for participation in the Directors' and Executive Officers' Option Plan, subject to the approval of shareholders. All employees have the opportunity to qualify for participation in the D'Aguilar Employee Share Option Plan.

The remuneration of the Executive Director and Senior Management for the period ending 30 June 2006 is detailed in Table 1 of this Remuneration Report.

Employment contracts

It is the Board's policy that employment agreements are entered into with all Executive Directors, Executives and employees. The current employment agreements with the Managing Director and the Company Secretary have three month notice periods. All other employment agreements have one month (or less) notice periods. No current employment contracts contain early termination clauses. All Non-Executive Directors have contracts of employment.

Managing Director

D'Aguilar Gold Ltd has an agreement with Samuel Capital Ltd, an entity associated with Nicholas Mather (a director), and Nicholas Mather for the provision of certain consultancy services. Samuel Capital Ltd will provide Nicholas Mather as the Managing Director of D'Aguilar Gold Ltd for a base fee of \$175,000 per annum.



Under the terms of the present contract:

- Both D'Aguilar Gold Ltd and Samuel Capital Ltd are entitled to terminate the contract upon giving three (3) months written notice.
- D'Aguilar Gold Ltd is entitled to terminate the agreement upon the happening of various events in respect of Samuel Capital Ltd's solvency or other conduct or if Nicholas Mather ceases to be a Director of D'Aguilar Gold Ltd.
- The contract provides for a six monthly review of performance by D'Aguilar Gold Ltd.

Senior Management

Employment contracts entered into with senior management contain the following key terms:

Event	Company Policy
Performance based salary increases and/or bonuses	Board discretion
Short and long-term incentives, such as options	Board discretion
Resignation / notice period	1 month
Serious misconduct	Company may terminate at any time
Payouts upon resignation or termination, outside industrial regulations (ie. 'golden handshakes')	None

(a) Details of Directors and Key Management Personnel

(i) Directors

Christopher Rawlings	Chairman (non-executive)
Nicholas Mather	Managing Director
Ian Levy	Director (non-executive)
Brian Moller	Director (non-executive)
Vincent Mascolo	Director (non-executive)
Damien Reynolds	Director (non-executive) (resigned 19 November 2004)

(ii) Key Management Personnel

Greg Runge	General Manager (appointed 20 February 2006)
Julius Marinelli	Exploration Manager
Duncan Cornish	Company Secretary and Chief Financial Officer
Robyn Grayson	Geologist
Neil Wilkins	Geologist

(b) Remuneration of Directors and Key Management Personnel

The Key Management Personnel are also the five most highly paid executive officers of the consolidated entity for the year ended 30 June 2006.

	Salary & Fees	PRIMARY Cash Bonus	Non-cash benefits	POST-EMPLOYMENT Superannuation	Retirement benefits	EQUITY Options	OTHER	TOTAL
Directors								
Christopher Rawlings								
2006	36,697	-	-	3,303	-	-	-	40,000
2005	36,697	-	-	3,303	-	-	-	40,000
Nicholas Mather								
2006	175,000	-	-	-	-	-	-	175,000
2005	175,000	-	-	-	-	-	-	175,000
Ian Levy								
2006	30,000	-	-	-	-	-	-	30,000
2005	30,000	-	-	-	-	-	-	30,000
Brian Moller								
2006	30,000	-	-	-	-	-	-	30,000
2005	30,000	-	-	-	-	-	-	30,000
Vincent Mascolo								
2006	30,000	-	-	-	-	-	-	30,000
2005	30,000	-	-	-	-	-	-	30,000
Damien Reynolds								
2006	-	-	-	-	-	-	-	-
2005	11,583	-	-	-	-	-	-	11,583
Total Remuneration: Directors								
2006	301,697	-	-	3,303	-	-	-	305,000
2005	313,280	-	-	3,303	-	-	-	316,583
Key Management Personnel								
Greg Runge								
2006	47,636	-	-	4,287	-	48,727	-	100,650
2005	-	-	-	-	-	-	-	-
Julius Marinelli								
2006	105,266	3,000	-	9,474	-	40,133	-	157,873
2005	96,135	5,000	-	2,096	-	-	-	103,231
Duncan Cornish								
2006	88,575	-	-	-	-	26,755	-	115,330
2005	75,600	-	-	-	-	-	-	75,600
Robyn Grayson								
2006	55,000	2,000	-	4,950	-	18,729	-	80,679
2005	52,422	3,000	-	5,012	-	-	-	60,434
Neil Wilkins								
2006	80,200	3,000	-	-	-	32,106	-	115,306
2005	57,490	-	-	-	-	-	-	57,490
Total Remuneration: Key Management Personnel								
2006	376,677	8,000	-	18,711	-	166,450	-	569,838
2005	281,647	8,000	-	7,108	-	-	-	296,755

* Group totals in respect of the financial year ended 30 June 2006 do not equal the sums of amounts disclosed for 2005 for individuals specified in 2006, as different individuals were specified in 2005.

(c) Options issued as part of remuneration for the period ended 30 June 2006

During the year options were granted as equity compensation benefits to certain Key Management Personnel. The options were issued free of charge and expire on 31 July 2008. Each of the granted options entitles the holder to subscribe for one fully paid ordinary share in the entity for 12.7 cents, as set out below.

The Company uses employee continuity of service and the future share price to align comparative shareholder return and reward for Executives.

	Grant Date	Grant Number	Vest Date	Terms & Conditions for Each Grant				
				Value per option at grant date (\$) #	Exercise Number	Value per option at Exercise Date	Value at Date Option Lapsed	% of Remuneration
Directors								
Christopher Rawlings								
Nicholas Mather								
Ian Levy								
Brian Moller								
Vincent Mascolo								
No options have been issued to directors								
Key Management Personnel								
Greg Runge	8/05/2006	1,000,000	8/05/2006	0.0487	n/a	n/a	n/a	48.4%
Julius Marinelli	30/07/2005	750,000	30/07/2006	0.0535	n/a	n/a	n/a	25.4%
Duncan Cornish	30/07/2005	500,000	30/07/2005	0.0535	n/a	n/a	n/a	23.2%
Robyn Grayson	30/07/2005	350,000	30/07/2005	0.0535	n/a	n/a	n/a	23.2%
Neil Wilkins	30/07/2005	600,000	30/07/2005	0.0535	n/a	n/a	n/a	27.8%
Total		3,200,000						

(d) Shares issued on exercise of remuneration options

Options exercised during the year that were granted as remuneration during the year:

Key Management Personnel	No. of ordinary shares issued	Amount paid per share	Amount unpaid per share
Neil Wilkins	300,000	\$0.13	Nil

(e) Shareholdings of Directors and Key Management Personnel

Shares held in D'Aguiar Gold Ltd (number)	Balance 1 July 2005	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2006
Specified Directors					
Christopher Rawlings	1,338,501	-	-	-	1,338,501
Nicholas Mather	4,711,100	-	-	124,001	4,835,101
Ian Levy	350,000	-	-	40,987	390,987
Brian Moller	791,667	-	-	-	791,667
Vincent Mascolo	1,377,711	-	-	220,000	1,597,711
Key Management Personnel					
Greg Runge	-	-	-	-	-
Julius Marinelli	-	-	-	-	-
Duncan Cornish	200,000	-	-	100,000	300,000
Robyn Grayson	-	-	-	-	-
Neil Wilkins	-	-	300,000	70,000	370,000
Total	8,768,979	-	300,000	554,988	9,623,967

(f) Option holdings of Directors and Key Management Personnel**(Unlisted) options (\$0.197 @ 31/10/05)**

	Balance 1 July 2005	Granted as Remuneration	On Exercise of Options	Net Change Other*	Balance 30 June 2006
Directors					
Christopher Rawlings	-	-	-	-	-
Nicholas Mather	1,730,770	-	-	(1,730,770)	-
Ian Levy	-	-	-	-	-
Brian Moller	-	-	-	-	-
Vincent Mascolo	1,384,615	-	-	(1,384,615)	-
Key Management Personnel					
Greg Runge	-	-	-	-	-
Julius Marinelli	-	-	-	-	-
Duncan Cornish	-	-	-	-	-
Robyn Grayson	-	-	-	-	-
Neil Wilkins	-	-	-	-	-
Total	3,115,385	-	-	(3,115,385)	-

* These options expired on 31 October 2005.

Listed Options (\$0.197 @ 31/3/06)

	Balance 1 July 2005	Granted as Remuneration	On Exercise of Options	Net Change Other*	Balance 30 June 2006
Directors					
Christopher Rawlings	812,537	-	-	(812,537)	-
Nicholas Mather	3,694,776	-	-	(3,694,776)	-
Ian Levy	450,037	-	-	(450,037)	-
Brian Moller	1,623,347	-	-	(1,623,347)	-
Vincent Mascolo	655,522	-	-	(655,522)	-
Key Management Personnel					
Greg Runge	-	-	-	-	-
Julius Marinelli	-	-	-	-	-
Duncan Cornish	360,836	-	-	(360,836)	-
Robyn Grayson	232,470	-	-	(232,470)	-
Neil Wilkins	-	-	-	-	-
Total	7,829,525	-	-	(7,829,525)	-

* These options expired on 31 March 2006.

(Unlisted) options (\$0.127 @ 31/7/08)

	Balance 1 July 2005	Granted as Remuneration	Options Exercised	Net Change Other*	Balance 30 June 2006
Directors					
Christopher Rawlings	-	-	-	-	-
Nicholas Mather	-	-	-	-	-
Ian Levy	-	-	-	-	-
Brian Moller	-	-	-	-	-
Damian Reynolds	-	-	-	-	-
Vincent Mascolo	-	-	-	-	-
Key Management Personnel					
Greg Runge	-	1,000,000	-	-	1,000,000
Julius Marinelli	-	750,000	-	-	750,000
Duncan Cornish	-	500,000	-	-	500,000
Robyn Grayson	-	350,000	-	-	350,000
Neil Wilkins	-	600,000	(300,000)	-	300,000
Total	-	3,200,000	(300,000)	-	2,900,000

(Unlisted) options (\$0.197 @ 30/9/08)

	Balance 1 July 2005	Granted as Remuneration	Options Exercised	Net Change Other*	Balance 30 June 2006
Directors					
Christopher Rawlings	-	-	-	-	-
Nicholas Mather	-	-	-	35,648	35,648
Ian Levy	-	-	-	11,882	11,882
Brian Moller	-	-	-	-	-
Damian Reynolds	-	-	-	-	-
Vincent Mascolo	-	-	-	-	-
Key Management Personnel					
Greg Runge	-	-	-	-	-
Julius Marinelli	-	-	-	-	-
Duncan Cornish	-	-	-	28,991	28,991
Robyn Grayson	-	-	-	-	-
Neil Wilkins	-	-	-	-	-
Total	-	-	-	76,521	76,521

(g) Loans to Directors and Key Management Personnel

There were no loans to Directors or Key Management Personnel during the period.

(h) Other transactions to Directors and Key Management Personnel

Other transactions with Directors are set out in Note 25. There were no other transactions or balances with Key Management Personnel during the period.

DIRECTORS' MEETINGS

The number of meetings of directors held during the period and the number of meetings attended by each director were as follows:

	BOARD		AUDIT & RISK MANAGEMENT COMMITTEE		REMUNERATION & NOMINATION COMMITTEE	
	Number of meetings held while in office	Meetings attended	Number of meetings held while in office	Meetings attended	Number of meetings held while in office	Meetings attended
Christopher Rawlings	12	12	2	2	1	1
Nicholas Mather	12	12	-	-	-	-
Ian Levy	12	11	-	-	1	1
Brian Moller	12	12	2	2	1	1
Vincent Mascolo	12	12	2	2	1	1

There was a total of 12 board meetings, 2 audit and risk management committee meetings and 1 remuneration and nomination committee meeting held during the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Each of the directors and secretary of the Company has entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those directors.

The Company has insured all of the directors of D'Aguilar Gold Ltd. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

SHARE OPTIONS

As at the date of this report (and at the balance date) there were 22,512,571 unissued ordinary shares under options as follows:

- 19,162,571 unlisted options to take up one ordinary share in D'Aguilar Gold Ltd at an issue price of 19.7 cents. The options expire 30 September 2008.
- 3,350,000 unlisted options to take up one ordinary share in D'Aguilar Gold Ltd at an issue price of 12.7 cents. The options expire 31 July 2008.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are requested. During 2005 the Company obtained advice from the Company's auditor, Mr Tim Kendall from BDO Kendalls regarding the implementation of Australian Equivalent to International Financial Reporting Statements ("AIFRS"). The amount paid for the service was \$1,200. The directors are satisfied that the independence of the auditor was not compromised as the advice provided was only technical guidance and not quantification of the potential impacts of the implementation of AIFRS.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of D'Aguilar Gold Ltd support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the Shareholder Information section of the Annual Report.

AUDITORS INDEPENDENCE DECLARATION

The Auditor Independence Declaration forms part of the Directors Report and can be found on page 23.

Signed in accordance with a resolution of the directors.

Nicholas Mather
Director

Brisbane 28 September 2006

AUDITORS INDEPENDENCE DECLARATION

28 September 2006

The Directors
D'Aguilar Gold Ltd
GPO Box 5262
BRISBANE QLD 4001

Dear Directors

AUDITOR'S INDEPENDENCE DECLARATION

In relation to our audit of the Financial Report of D'Aguilar Gold Ltd for the year ended 30 June 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Yours faithfully
BDO Kendalls

Tim Kendall
Partner

shareholder information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 September 2006.

(a) Distribution of equity securities

The number of holders, by size of holding, in each class of security is:

	ORDINARY SHARES		UNLISTED \$0.197 OPTIONS EXERCISABLE ON OR BEFORE 30 SEPTEMBER 2008		\$0.127 OPTIONS EXERCISABLE ON OR BEFORE 31 JULY 2008	
	Number of holders	Number of shares	Number of holders	Number of options	Number of holders	Number of options
1 – 1,000	11	4,886	-	-	-	-
1,001 – 5,000	24	85,863	1	4,753	-	-
5,001 – 10,000	166	1,621,130	-	-	-	-
10,001 – 100,000	272	12,017,186	26	1,108,667	-	-
100,001 and over	167	92,576,750	32	18,049,151	7	3,350,000
Total	640	106,305,815	59	19,162,571	7	3,350,000

The number of shareholders holding less than a marketable parcel of shares is 201 (holding a total of 1,711,879 ordinary shares).

(b) Twenty largest holders

The names of the twenty largest holders, in each class of quoted security are:

Ordinary shares:

1	Westpac Custodian Nominees Limited	17,803,060	16.7%
2	Tenstar Trading Limited	9,893,528	9.3%
3	ANZ Nominees Limited <Cash Income A/C>	8,400,422	7.9%
4	Tricom Nominees Pty Ltd <LPG A/C>	4,855,000	4.6%
5	PJ Enterprises Pty Limited <Super Fund A/C>	2,179,495	2.1%
6	WPI Gold Ltd	2,000,050	1.9%
7	Mr Stephen Chia-Kuei Hsu & Mrs Jacqueline Chiu-Yueh Hsu	1,401,941	1.3%
8	Vincent Mascolo	1,377,711	1.3%
9	National Nominees Limited	1,226,334	1.2%
10	Arinside Pty Ltd	1,146,839	1.1%
11	Chimaera Capital Limited	880,000	0.8%
12	Mr M J and Mrs S A McGill <McGill Superannuation A/C>	830,000	0.8%
13	Cameron Wenck <Family A/C>	806,111	0.8%
14	Fortunato Pty Ltd	783,807	0.7%
15	Bizzell Nominees Pty Ltd <Bizzell Family A/C>	780,000	0.7%
16	Prepet Pty Ltd	764,165	0.7%
17	Karema Capital Pty Ltd <Malcolm McPhail S/F A/C>	751,648	0.7%
18	Mr Rodney Geoffrey Phillips	700,000	0.7%
19	Mr Robert Todd	675,000	0.6%
20	Dr Christopher David Rawlings	666,667	0.6%
Top 20		57,921,778	54.5%
Total		106,305,815	100.0%

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of shares
RAB Special Situations (Master) Fund Limited	17,053,061
Western Pacific Gold Inc	8,000,050

(d) **Voting rights** - All ordinary shares carry one vote per share without restriction

(e) **Restricted securities** - As at the date of this report, there were no securities subject to (ASX or voluntary) restriction agreements.

interests in mining & exploration tenements

D'Aguilar Gold Ltd held the following interests in mining and exploration tenements as at 22 September 2006:

Tenure Type, Name and Number	Current Holder	Registered % Interest of Holder	Date of Expiry
Portion of EPM 6031	See Note 5	See Note 5	06/08/06
EPM 11122 Beenham Range	D'Aguilar Gold Ltd	100%	19/06/05 See Note 2
EPM 11673 Kilkivan Project	Navaho Mining Pty Ltd	100%	12/05/07
EPM 12712 Court-Le-Roi	D'Aguilar Gold Ltd	100%	24/01/07 See Note 3
EPM 13359 Kilkivan North	Navaho Mining Pty Ltd	100%	03/01/07
EPM 13360 Kilkivan East	Navaho Mining Pty Ltd	100%	05/02/06 See Note 1
EPM 13361 Kilkivan West	Navaho Mining Pty Ltd	100%	05/02/06 See Note 1
EPM 13833 Gympie	D'Aguilar Gold Ltd	100%	5/08/06 See Note 1
EPM 14034 Gibraltar Rock	Navaho Mining Pty Ltd	100%	20/10/08
EPM 14316 Mooroorerai	Navaho Mining Pty Ltd	100%	13/09/10
EPM 14372 Tableland	D'Aguilar Gold Ltd	100%	24/01/10 See Note 4a
EPM 14373 Elginvale No 1	D'Aguilar Gold Ltd	100%	17/02/10 See Note 4a
EPM 14375 Elginvale No 2	D'Aguilar Gold Ltd	100%	1/09/10 See Note 4a
EPM 14489 Aura	D'Aguilar Gold Ltd	100%	13/09/10
EPM 14553 Woolooga	Navaho Mining Pty Ltd	100%	13/09/09
EPM 14560 Mount Kandanga	Navaho Mining Pty Ltd	100%	13/09/10
EPM 14561 Borumba Mountain	Navaho Mining Pty Ltd	100%	12/04/09
EPM 14563 North Monsildale	Navaho Mining Pty Ltd	100%	12/04/10
EPM 14666 Anduramba	D'Aguilar Gold Ltd	100%	27/10/09
EPM 14835 Biggenden North	D'Aguilar Gold Ltd	100%	11/04/08
EPM 14836 Wallaville South	D'Aguilar Gold Ltd	100%	03/03/08
EPM 14837 Wallaville	D'Aguilar Gold Ltd	100%	03/03/08
EPM 14838 Gin Gin	D'Aguilar Gold Ltd	100%	23/02/08
EPM 14881 Dovedale	D'Aguilar Gold Ltd	100%	03/03/10
EPM 14883 Planted Creek	D'Aguilar Gold Ltd	100%	03/03/08
EPM 15042 Boonara	D'Aguilar Gold Ltd	100%	23/05/10
EPM 15107 Running Creek 1	D'Aguilar Gold Ltd	100%	31/07/10
EPM 15134 Gayndah	D'Aguilar Gold Ltd	100%	29/09/10
EPM 15211 Windera	D'Aguilar Gold Ltd	100%	14/11/10
EPMA 15238 Manumbar	D'Aguilar Gold Ltd	100%	Under Application - See Note 4b
EPM 15254 Black Ridge	D'Aguilar Gold Ltd	100%	12/01/07
EPMA 15309 Golden Gully	D'Aguilar Gold Ltd	100%	Under Application
EPM 15310 Elginvale North	D'Aguilar Gold Ltd	100%	9/01/07
EPMA 15403 Buaraba Creek	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15405 Cressbrook Creek	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15456 Cardross	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15457 Poperima Creek	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15460 Mount Delaney	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15462 Chillagoe	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15684 Anduramba Extended	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15760 Isa East	D'Aguilar Minerals Pty Ltd	100%	Under Application

Tenure Type, Name and Number	Current Holder	Registered % Interest of Holder	Date of Expiry
EPMA 15762 Isa Central	D'Aguilar Minerals Pty Ltd	100%	Under Application
EPMA 15763 Isa West	D'Aguilar Minerals Pty Ltd	100%	Under Application
EPMA 15764 Isa North	D'Aguilar Minerals Pty Ltd	100%	Under Application
EPMA 15766 Isa South	D'Aguilar Minerals Pty Ltd	100%	Under Application
EPMA 15767 Isa North Extended	D'Aguilar Minerals Pty Ltd	100%	Under Application
EPMA 15772 Gregory Two	D'Aguilar Minerals Pty Ltd	100%	Under Application
EPMA 15774 Gregory One	D'Aguilar Minerals Pty Ltd	100%	Under Application
EPMA 15779 Cooper	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15780 Larcom	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15803 Cooper Extended	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15812 Crows Nest East	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15842 Glenmore	D'Aguilar Gold Ltd	100%	Under Application
EPMA 15874 Big Hill	D'Aguilar Minerals Pty Ltd	100%	Under Application
ML 3678 United Reefs Gold Mine (Shamrock)		D'Aguilar Gold Ltd	100% 31/05/22
ML 3732 Jimmy Scrub	D'Aguilar Gold Ltd	100%	31/01/10
ML 3741 Shamrock Extended	D'Aguilar Gold Ltd	100%	30/09/09
ML 3748 Black Shamrock	D'Aguilar Gold Ltd	100%	28/02/13
ML 3749 North Chinaman	D'Aguilar Gold Ltd	100%	31/07/07
ML 3752 Shamrock Tailings	D'Aguilar Gold Ltd	100%	31/01/10
ML 3753 Shamrock Tailings Extended	D'Aguilar Gold Ltd	100%	31/08/05 See Note 6
ML 6622 Golden Spur	D'Aguilar Gold Ltd	100%	31/07/09
ML 50059 Manumbar	D'Aguilar Gold Ltd	100%	31/12/08
ML 50099 Manumbar Extended	D'Aguilar Gold Ltd	100%	31/08/05 See Note 6
ML 50148 Tableland	D'Aguilar Gold Ltd	100%	30/04/14
ML 50137 Long Tunnel	Navaho Mining Pty Ltd	100%	31/08/09

Note 1 A Renewal Application has been lodged in respect of this Tenement.

Note 2 A Renewal Application has been lodged in respect of this Tenement. The Application was lodged outside of the 28-day period but still prior to expiry.

Note 3 These Tenements have been conditionally surrendered upon the successful granting of the EPM Applications referred to in Notes 4a and 4b.

Note 4a These Tenements have been granted and apply to ground over the conditionally surrendered EPM's referred to in Note 3.

Note 4b These Tenements have been applied for over the conditionally surrendered EPM's referred to in Note 3.

Note 5 D'Aguilar Gold Ltd registered an agreement, dealing or other interest over six sub-blocks of EPM 6031, held by Gympie Eldorado Gold Mines Pty Ltd ("GEGM").

Note 6 Renewal Applications have been lodged in respect of these Mining Leases.

corporate governance statement

The board of directors of D'Aguilar Gold Ltd is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of D'Aguilar Gold Ltd on behalf of the shareholders by whom they are elected and to whom they are accountable.

D'Aguilar Gold Ltd's Corporate Governance Statement is now structured with reference to the Australian Stock Exchange ("ASX") Corporate Governance Council's (the "Council") "Principles of Good Corporate Governance and Best Practice Recommendations", which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to add value
Principle 3	Promote ethical and responsible decision making
Principle 4	Safeguard integrity in financial reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of shareholders
Principle 7	Recognise and manage risk
Principle 8	Encourage enhanced performance
Principle 9	Remunerate fairly and responsibly
Principle 10	Recognise the legitimate interests of stakeholders

A copy of the Ten Essential Corporate Governance Principles and the Best Practice Recommendations can be found on the ASX's website at www.asx.com.au.

Any departures to the Council's best practice recommendations as at the date of this report, or throughout the year ended 30 June 2006, are set out below.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director on office at the date of the Annual Report is included in the Director's Report. Corporate Governance Council Recommendation 2.1 requires a majority of the board to be independent directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

In the context of director independence, "materiality" is considered from both the company and the individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 10% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered included whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the Company's loyalty.

In accordance with the Council's definition of independence above and the materiality thresholds set, the following directors were considered to be independent during the reporting period and as the date of this report:

Name	Position
Christopher Rawlings	Chairman, Non-Executive Director
Ian Levy	Non-Executive Director
Vince Mascolo	Non-Executive Director

In accordance with the Council's definition of independence above, and the materiality thresholds set, the following directors are not considered to be independent:

Name	Position	Reason for non-compliance
Nicholas Mather	Executive Director	Mr Mather is employed by the Company in an executive capacity
Brian Moller	Non-Executive Director	Mr Moller is a principal of a material professional advisor to the Company

Therefore the majority of the board were considered independent during the year ended 30 June 2006 and as at the date of this report. D'Aguilar Gold Ltd considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its board members. The directors noted above have been appointed to the board of D'Aguilar Gold Ltd due to their considerable industry and corporate experience.

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
Christopher Rawlings	3 years, 4 months
Nicholas Mather	5 years, 11 months
Ian Levy	3 years, 7 months
Brian Moller	4 years, 1 month
Vincent Mascolo	3 years, 7 months

Remuneration and Nomination Committee

The board has established a Remuneration and Nomination Committee, which meets at least annually to:

- Discharge the Board's responsibilities in relation to remuneration of the Company's executives; and
- Determine the state of director nominees for election to the Board, to identify and recommend candidates to fill casual vacancies.

The Remuneration and Nomination Committee comprises all four non-executive directors.

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the consolidated entity to the Audit and Risk Management Committee.

The Committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the audit committee are non-executive directors.

The members of the Audit and Risk Management Committee at the date of this report are:

- Vincent Mascolo (chairman of Audit and Risk Management Committee)
- Brian Moller
- Christopher Rawlings

Recommendation 4.3 requires that the composition of audit committees comprise a majority of independent directors and that the committee have at least three members. At all times during the year ended 30 June 2006, D'Aguilar Gold Ltd satisfied these requirements.

For additional details of directors' attendance at Audit and Risk Management Committee meetings and to review the qualifications of the members of the Audit and Risk Management Committee, please refer to the Directors' Report.

Performance

The Remuneration and Nominations Committee considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board.

The performance of the board is reviewed annually and otherwise as required in conjunction with the regular meetings of the Board by the Chairman against both measurable and qualitative indicators. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of D'Aguilar Gold Limited.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating director and key executives fairly and appropriately with reference to relevant and employment market conditions. To assist in achieving this objective, the Board links the nature and amount of executive director's and officer's emoluments to the company's financial and operations performance. The expected outcomes of the remuneration structure are:

- Retention and Motivation of key executives
- Attraction of quality management to the Company
- Performance incentives which allow executives to share the rewards of the success of D'Aguilar Gold Limited

For details on the amount of remuneration and all monetary and non-monetary components for each of the five highest paid (non-director) executives during the year, and for all directors, please refer to the Remuneration Report within the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the board, having regard to the overall performance of D'Aguilar Gold Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves, subject to the Company's constitution and prior shareholder approvals, and the executive team. As noted above, the Board has established a Remuneration and Nomination Committee.

FINANCIAL STATEMENTS

2006

Income Statement for the year ended 30 June 2006

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Revenue					
Interest received	3	66,135	80,782	65,975	80,592
Net gain from sale of non-current assets		10,818	75,363	10,818	75,363
Other revenue		34,848	-	34,848	-
Profit on disposal of investment		270,561	-	270,561	-
Gain on write back of provision		-	700,000	-	700,000
Total Revenue		382,362	856,145	382,202	855,955
Expenses					
Borrowing cost expenses	4	(64,168)	(94,775)	(64,168)	(94,775)
Employee benefits expenses		(317,582)	(235,014)	(317,582)	(235,014)
Depreciation and amortisation expenses		(52,238)	(40,102)	(52,238)	(40,102)
Legal expenses		(190,267)	(7,395)	(190,267)	(7,395)
Administration and consulting expenses		(535,862)	(467,247)	(535,687)	(467,289)
Other expenses from ordinary activities		(156,040)	(25,225)	(154,343)	(24,946)
Written down value of assets sold		-	(4,745)	-	(4,745)
Debt forgiveness		(72,924)	-	(72,924)	-
Revaluation of investment		(21,142)	-	(21,142)	-
Total Expenses		(1,410,223)	(874,503)	(1,408,351)	(874,266)
Profit/(loss) before income tax expense		(1,027,861)	(18,358)	(1,026,149)	(18,311)
Income tax expense	5	-	-	-	-
Net profit/(loss) attributable to members of D'Aguilar Gold Ltd		(1,027,861)	(18,358)	(1,026,149)	(18,311)
Overall Operations		Cents	Cents		
Basic Earnings Per Share	9	(0.0121)	(0.0003)		
Diluted Earnings Per Share	9	(0.0106)	(0.0002)		

The Income Statement should be read in conjunction with the Notes to the Financial Statements.

Balance Sheet as at 30 June 2006

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
CURRENT ASSETS					
Cash and cash equivalents	10	555,149	889,699	551,842	884,395
Trade and other receivables	11	54,609	64,848	54,471	46,540
Financial assets	14	370,754	-	370,754	-
Other current assets	12	24,936	24,700	24,936	24,700
Total Current Assets		1,005,448	979,247	1,002,003	955,635
NON-CURRENT ASSETS					
Financial assets	14	532,451	492,310	494,837	474,807
Trade and other receivables	11	6,383	-	847,263	650,159
Investments in subsidiaries	15	-	-	79,458	79,468
Property, plant and equipment	16	166,371	201,166	166,371	198,595
Exploration and Evaluation Expenditure	13	5,506,804	4,067,265	4,630,881	3,384,489
Other non-current assets	12	-	6,463	-	6,462
Total Non-Current Assets		6,212,009	4,767,204	6,218,810	4,793,980
TOTAL ASSETS		7,217,457	5,746,451	7,220,813	5,749,615
CURRENT LIABILITIES					
Trade and other payables	17	204,042	139,830	204,042	112,187
Short-term borrowings	18	20,373	21,029	20,373	21,029
Total Current Liabilities		224,415	160,859	224,415	133,216
NON-CURRENT LIABILITIES					
Long-term borrowings	18	43,819	64,194	43,819	64,194
Long-term provisions	19	600,000	600,000	600,000	600,000
Total Non-Current Liabilities		643,819	664,194	643,819	664,194
TOTAL LIABILITIES		868,234	825,053	868,234	797,410
NET ASSETS		6,349,223	4,921,398	6,352,579	4,952,205
EQUITY					
Issued capital	20	9,158,658	7,447,478	9,158,658	7,447,478
Reserves	21	715,343	-	715,343	-
Retained earnings/(Accumulated losses)		(3,524,778)	(2,526,080)	(3,521,422)	(2,495,273)
TOTAL EQUITY		6,349,223	4,921,398	6,352,579	4,952,205

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity for the year ended 30 June 2006

Economic Entity

	Issued Capital	Retained Earnings/ (Accumulated Losses)	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2004	6,225,586	(2,507,722)	-	3,717,864
Issue of share capital	1,289,520	-	-	1,289,520
Share issue costs	(67,628)	-	-	(67,628)
Profit/(loss) for the period	-	(18,358)	-	(18,358)
Balance at 30 June 2005	7,447,478	(2,526,080)	-	4,921,398
Issue of shares and options	1,728,009	-	525,771	2,253,780
Share issue costs	(55,829)	-	-	(55,829)
Issue of executive options	-	-	189,572	189,572
Options exercised	39,000	-	-	39,000
Disposal of subsidiary	-	29,163	-	29,163
Profit/(loss) for the year	-	(1,027,861)	-	(1,027,861)
Balance at 30 June 2006	9,158,658	(3,524,778)	715,343	6,349,223

Parent Entity

	Issued Capital	Accumulated Losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2004	6,225,586	(2,476,962)	-	3,748,624
Issue of share capital	1,289,520	-	-	1,289,520
Share issue costs	(67,628)	-	-	(67,628)
Profit/(loss) for the period	-	(18,311)	-	(18,311)
Balance at 30 June 2005	7,447,478	(2,495,273)	-	4,952,205
Issue of shares and options	1,728,009	-	525,771	2,253,780
Share issue costs	(55,829)	-	-	(55,829)
Issue of executive options	-	-	189,572	189,572
Options exercised	39,000	-	-	39,000
Profit/(loss) for the year	-	(1,026,149)	-	(1,026,149)
Balance at 30 June 2006	9,158,658	(3,521,422)	715,343	6,352,579

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Cash Flow Statement for the year ended 30 June 2006

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
		Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees (inclusive of goods and services tax)		(1,363,713)	(1,046,743)	(1,363,982)	(1,070,364)
Interest received		66,135	80,782	65,975	80,592
GST Refunds		202,781	167,947	202,781	164,979
Interest and other costs of finance paid		(64,168)	(94,782)	(64,168)	(94,782)
Net cash used in operating activities	28	(1,158,965)	(892,796)	(1,159,394)	(919,576)
CASH FLOWS FROM INVESTING ACTIVITIES					
Security deposit (payments) / refunds		(20,030)	(38,998)	(20,030)	(21,495)
Proceeds from sale of property, plant and equipment	28	10,818	75,363	10,818	75,363
Payments for property, plant and equipment		(20,445)	(54,518)	(20,445)	(51,947)
Exploration and evaluation expenditure		(1,322,848)	(1,555,420)	(1,129,701)	(1,148,242)
Loans to subsidiaries		-	-	(190,721)	(405,776)
Net cash used in investing activities		(1,352,505)	(1,573,573)	(1,350,079)	(1,552,097)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of securities		2,253,780	1,289,520	2,253,780	1,289,520
Capital raising expenses		(55,830)	(67,628)	(55,830)	(67,628)
Repayment of borrowings		(21,030)	17,967	(21,030)	17,967
Net cash provided by financing activities		2,176,920	1,239,859	2,176,920	1,239,859
Net increase/(decrease) in cash held		(334,550)	(1,226,510)	(332,553)	(1,231,814)
Cash at the beginning of the financial year		889,699	2,116,209	884,395	2,116,209
Cash at the end of the financial year	28	555,149	889,699	551,842	884,395

The Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Equivalents to International Reporting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report of D'Aguilar Gold Ltd and controlled entities, and D'Aguilar Gold Ltd as an individual parent entity comply with all Australian Equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Economic Entity to continue and adopt the going concern assumption will depend upon a number of matters including the successful raising in the future of necessary funding and successful exploitation of exploration expenditure.

First-time adoption of Australian Equivalents to International Financial Reporting Standards

D'Aguilar Gold Ltd and controlled entities and D'Aguilar Gold Ltd as an individual parent entity have prepared financial statements in accordance with the Australian Equivalents to International Financial Reporting Standards (IFRS) from 1 July 2005.

In accordance with the requirement of AASB1: First-time of adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of IFRS have been applied retrospectively to comparative figures. These consolidated financial statements are the first financial statements of D'Aguilar Gold Ltd to be prepared in accordance with Australian Equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

Reconciliations of the transition from previous Australian GAAP to IFRS have been included in Note 2 to this report.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity D'Aguilar Gold Ltd has the power to control the financial and operating policies so as to obtain benefits from its activities. A list of controlled entities is contained in Note 26 to the financial statements. All inter-company balances and transactions between entities in the Economic Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity. Where controlled entities have entered or left the Economic Entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

D'Aguilar Gold Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. D'Aguilar Gold Ltd will be responsible for recognising the current and deferred tax assets and liabilities for the tax consolidation group. The tax consolidated group have entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the consolidated group.

(c) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated over their useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Fixed Assets	Depreciation Rate
Freehold building	2.5% Prime Cost
Plant and equipment	10% - 35% Prime Cost
Site Infrastructure	10% - 25% Prime Cost
Leased Plant & Equipment	33% Prime Cost
Computers and Office Equipment	33% Prime Cost
Furniture and Fittings	20% Prime Cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve related to that asset are transferred to retained earnings.

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(d) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but does not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A provision is raised against exploration and evaluation expenditure where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition trade and other receivables and trade and other payables are measured at amortised cost. Available for sale instruments are measured at fair value via the Asset Revaluation Reserve for revaluation increments or via the Income Statement if no Asset Revaluation Reserve exists for revaluation decrements.

(g) Impairment of assets

At each reporting date, the group reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity settled compensation

The group issues share-based compensation in the form of unlisted options. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and options granted.

(i) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(k) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances GST is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of financing and investing activities, which are disclosed as operating cash flows.

(m) Comparative figures

When required by Australian Equivalents to International Reporting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Investments in Subsidiaries

Investments are brought to account on the costs basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the shares' current market value or the underlying net assets in the particular entities. The expected net cash flow from investments has not been discounted to their present value in determining the recoverable amounts, except where stated.

(o) Restoration, Rehabilitation and Environmental Expenditure

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Estimates of future costs are reassessed at least annually. Changes in estimates relating to areas of interest in the exploration and evaluation phase are dealt with retrospectively, with any amounts that would have been written off or provided against under the accounting policy for exploration and evaluation immediately written off.

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTE 2 FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Economic (and Parent) Entity

Reconciliation of Equity at 1 July 2004

There were no material impacts of adopting Australian Equivalents to IFRS on Equity as reported under previous GAAP at 1 July 2004.

Reconciliation of Equity at 30 June 2005

There were no material impacts of adopting Australian Equivalents to IFRS on Equity as reported under previous GAAP at 30 June 2005.

During the financial year the Company granted options to executives and employees. In accordance with the Australian Equivalent to International Financial Reporting Standard AASB 2: Share-Based Payments the Company has recognised a share option reserve of \$189,572 for the particular options in the Balance Sheet as at 30 June 2006.

Reconciliation of Profit or Loss for 2005

There were no material effects of transition to Australian Equivalents to IFRS on Profit or Loss as reported under previous GAAP for 2005.

During the financial year the Company granted options to executives and employees. In accordance with the Australian Equivalent to International Financial Reporting Standard AASB 2: Share-Based Payments the Company has recognised an expense of \$85,227 in the Income Statement and \$104,345 in Exploration and Evaluation Expenditure the year ended 30 June 2006. In previous reporting periods the Company was not required to expense share based payments.

NOTE 3 REVENUE

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Operating activities				
- interest received	66,135	80,782	65,975	80,592
- other revenue	-	-	-	-
Total revenue	66,135	80,782	65,975	80,592
Interest revenue from:				
- other persons	66,135	80,782	65,975	80,592
Total interest revenue	66,135	80,782	65,975	80,592

NOTE 4 PROFIT/(LOSS)

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Profit/(loss) before income tax expense has been determined after:				
Revenue				
Interest Received	66,135	80,782	65,975	80,592
Expenses				
Finance costs: external	4,168	-	4,168	-
Finance costs: related entities	60,000	54,854	60,000	54,854
Finance costs: other related entities	-	39,921	-	39,921
Total finance costs	64,168	94,775	64,168	94,775
Rental expenses on operating leases - minimum lease payments	30,375	17,126	30,375	17,126
Write off of capitalised exploration	112,805	-	112,805	-

NOTE 5 INCOME TAX

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows:

Profit / (loss) from continuing operations before income tax expense	(1,027,861)	(18,358)	(1,026,149)	(18,311)
Tax rate at the Australian rate of 30% (2005:30%)	(308,358)	(5,507)	(307,844)	(5,493)
- prospectus costs	(36,382)	(32,301)	(36,382)	(32,301)
Tax losses not recognised as an asset	344,740	37,808	344,226	37,794
Income Tax Expense at effective tax rate of 30% (2005:30%)	-	-	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in the balance sheet for the following items:

- unused tax losses	7,971,150	4,819,748	7,969,438	4,242,453
- deductible temporary differences	324,744	659,352	324,744	577,295
Cumulative deferred income tax liability not recognised	8,295,894	5,479,100	8,294,182	4,819,748
Potential benefit at 30% (2005:30%)	2,488,768	1,643,730	2,488,255	1,445,924

Unrecognised deferred tax liabilities

Temporary differences relating to investments in subsidiaries/associates/interests

in joint ventures/branches for which deferred tax liabilities have not been recognised	5,506,804	4,043,767	5,506,804	4,043,767
Unrecognised deferred tax liabilities relating to the above temporary differences at 30% (2005:30%)	1,652,041	1,213,130	1,652,041	1,213,130

The deferred tax asset arising from the preceding items will only be obtained if:

- the Economic Entity continues to comply with the relevant provisions of the income tax legislation;
- it earns sufficient assessable income to enable benefits to be realised; and
- there are no changes in tax legislation adversely affecting the Economic Entity in realising the benefits.

Accordingly, the Directors believe it is prudent that the deferred tax asset described above not be brought to account until the Economic Entity generates future income streams.

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 6 DIRECTORS' AND EXECUTIVES' REMUNERATION

Information about the remuneration of Directors and Executives which is currently required under Section 300A of the Corporations Act and under Accounting Standard AASB 124: Related Party Disclosures is included in the Remuneration Report within the Director's Report. The Company has taken the relief provided by Corporations Amendments Regulations 2006 (No. 4).

NOTE 7 AUDITORS' REMUNERATION

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Remuneration to Auditors:				
Audit/review	19,800	19,050	19,800	19,050
Other services	1,200	1,200	1,200	1,200
	21,000	20,250	21,000	20,250

NOTE 8 DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial year.

There were no franking credits available to the shareholders of the Company.

NOTE 9 EARNINGS PER SHARE

(a) Reconciliation of Earnings to Loss

Loss	(1,027,861)	(18,358)
Earnings used to calculate basic and dilutive	(1,027,861)	(18,358)

	2006 Number	2005 Number
(b) Weighted average number of ordinary shares outstanding during the year	84,830,278	63,671,316
Weighted average number of options outstanding	11,749,862	33,156,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	96,580,140	96,827,316

NOTE 10 CASH & CASH EQUIVALENTS

Cash on hand and at bank	555,149	85,414	551,842	80,110
Cash on deposit	-	804,285	-	804,285
	555,149	889,699	551,842	884,395

The effective interest rate on short-term bank deposits was 5.1% (2005: 5.1%); these deposits have an average maturity of 30 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	555,149	889,699	551,842	884,395
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NOTE 11 TRADE AND OTHER RECEIVABLES

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Current				
Other receivables	29,316	14,663	29,316	14,663
GST receivable	25,293	31,877	25,155	31,877
Security deposits	-	18,308	-	-
	54,609	64,848	54,471	46,540
Non-current				
Loan to Australian Resources Management (ARM) Pty Ltd	-	-	-	411,140
Loan to Navaho Mining Pty Ltd	-	-	839,432	239,019
Loan to D'Aguilar Minerals Pty Ltd	-	-	1,448	-
Other receivables	6,383	-	6,383	-
	6,383	-	847,263	650,159

NOTE 12 OTHER ASSETS

Current

Prepayments – general	24,936	24,700	24,936	24,700
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Non-current

Other		6,463	-	6,462
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NOTE 13 EXPLORATION AND EVALUATION EXPENDITURE

Non-current

Exploration expenditure capitalised				
- exploration and evaluation phase	5,506,804	4,067,265	4,630,881	3,384,489

Capitalised costs amounting to \$1,552,344 (2005: \$1,553,416) have been included in cash flows from investing activities in the cash flow statement.

NOTE 14 FINANCIAL ASSETS

Available-for-sale financial assets	370,754	-	370,754	-
Held-to-maturity financial assets	532,451	492,310	494,837	474,807
	903,205	492,310	865,591	474,807
Less non-current portion	(532,451)	(492,310)	(494,837)	(474,807)
Current portion	370,754	-	370,754	-

a. Available-for-sale Financial Assets Comprise:

Listed investments, at fair value				
- shares in listed corporations	370,754	-	370,754	-

Available-for-sale financial assets comprise an investment in the ordinary issued capital of Solomon Gold plc, listed on the London Stock Exchanges Alternative Investment Market ("AIM"). D'Aguilar Gold Ltd acquired 500,000 ordinary shares in Solomon Gold plc in a Pre-Admission Placing undertaken prior to the subsequent listing of Solomon Gold plc on 10 February 2006. At the time of the Pre-Admission Placing, D'Aguilar Gold Ltd entered into an orderly market agreement, pursuant to which D'Aguilar Gold Ltd undertook that it would not sell or dispose of, except in certain circumstances, its interests in Solomon Gold plc for a period of six months from admission on AIM. This period ended on 9 August 2006. There are no fixed returns of fixed maturity dates attached to this investment.

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 14 FINANCIAL ASSETS continued

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
b. Held-to-maturity Investments Comprise:				
Cash on deposit (held as security for bank for guarantee for security deposit)	494,837	314,000	494,837	314,000
Security bonds	37,614	178,310	-	160,807
	532,451	492,310	494,837	474,807

NOTE 15 INVESTMENT IN SUBSIDIARIES

Shares in controlled entities - unlisted at cost (Note26)	-	-	79,458	79,468
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NOTE 16 PROPERTY, PLANT AND EQUIPMENT

Freehold Building

At cost	54,535	54,535	54,535	54,535
Accumulated depreciation	(15,425)	(14,062)	(15,425)	(14,062)
	39,110	40,473	39,110	40,473

Plant and Equipment

At cost	1,852,796	1,902,011	1,852,796	1,851,394
Accumulated depreciation	(1,803,991)	(1,838,820)	(1,803,991)	(1,788,203)
	48,805	63,191	48,805	63,191

Site Infrastructure

At cost	2,443,532	2,443,532	2,443,532	2,443,532
Accumulated depreciation	(2,443,532)	(2,443,532)	(2,443,532)	(2,443,532)
	-	-	-	-

Leased Plant & Equipment

At cost	115,307	115,307	115,307	115,307
Accumulated depreciation	(57,640)	(32,607)	(57,640)	(32,607)
	57,667	82,700	57,667	82,700

Computers and Office Equipment

At cost	32,847	16,723	32,847	14,152
Accumulated depreciation	(13,688)	(3,815)	(13,688)	(3,815)
	19,159	12,908	19,159	10,337

Furniture and Fittings

At cost	2,528	2,314	2,528	2,314
Accumulated depreciation	(898)	(420)	(898)	(420)
	1,630	1,894	1,630	1,894

Net Book value	166,371	201,166	166,371	198,595
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NOTE 16 PROPERTY, PLANT AND EQUIPMENT *continued*

(a) Movements in carrying amounts

Economic Entity:	Freehold Building	Plant & Equipment	Site Infra-structure	Leased Plant & Equipment	Computers & Office Equipment	Furniture & Fittings	Total
Balance at the beginning of the year	40,473	63,191	-	82,700	12,908	1,894	201,166
Additions	-	1,402	-	-	18,695	214	20,311
Disposals	-	-	-	-	(2,868)	-	(2,868)
Depreciation Expenses	(1,363)	(15,788)	-	(25,033)	(9,576)	(478)	(52,238)
Carrying amount at the end of the year	39,110	48,805	-	57,667	19,159	1,630	166,371
Parent Entity:							
Balance at the beginning of the year	40,473	63,191	-	82,700	10,337	1,894	198,595
Additions	-	1,402	-	-	18,695	214	20,311
Disposals	-	-	-	-	(297)	-	(297)
Depreciation Expenses	(1,363)	(15,788)	-	(25,033)	(9,576)	(478)	(52,238)
Carrying amount at the end of the year	39,110	48,805	-	57,667	19,159	1,630	166,371

NOTE 17 TRADE & OTHER PAYABLES

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Current				
Trade and Other Creditors	181,012	129,146	181,012	101,503
Provision for employee benefits	23,030	10,684	23,030	10,684
	204,042	139,830	204,042	112,187

Provision for employee benefits

A provision has been recognised for employee benefits relating to annual leave. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

As at 30 June 2006, the economic entity employed five full-time employees plus a further eight part-time and casual staff (2005: four full-time employees, plus eight part-time and casual staff).

NOTE 18 BORROWINGS

Current

Lease Liability – secured	20,373	21,029	20,373	21,029
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Non-Current

Lease Liability – secured	43,819	64,194	43,819	64,194
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Lease liabilities are secured over the assets to which they relate. The gross value of these assets is \$115,307 (30 June 2005: \$115,307)

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 19 PROVISIONS

	Economic Entity	Parent Entity
Site Restoration:		
Opening balance at 1 July 2005:	600,000	600,000
Additional provisions	-	-
Amounts used	-	-
Unused amounts reversed	-	-
Balance at 30 June 2006	600,000	600,000

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$

Analysis of total provisions

Non-current	600,000	600,000	600,000	600,000
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Provision for site restoration

In relation to the Site Restoration liability, the Company has the benefit of an indemnity from LV Living Ltd (previously Maxe-tec Australia Limited) in respect of certain liabilities. In addition the Company has secured performance bonds to the value of \$600,000 (2005:\$600,000). Further information regarding these contingent assets can be found in Note 23

NOTE 20 ISSUED CAPITAL

89,830,815 (2005: 74,505,639)

Fully paid ordinary shares	9,765,018	7,998,007	9,765,018	7,998,007
Share issue costs	(606,360)	(550,529)	(606,360)	(550,529)
	9,158,658	7,447,478	9,158,658	7,447,478

(a) Ordinary shares

Balance 1 July	74,505,639	57,312,039	74,505,639	57,312,039
- February/March 2005	-	17,193,600	-	17,193,600
- 27 October 2005	15,025,176	-	15,025,176	-
- 1 November 2005	300,000	-	300,000	-
Balance 30 June	89,830,815	74,505,639	89,830,815	74,505,639

During February and March 2005, 17,193,600 ordinary shares were issued for 7.5 cents each pursuant to a share purchase plan, raising \$1,289,520.

On 27 October 2005 the Company completed a placement of 15,025,176 ordinary shares for 15.0 cents each plus 7,512,571 free attaching (unlisted) \$0.197 options expiring on 30 September 2008, raising \$2,253,780.

On 1 November 2005, 300,000 (unlisted) \$0.127 (31/07/08) were exercised into 300,000 ordinary shares at \$0.130 (i.e. prior to a reduction in the option exercise price following a reduction of capital)

(b) Options

(i) Listed Options (\$0.197 @ 31/3/06)

At the beginning of the reporting period	28,656,000	28,656,000	28,656,000	28,656,000
Expired during the period	(28,656,000)	-	(28,656,000)	-
At reporting date	-	28,656,000	-	28,656,000

NOTE 20 ISSUED CAPITAL *continued*

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Unlisted Options (\$0.197 @ 31/10/05)				
At the beginning of the reporting period	4,500,000	4,500,000	4,500,000	4,500,000
Expired during the period	(4,500,000)	-	(4,500,000)	-
At reporting date	-	4,500,000	-	4,500,000
Unlisted Options (\$0.197 @ 30/9/08)				
At the beginning of the reporting period	-	-	-	-
Attaching to Share Placement Oct 05	7,512,571	-	7,512,571	-
Solomon God plc seed investors Jan 06	11,650,000	-	11,650,000	-
At reporting date	19,162,571	-	19,162,571	-
Unlisted Options (\$0.127 @ 31/7/08)				
At the beginning of the reporting period	-	-	-	-
Issued to executives and staff:				
- 31 July 2005	2,450,000	-	2,450,000	-
- 8 May 2006	1,200,000	-	1,200,000	-
Options Exercised:				
- 1 November 2005	(300,000)	-	(300,000)	-
	3,350,000	-	3,350,000	-

(ii) For information relating to share options issued to key management personnel during the financial year, refer to the Remuneration Report included in the Director's Report.

NOTE 21 RESERVES

Option Reserve – capital raising	525,771	-	525,771	-
Option Reserve – employee share options	189,572	-	189,572	-
	715,343	-	715,343	-

The option reserve (capital raising) records the value of options issued as part of capital raisings.

The option reserve (employee share options) records items recognised as expenses on valuation of employee share options.

Notes to the Financial Statements for the year ended 30 June 2006

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$

NOTE 22 COMMITMENTS FOR EXPENDITURE

(a) Future Exploration

The Economic Entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Economic Entity.

The commitments to be undertaken are as follows:

Payable - within one year	1,646,862	3,163,723	1,047,658	983,187
- between one and five years	5,225,534	5,053,532	3,735,650	2,311,384
- greater than five years	21,343	33,180	21,343	33,180

All of the Company's other EPM's are in Queensland. To keep EPM's in good standing in Queensland, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements. The Company also has the ability to meet expenditure requirements by joint venture or farm in agreements.

(b) Lease expenditure commitments

(i) Operating leases (non-cancellable):

Minimum lease payments				
- not later than one year	30,375	27,538	30,375	27,538
- later than one year and not later than five years	19,688	47,734	19,688	47,734
- later than five years	-	-	-	-
	50,063	75,272	50,063	75,272

The terms of the operating leases range from 1 year to 3 years with no options to renew.

(ii) Finance leases:

- not later than one year	24,508	27,145	24,508	27,145
- later than one year and not later than five years	46,602	71,110	46,602	71,110
- later than five years	-	-	-	-
Total minimum lease payments	71,110	98,255	71,110	98,255
- future finance charges	(6,918)	(13,033)	(6,918)	(13,033)
- lease liability	64,192	85,222	64,192	85,222
- current liability	20,373	21,029	20,373	21,029
- non-current liability	43,819	64,193	43,819	64,193
	64,192	85,222	64,192	85,222

NOTE 23 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent Asset - Provision for Rehabilitation Costs

The Company has conducted an extensive review of the environmental status of the Mining Leases with a view to making an assessment of the appropriate provision it should make in its accounts for future liabilities in respect of rehabilitation and restoration.

In the course of this exercise, advice was received from different parties providing estimations on the potential costs for future rehabilitation and restoration. Based on this information, the Company has provided in its accounts in respect of these contingent liabilities to \$600,000.

The Company also has the benefit of an indemnity from LV Living Ltd (formerly Maxe-tec Australia Ltd) in respect of liabilities in respect of facts or circumstances arising to 30 October 2001, when Salmon Resources Inc. (formerly called Western Pacific Gold Inc) acquired D'Aguilar from LV Living Ltd. LV Living Ltd dispute its liability under this indemnity. In the event that at some future time the Company is required to discharge these liabilities it intends to call upon LV Living Ltd to perform under the indemnity. If LV Living Ltd fails or refuses to perform, the Company may be required to enforce the indemnity.

The Directors have also taken steps to enter into agreements with third parties to accept responsibility for a portion of the present liability of the Company in respect of the rehabilitation costs. Pursuant to Deeds entered into in December 2004 between the Company and interests associated with two of the Directors of the Company ("the Bondholders"), the Bondholders have agreed to assume the responsibility for the discharge of \$600,000 in total of the environmental liability and restoration obligations of the Company in respect of its mining leases.

Samuel Capital Limited has taken \$300,000 of Bonds and is an entity associated with Mr Mather, a director. Vincent Mascolo, also a director of the Company, has also taken \$300,000 of the Bonds.

(b) Contingent Liability – Solomon Gold plc warranties and indemnities

In February 2006, in relation to the flotation of Solomon Gold plc, the Company entered into a Placing Agreement between Solomon Gold plc, D'Aguilar Gold Ltd, the directors of Solomon Gold Ltd and Williams de Broe Limited (now Evolution Securities Limited), the nominated advisor (NOMAD). One of the conditions of the Placing Agreement for the London Stock Exchange Alternative Investment Market ("AIM") is that D'Aguilar Gold provides certain warranties and indemnities to Evolution Securities Limited regarding certain information provided to Solomon Gold plc in the Admission Document. This results in a contingent liability to a maximum value of £1.1m. The Placing Agreement formed part of the terms and conditions upon which Evolution Securities Limited agreed to procure subscribers for shares in the initial public offering by Solomon Gold plc. The warranties and indemnities expire on 10 February 2008 for non taxation matters and 10 February 2012 for taxation matters.

(c) Supreme Court of Queensland Proceedings

The Company is the plaintiff in proceedings no 0529879 in the Supreme Court of Queensland against Gympie Eldorado Mining Pty Ltd. The Company is seeking certain declarations and orders relating to its entitlement to six sub-blocks in EPM 6031. The matter has been heard and judgement is pending. If the Company is unsuccessful and does not appeal the matter, it will lose its entitlement to the six sub-blocks and be exposed to an order requiring it to pay the respondents taxed costs.

(d) Further Supreme Court of Queensland Proceedings

The Company is the plaintiff in proceedings no 0530086 in the Supreme Court of Queensland against LV Living Ltd. The Company is seeking certain declarations and orders relating to its entitlement to the usage of land at Kilkivan, Queensland. The matter is still proceeding to trial. If the Company is unsuccessful and does not appeal the matter, it will lose its entitlement to the land and be exposed to an order requiring it to pay the respondents taxed costs.

The directors are otherwise satisfied that there are no other significant contingent assets or contingent liabilities.

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 24 SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2006.

During the year 3,650,000 share options were granted to employees. The options are to take up one ordinary share in D'Aguilar Gold Ltd at an issue price of 12.7 cents each. The options expire 31 July 2008 and fully vested on issue.

	Economic Entity				Parent Entity			
	2006		2005		2006		2005	
	No. of options	Wghtd avge ex price	No. of options	Wghtd avge ex price	No. of options	Wghtd avge ex price	No. of options	Wghtd avge ex price
Outstanding at beginning of year	-	-	-	-	-	-	-	-
Granted	3,650,000	0.127	-	-	3,350,000	0.127	-	-
Forfeited	-	-	-	-	-	-	-	-
Exercised	(300,000)	0.130	-	-	(300,000)	0.130	-	-
Expired	-	-	-	-	-	-	-	-
Outstanding at year-end	3,350,000	0.127	-	-	3,350,000	0.127	-	-
Exercisable at year-end	3,350,000	0.127	-	-	3,350,000	0.127	-	-

300,000 options were exercised during the year ended 30 June 2006.

The options outstanding at 30 June 2006 had a weighted average exercise price of \$0.127 and average remained actual life of two year and one month. The exercise price is \$0.127 in respect of options outstanding at 30 June 2006.

The weighted average fair value of the options granted during the year was \$0.0519

This price was calculated by using a Black Scholes options pricing model applying the following inputs:

	Issued on 20/7/05	Issued on 8/5/06	Total issued in 2006
Weighted average exercise price	\$0.130*	\$0.127	\$0.127
Weighted average life of the option	3.027 years	2.230 years	
Underlying share price	\$0.083	\$0.090	
Expected share price volatility	116.96%	127.62%	
Risk free interest rate	5.22%	5.67%	
Number of options issued	2,450,000	1,200,000	3,650,000
Value (Black-Scholes) per option	\$0.0535	\$0.0487	\$0.0519
Total value of options issued	\$131,100	\$58,472	\$189,572

*Note – exercise price of 2,450,000 options issued on 20 July 2005 prior to return of capital on 14 October 2005 that reduced the exercise price to \$0.127.

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under Employee Benefits Expense in the Income Statement is \$85,227 (2005: \$0), and relates, in full, to equity-settled share-based payment transactions.

Included under Exploration Expenditure in the Balance Sheet is \$104,345 (2005: \$0), and relates, in full, to equity-settled share-based payment transactions.

NOTE 25 RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a) Transactions with Directors and Director-Related Entities

(i) D'Aguilar Gold Ltd has an agreement with Samuel Capital Ltd, an entity associated with Nicholas Mather (a director), and Nicholas Mather for the provision of certain consultancy services. Samuel Capital will provide Nicholas Mather as the Managing Director of D'Aguilar Gold Ltd for a base fee of \$175,000 per annum, with provision for adjustment based on semi-annual review by the Board on the basis of a minimum 25 hours per week. These amounts are included in the Remuneration Report within the Directors' Report.

(ii) D'Aguilar Gold Ltd has an agreement with Samuel Capital Ltd, an entity associated with Nicholas Mather (a director) whereby Samuel Capital Ltd will provide administration and management services to the Company. Samuel Capital Ltd will also provide office facilities to the Company under a non-exclusive licence to occupy. Samuel Capital Ltd will be reimbursed for the costs it incurs in providing these services plus a 10% margin, and in any event, not more than \$7,500 per month. Samuel Capital Ltd was paid \$87,500 for the provision of administration, management and office facilities to the Company during the year.

(iii) Mr Brian Moller (a director), is a partner in the firm Hopgood Ganim Lawyers. Hopgood Ganim were paid \$190,267 for the provision of legal services to the Company during the year. The services were based on normal commercial terms and conditions.

(iv) The Company has entered into Performance Bonds in relation to a possible environmental liability of the Company, which was \$1,300,000 between 1 July 2004 and 31 December 2004 and was reduced to \$600,000 on 31 December 2004. Samuel Capital Ltd, an entity associated with Nicholas Mather (a director), Vincent Mascolo (a director) and Damien Reynolds (a director up to 19 November 2004) had entered into Performance Bonds for \$500,000, \$400,000 and \$400,000 respectively in relation to the \$1,300,000 environmental liability of the Company up to 31 December 2004. On 31 December 2004, Samuel Capital Ltd, an entity associated with Nicholas Mather (a director) and Vincent Mascolo (a director) entered into Performance Bonds for \$300,000 each in relation to the environmental liability of the Company. Under the terms of the Bonds, the Bondholders are entitled to an annual fee of 10% of the amount provided for under the Bond payable quarterly. Interest on the Bonds of \$30,000 and \$30,000 respectively was paid or payable during the period.

(b) Share and Option transactions of Directors and Director-Related Entities are shown in the Remuneration Report within the Directors Report.

NOTE 26 CONTROLLED ENTITIES

(a) Details of Controlled Entities

Name of Entity	Country of Incorporation	Class of Shares	Cost of Parent Entity's Investment		Equity Holding	
			2006	2005	2006	2005
			\$	\$	%	%
Parent Entity:						
D'Aguilar Gold Ltd	Australia					
Controlled Entities:						
Australian Resource Management (ARM) Pty Ltd	Australia	Ordinary	-	10	-	100
Navaho Mining Pty Ltd	Australia	Ordinary	79,457	79,457	100	100
Solomon Gold Ltd	England	Ordinary	-	1	-	100
D'Aguilar Minerals Pty Ltd	Australia	Ordinary	1	-	100	-
			79,458	79,468		

Entities are directly controlled by D'Aguilar Gold Ltd

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 26 CONTROLLED ENTITIES continued

(b) Disposal and deconsolidation of Controlled Entities

In May 2005 Solomon Gold Ltd was incorporated with D'Aguilar Gold Ltd being the sole shareholder until August 2005 when Solomon Gold Ltd undertook a capital raising. The effect of the capital raising was to dilute D'Aguilar Gold Ltd to a minority interest. Solomon Gold did not trade during the period May to August 2005.

On 30 September 2005 Solomon Gold acquired all of the issued share capital of Australian Resource Management (ARM) Pty Ltd ("ARM") from D'Aguilar Gold Ltd in exchange for 10,500,000 new ordinary shares in Solomon Gold. On 14 October 2005, the shareholders in D'Aguilar Gold Ltd approved a reduction in the capital of D'Aguilar Gold Ltd by way of a distribution in specie of the 10,500,001 new ordinary shares in Solomon Gold received in consideration for the sale of ARM (including one ordinary share issued on incorporation). Accordingly, 10,500,001 new ordinary shares in Solomon Gold were distributed pro rata to D'Aguilar Gold shareholders on 8 November 2005.

As part of the proposals approved by D'Aguilar Gold shareholders on 14 October 2005, the beneficial holders of the 10,500,001 new ordinary shares in Solomon Gold distributed in specie were unable to deal in such shares for a period of six months from Admission of Solomon Gold plc on the London Stock Exchange's Alternative Investment Market ("AIM"), which occurred on 10 February 2006. Following the distribution in specie, D'Aguilar Gold Ltd has a beneficial interest in 500,000 ordinary shares in Solomon Gold plc. Prior to the disposal of ARM, D'Aguilar forgave intercompany debts of \$72,924 to ARM during the half-year ended 31 December 2005.

Aggregate details of the sale of ARM are:

	\$
Disposal price	271,571
Cash consideration	-
Assets and liabilities held at disposal date:	
Cash and cash equivalents	17,496
Trade and other receivables	21,564
Property, plant and equipment	11,332
Exploration expenditure	660,236
Trade and other payables	(440,057)
	270,571
ARM shares disposed of	10
Net gain/(loss) on disposal	270,561
	270,571

NOTE 27 SEGMENT INFORMATION

The Economic Entity operates predominantly in one business and geographical segment being in the mining industry in Australia. No revenue from this activity has been earned to date as the Economic Entity is still in the exploration and evaluation stage.

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
NOTE 28 CASH FLOW INFORMATION				
(a) Reconciliation of Cash Flow from Operations with Profit/(loss) after tax				
Profit/(loss) after tax	(1,027,861)	(18,358)	(1,026,149)	(18,311)
Cash flows excluded from Profit/(loss) attributable to operating activities:				
Profit on disposal of investment	(270,561)	-	(270,561)	-
(Profit)/Loss on sales of fixed assets	(10,818)	(70,618)	(10,818)	(70,618)
Share Bond Payments	52,238	-	52,238	-
Depreciation	58,472	40,102	58,472	40,102
Increase/(Decrease) in site restoration provision	-	(700,000)	-	(700,000)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
- (Increase)/Decrease in trade and other receivables	10,239	19,103	(7,931)	19,211
- (Increase)/Decrease in other assets	(236)	2	(236)	1
- Increase/(Decrease) in trade and other payables	29,562	(163,027)	45,591	(189,961)
Net cash flow from operations	(1,158,965)	(892,796)	(1,159,394)	(919,576)

Excluded from the above is \$39,000 of capital issued for consultants costs as a non-cashflow.

NOTE 29 EVENTS OCCURRING AFTER BALANCE DATE

On 18 August 2006, a total of 16,475,000 Ordinary Shares were issued. 16,000,000 shares were issued pursuant to a Share Purchase Plan at an issue price of 5.0 cents each, raising \$800,000 (before issue costs). A further 475,000 shares were issued to underwriters of the Share Purchase Plan, who elected to receive their underwriting fee in shares. This transaction did not impact upon the financial report as at 30 June 2006.

There have been no events since the end of the financial year that impact upon the financial report as at 30 June 2006.

NOTE 30 FINANCIAL INSTRUMENTS

(a) Financial risk management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to subsidiaries.

(i) Treasury risk management

The Company does not have a formally established treasury function. The Board is responsible for managing the economic entity's currency and interest rate exposure and for evaluating treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial risks

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions, as disclosed in the balance sheet and notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Notes to the Financial Statements for the year ended 30 June 2006

NOTE 30 FINANCIAL INSTRUMENTS continued

(b) Financial Instruments

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2006	2006	2006	2006	2006
	\$	\$	\$	\$	%
(i) Financial assets					
Cash and cash equivalents	555,149	-	-	555,149	4.90%
Other Financial Assets	-	314,000	589,205	903,205	2.20%
Trade and other receivables	-	-	60,992	60,992	
Total financial assets	555,149	314,000	650,197	1,519,346	
(ii) Financial liabilities					
Trade and other payables	-	-	204,042	204,042	
Borrowings (Current)	-	20,373	-	20,373	
Borrowings (Non-Current)	-	43,819	-	43,819	
Total financial liabilities	-	64,192	204,042	268,234	
Net financial assets / (liabilities)	555,149	249,808	446,155	1,251,112	

(b) Financial Instruments

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2005	2005	2005	2005	2005
	\$	\$	\$	\$	%
(i) Financial assets					
Cash and cash equivalents	85,414	804,285	-	889,699	4.90%
Financial Assets	-	314,000	178,310	492,310	2.60%
Trade and other receivables	-	-	64,848	64,848	-
Total financial assets	85,414	1,118,285	243,158	1,446,857	
(ii) Financial liabilities					
Trade and other Payables	-	-	139,830	139,830	-
Borrowings (Current)	-	21,029	-	21,029	8.00%
Borrowings (Non-Current)	-	64,193	-	64,193	8.00%
Total financial liabilities	-	85,222	139,830	225,052	
Net financial assets / (liabilities)	85,414	1,033,063	103,328	1,221,805	

directors' declaration

The Directors of the Company declare that:

(1) the financial statements and notes as set out on pages 30 to 52, are in accordance with the Corporations Act 2001 and:

- (a) comply with Australian Equivalents to International Financial Reporting Standards and the Corporations Regulations 2001; and
- (b) give a true and fair view of the financial position as at 30 June 2006 and of the performance for the year ended on that date of the Company and Economic Entity;

(2) the Chief Executive Officer and Chief Financial Officer have each declared that:

- (a) the financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
- (b) the financial statements and notes for the financial year comply with the Australian Equivalents to International Financial Reporting Standards; and
- (c) the financial statements and notes for the financial year give a true and fair view.

(3) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

As set out in Note 1 the financial statements have been prepared on a going concern basis.

This declaration is made in accordance with a resolution of the Board of Directors.

Nicholas Mather

Director

Brisbane

Dated this 28 September 2006

INDEPENDENT AUDIT REPORT

Independent audit report to members of D'Aguilar Gold Ltd and Controlled Entities

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to the financial statements, the Remuneration Report contained in the Directors' Report for the purposes of complying with AASB 124 Related Party Disclosures and the directors' declaration for both D'Aguilar Gold Ltd (the Company) and its controlled entities (the Consolidated entity), for the year ended 30 June 2006. The economic entity comprises both the Company and the entities it controlled during that year.

The economic entity has disclosed information about the remuneration of key management personnel ("remuneration disclosures"), as required by Australian Equivalents to International Financial Reporting Standard AASB124 Related Party Disclosures, under the heading "Remuneration Report" in the directors' report as permitted by the Corporations Regulations 2001.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures comply with Australian Equivalents to International Financial Reporting Standard AASB124 and the Corporations Regulations 2001. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Australian Equivalents to International Financial Reporting Standards and other mandatory financial reporting requirements, a view which is consistent with our understanding of the Company's and the Economic entity's financial position, and of their performance as represented by the results of their operations and cash flows and whether the remuneration disclosures comply with Australian Equivalents to International Financial Reporting Standard AASB124 and the Corporations Regulations 2001.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We confirm the independence declaration required by the *Corporations Act 2001*, provided to the directors of D'Aguilar Gold Ltd on 28 September 2006, would be in the same terms if provided to the directors as at the date of this audit report.

Audit opinion

In our opinion:

1) the financial report of D'Aguilar Gold Ltd and Controlled Entities is in accordance with:

(a) *the Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and Consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and

(ii) complying with Australian Equivalents to International Financial Reporting Standards and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

2) the remuneration disclosures that are contained in the directors' report comply with Australian Equivalents to International Financial Reporting Standard AASB124 and the Corporations Regulations 2001.

Emphasis of Matter Regarding Going Concern

Without qualification to the opinion expressed above attention is drawn to the following matter. As set out in Note 1 the financial statements have been prepared on a going concern basis. The ability of the Economic Entity to maintain continuity of normal business activities and to pay its debts and when they fall due is dependent upon the continued ability of the Company to raise capital and successful exploitation of exploration expenditure.

No adjustments have been made to the carrying value of assets or recorded amount of liabilities should the Company's plans not eventuate.

BDO Kendalls

Chartered Accountants

T J Kendall

Partner

Brisbane

Dated this 28 September 2006

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