

Notice of General Meeting and Explanatory Memorandum

D'Aguilar Gold Limited

ABN 67 052 354 837

Date of Meeting: 7 November 2011

Time of Meeting: 11.00am (Brisbane time)

Place of Meeting: Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland,
4000



Notice is given that a General Meeting of shareholders of D'Aguilar Gold Limited ABN 67 052 354 837 (**Company** or **D'Aguilar**) will be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland, 4000, on 7 November 2011 at 11.00am (Brisbane time).

Agenda

ORDINARY BUSINESS

1. Resolution One – Approval for Transfer of Tenements to Archer Resources Limited

To consider and, if thought fit, pass the following Ordinary Resolution with or without modification:

“That the Shareholders of D'Aguilar Gold Limited (**D'Aguilar**) approve the transfer of Exploration Licences EL6652 and EL7497 from D'Aguilar to its subsidiary Archer Resources Limited (**Archer**) for nil cash consideration.”

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- any Director with a material personal interest in Archer; and
- associate of a Director with a material personal interest in Archer.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

2. Resolution Two – Approval for the offer for subscription and issue of equity securities in Armour Energy Limited

To consider and, if thought fit, pass the following Ordinary Resolution with or without modification:

“That, for the purposes of ASX Listing Rule 11.4 and for all other purposes, the Shareholders of D'Aguilar Gold Limited (**D'Aguilar**) give approval for Armour Energy Limited (**Armour Energy**) to offer for subscription and issue equity securities (**IPO Securities**) in Armour Energy to institutional and other investors (not being a pro rata offer as referred to in ASX Listing Rule 11.4.1(a)) in connection with Armour Energy's planned admission to and quotation of its securities (**IPO**) on the Australian Securities Exchange.”

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- Armour Energy; and
- any associate of such a person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

SPECIAL BUSINESS

1. Special Resolution One – Approval for Change of Company Name

To consider and, if thought fit, pass the following Special Resolution with or without modification:

“That in accordance with Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to DGR Global Limited, with effect from the date on which the Australian Securities & Investments Commission alters the details of the Company’s registration to reflect the change in name.”

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company. Specific comments relating to the Resolutions are set out in the Explanatory Memorandum.

By order of the Board



KM Schlobohm
Company Secretary
4 October 2011

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of **D'Aguilar Gold Limited ABN 67 052 354 837 (D'Aguilar or Company)** to explain the Resolutions to be put to Shareholders at the General Meeting to be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Qld, 4000 on 7 November 2011 commencing at 11.00am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 5.

2. Resolution One – Approval for the Transfer of Tenements to Archer Resources Limited (Archer)

Resolution 1 seeks the approval of Shareholders for the transfer of Exploration Licences EL6652 and EL7497 (**Tenements**) from D'Aguilar to Archer for nil consideration (**Transfer**). As three of D'Aguilar's Directors have a material personal interest in the outcome of Resolution 1, the Directors have resolved, in the interest of good corporate governance, to seek Shareholder approval for the transfer of the Tenements.

2.1 Rationale for the Transfer

The long-term holding and exploration of the Tenements is not considered by the Board to fit within D'Aguilar's business strategy and is considered to be more in line with the business strategy of Archer. D'Aguilar is the holding company of Archer. Due to the alignment of Archer's exploration interests and the potential mineral deposits in the Tenements the Board is of the view that the value of the Tenements will be enhanced if they are held by Archer as it already holds tenements of a similar mineral prospectivity.

The Tenements are located in New South Wales, proximal to the Bathurst area, and are broadly prospective for gold and silver, although exploration work conducted by D'Aguilar to date has been restricted to surface sampling and interpretation of existing geological data.

To date, D'Aguilar has capitalised a combined total of approximately \$350,000 on the exploration and holding of these Tenements and Archer will assume responsibility for the exploration and maintenance cost of the Tenements upon completion of the Transfer.

D'Aguilar is of the view that in the longer term, D'Aguilar is likely to derive greater value from the Tenements through its holding in Archer, rather than through direct retention of the Tenements.

Further details on D'Aguilar's business strategy and Archer are set out in sections 2.3 and 2.4 below.

2.2 Terms of the Proposed Transfer

D'Aguilar proposes to transfer the Tenements to Archer for nil cash consideration.

The transfers will require the consent of the Minister under the Mineral Resources Act, which is expected to be given.

As noted above, the Board of D'Aguilar believes that the commercial value of the Tenements will be better enhanced under the ownership and management of Archer, which will, in turn, be reflected in the commercial value of D'Aguilar's shareholding stake in Archer moving forward.

D'Aguilar has received advice from its auditors that the capitalised value of these exploration licences in D'Aguilar's balance sheet (approximately \$350,000) can be transferred to the cost of D'Aguilar's shareholding in Archer and continue to be carried on D'Aguilar's balance sheet as an investment.

2.3 D'Aguilar's Business Strategy

D'Aguilar is a diversified global resource company generator and investment house with a strong track record of commercialising innovative exploration concepts.

Projects are conceived directly through the skills and experience of D'Aguilar's accomplished team of exploration geoscientists (with an enviable track record), not by the costly purchase of properties. Each project or exploration strategy is held in a separate subsidiary. Focused and specialist management is then engaged in the subsidiary, with project specific finance raised in that company, which is faster and less dilutive to D'Aguilar. As the project company further develops and starts to de-risk, it is separately capitalised (seed raisings followed by a capital market listing).

Investors can choose to invest specifically in a particular project/commodity, or by investing in D'Aguilar, invest in the resource company generating business which retains a significant carried interest in each project.

D'Aguilar currently holds the following investments in companies that have already been listed:

- **Mt Isa Metals Limited** (ASX: MET) exploring for gold in Burkina Faso: 52 million shares (33%);
- **Solomon Gold Plc** (LSE: SOLG) exploring for gold, copper and silver in the Solomon Islands and Queensland: 35.2 million shares (12.4%);
- **AusNiCo Limited** (ASX: ANW) exploring for nickel, cobalt, copper and silver in Queensland : 58.85 million shares (53%); and
- **Navaho Gold Limited** (ASX: NVG) exploring for Carlin style gold mineralisation in Nevada, USA and Queensland: 27 million shares (29.2%).

D'Aguilar is also progressing the corporate and project development, ahead of planned capital raisings and ASX-listings of the following companies:

- **Archer Resources Limited** (refer section 2.4 below);
- **Armour Energy Limited** which completed a \$14 million seed raising earlier in 2011, and is dedicated to the discovery and development of world class gas resources in an extensive new province in Northern Australia. Further details about Armour Energy are set out below; and
- **IronRidge Resources Limited** (formerly Ridge Exploration Pty Ltd) which, together with its subsidiary Eastern Exploration, holds substantial tenement positions prospective for iron ore in parts of the northern Surat Basin, the underlying basement and other areas where previous work has identified iron ore development with over 40% iron content in lateritised profiles.

Furthermore, D'Aguilar is currently developing plans for the potential addition of further unlisted subsidiary companies with interests in tin, copper, gold, bauxite and antimony. This demonstrates the ability of D'Aguilar to continually repeat the creation of new mineral exploration and development companies year after year.

Typically D'Aguilar generates two or more new wholly owned subsidiaries per year. D'Aguilar raises seed capital, installs management and executives and organises capital raisings and stock exchange listings. In the crucial early life as a listed company substantial support is provided by D'Aguilar through the sharing of corporate overhead costs such as offices, administration and accounting, together with seconding key geological and field staff on an "as needs" basis until such time as the new company can justify its own staff. As the new company advances and grows over time, D'Aguilar intends to hold its position as a solid cornerstone shareholder enjoying capital appreciation.

In addition to the above-mentioned activities, D'Aguilar also maintains an active interest in the original "D'Aguilar Block" area via its interest over eleven (11) mining licences and an exploration permit within the region. In addition, D'Aguilar holds an interest in fourteen (14) exploration permits or applications in wholly-owned subsidiary companies, and an exploration permit and an exploration permit application in its own name.

2.4 About Archer Resources Limited (Archer)

Archer (previously Anduramba Molybdenum Pty Ltd), owns 100% of Barlyne Mining Pty Ltd. Previously, both companies were 100% subsidiaries of D'Aguilar, but seed capital raised in Archer earlier in 2011 means that D'Aguilar currently holds an effective 67% ownership of Archer.

Archer's business model is focused on the development of a porphyry copper-gold-silver-molybdenum mining company. Archer's existing tenements are located in the southeast Queensland area and many of Archer's projects already host significant drill intersections of copper-gold-silver-molybdenum mineralisation. D'Aguilar believes that the transfer of the Tenements to Archer would compliment Archer's existing tenement portfolio and enhance the value of Archer which would benefit D'Aguilar and its Shareholders in the long term when Archer undertakes its ASX listing.

3. Resolution Two – Approval for the offer for subscription and issue of equity securities in Armour Energy Limited

3.1 Background – Offer and Issue of IPO Securities and ASX Listing of Armour Energy

Resolution 2 seeks the approval of Shareholders for Armour Energy to offer for subscription and issue equity securities (**IPO Securities**) in Armour Energy to institutional and other investors (not being a pro rata offer as referred to in ASX Listing Rule 11.4.1(a)) in connection with Armour Energy's planned admission to and quotation of its securities (**IPO**) on the Australian Securities Exchange.

Armour Energy is currently in the process of preparing for the offer and issue of the IPO Securities which will proceed by way of a prospectus to be registered with ASIC as part of its planned admission to and quotation of its securities on the Australian Securities Exchange. Armour Energy currently intends to raise not less than \$75 million at not less than \$0.75 per share in the IPO. The board of Armour Energy will determine the offer price for the IPO Securities at the time of the IPO taking into account factors such as prevailing market conditions, levels of investor demand and advice from the joint lead managers it appoints in connection with the IPO. Armour Energy completed a \$14 million seed raising earlier in 2011. Further information regarding Armour Energy is set out below. Armour Energy is currently finalising the appointment of joint lead managers for the offer and ASX Listing.

It is currently proposed that the offer and issue of the IPO Securities will take place on the following basis:

- The issue price per share will be not less than \$0.75 and the final issue price and number of shares to be issued will be determined by the board of Armour Energy prior to issue of the prospectus for the IPO Securities.
- For every four new shares issued, subscribers for IPO Securities will receive one free attaching Armour Energy option exercisable at the IPO Offer Price, expiring on or before 31 August 2014.
- As set out below, it is expected that a priority offer will be offered to the Company's shareholders as at a record date to be determined by the Board. It is also expected that the IPO Securities will be offered to institutional investors both in Australia and selected overseas jurisdictions and to Australian and New Zealand clients of approved brokers. Armour Energy has not yet determined whether or not the offer of IPO Securities will be extended to the general public.
- Investors who participated in the Armour Energy capital raisings earlier in the year have agreed to subscribe for \$17.5 million of the capital raising undertaken as part of the ASX listing process. D'Aguilar is not under any obligation to subscribe for any IPO Securities.

No offer or intended offer of IPO Securities is made by this Notice of Meeting and Shareholders will only be able to apply for IPO Securities under a prospectus, when it is made available.

3.2 ASX Listing Rule 11.4

ASX Listing Rule 11.4 provides that an ASX-listed company whose child entity holds a "major asset" must make sure that the child entity does not issue securities with a view to becoming listed on a recognised securities exchange, unless the securities are to be offered pro rata to holders of ordinary securities in the ASX-listed parent company or in another way that is, in ASX's opinion, fair in all of the circumstances.

However, ASX Listing Rule 11.4.1(b) provides that the child entity **may** issue securities with a view to becoming listed on a recognised securities exchange without undertaking such a pro rata offer, if the members of the ASX-listed parent company so approve. Armour Energy is considered a child entity of D'Aguilar for the purposes of the ASX Listing Rules as D'Aguilar currently holds 50.03% of the issued capital of Armour Energy.

The ASX does not define a "major asset". However, ASX Guidance Note 13 outlines matters that the ASX will consider when determining what amounts to a "major asset". Guidance Note 13 states that the following guidelines indicate the circumstances where the ASX is likely to regard an asset as a "major asset":

- The value of, or the value of the consideration for, the asset, represents 20% or more of consolidated equity interests. Equity interests are the sum of paid up capital, reserves, and accumulated profits or losses, disregarding redeemable preference share capital and outside equity interests, as shown in the consolidated financial statements.
- The value of, or the value of the consideration for, the asset represents 15% or more of consolidated assets.
- The revenue attributable to the asset represents 15% or more of consolidated operating revenue.
- The market capitalisation of the acquiring entity is 20% or more of the market capitalisation of the entity.

Importantly, Guidance Note 13 indicates that where the acquiring entity is a child entity of the listed entity, and the listed entity is disposing of less than 100% of the securities in the acquiring entity, the test will be applied on the basis of the percentage interest that is being disposed of. This is relevant in this case as D'Aguilar will be maintaining the current shares it holds in Armour Energy, however, as a result of the issue of the IPO Securities its overall interest in Armour Energy (on an undiluted basis) will decrease. See below in section 3.7 for examples of different potential dilution rates that could apply to D'Aguilar shareholders depending on the size of the offer of IPO Securities.

After considering the asset, equity and share capitalisation position of Armour Energy and D'Aguilar, the Board believes that ASX may form the view that Armour Energy holds a "major asset" and as such the Board believes that it is prudent to obtain the shareholder approval sought in Resolution 2 for the purposes of Listing Rule 11.4 and for all other purposes.

Accordingly, D'Aguilar shareholder approval pursuant to ASX Listing Rule 11.4 is sought at this meeting for the offer for subscription and the issue of the IPO Securities in Armour Energy in connection with Armour Energy's planned capital raising and ASX listing process.

The ASX listing of Armour Energy is currently proposed to be completed within 6 months. If for any reason the ASX listing of Armour Energy is not completed within six months from the date of this Meeting, D'Aguilar will seek further shareholder approval of any capital raising as part of an ASX listing of Armour Energy if required to do so by the ASX.

3.3 D'Aguilar Business Strategy

The capital raisings undertaken by Armour Energy to date and the proposed issue of the IPO Securities as part of an ASX listing of Armour Energy is consistent with D'Aguilar's stated business strategy.

Refer to Section 2.3 above, where D'Aguilar's business strategy is outlined in full detail.

D'Aguilar's business strategy and proposed future activities and directions will not be altered as a result of the issue of the IPO Securities and the ASX listing of Armour Energy.

3.4 About Armour Energy

Armour Energy is dedicated to the discovery and development of world class gas resources in an extensive and recently recognised province in Northern Australia. The area the subject of Armour Energy's granted tenements and those tenements currently under application covers 125,357km² of the McArthur, South Nicholson and Georgina Basins. It is host to numerous shows of gas, condensate, oil and bitumen in the proterozoic aged McArthur Group and Roper Group sediments. A core target area has been identified within and adjacent to the fault bounded trough structure known as the Batten Trough.

The target sediments are the thickened sections of the gas rich Barney Creek Shale. Key tenements in the Northern Territory (EP 171 and EP 176) have been granted and agreements are in place with the traditional owners in respect of these tenements. Armour Energy has made applications for a further 13 exploration tenements in the Northern Territory and one exploration tenement in Queensland.

The current board of Armour Energy comprises:

- Nicholas Mather (Chairman) – Nicholas Mather, CEO of D'Aguilar, was instrumental in the early business development strategy, project acquisition and exploration programs for Arrow Energy and Bow Energy. He is currently a Non Executive Director of Bow Energy.
- William Stubbs (Non-Executive Director) – Bill Stubbs, Chairman of D'Aguilar, was also Chairman of Arrow Energy between 1998 and 2005, during its emergence as a major coal seam methane company, and his experience will be particularly relevant to the emergence of Armour Energy as a major gas company.
- Phillip McNamara (Director and CEO) - Phillip McNamara is highly experienced in the field of major project feasibility and development having recently headed the feasibility study and then successful negotiations with major Chinese constructors, financiers and customers for Waratah Coal. His previous appointments also saw him managing large coal development projects for Yanzhou Coal Australia, and prior to that Xstrata Coal.

Armour Energy is well supported by a team of highly experienced petroleum exploration experts and consultants and draws on the relevant experience of its board. The Company and Armour Energy are in preparation for the proposed issue of the IPO Securities and planned ASX listing. Activities leading up to the IPO will focus on further progression of tenement applications, identification of specific drill targets, gas market development, engagement of drilling and completions contractors and financial scoping studies.

3.5 Material Contracts

The following agreements are or may be material to the proposed capital raising and ASX listing of Armour Energy.

Subscription Agreements

Investors who participated in the Armour Energy capital raisings earlier in the year have agreed to subscribe for \$17.5 million of the capital raising undertaken as part of the ASX listing process. D'Aguilar is not under any obligation to subscribe for any IPO Securities.

Board and Senior Management

Armour Energy has entered agreements with each of its directors which sets out their terms of appointment. Each non-executive director of Armour Energy will receive directors fees in the amount of \$50,000 per annum, with the chairman receiving directors fees in the amount of \$70,000 per annum.

McNamara Agreement

An executive services agreement has been entered by Armour Energy with Phillip McNamara (Phillip) as CEO under which Phillip has agreed to be employed as the Chief Executive Officer of Armour Energy (**McNamara Agreement**).

Phillip will receive a remuneration of \$400,000 per annum (inclusive of income and fringe benefits tax and superannuation). In addition, Phillip was issued with 3,450,000 Shares and 7,762,500 options to subscribe for Shares exercisable at \$0.50 and expiring on 31 August 2014. In addition, Phillip will be entitled to a range of monetary bonuses based on a percentage of his annual salary, payable on meeting various agreed key performance indicators (which are subject to board approval and any applicable regulatory requirements).

The board of Armour Energy may vary this bonus program at its discretion. Remuneration under the McNamara Agreement will be subject to annual review commencing in the financial year after the Company is listed on the ASX.

The McNamara Agreement commenced on 7 July 2011 and has an initial term of three years (which will expire on 7 July 2014) which can be extended by mutual agreement, unless terminated earlier in accordance with its terms.

Armour Energy or Phillip may terminate the McNamara Agreement upon providing the other party with not less than three months written notice. McNamara may terminate the McNamara Agreement immediately if there is a significant diminution of benefits, job content, status, responsibility or authority (which will be deemed to be termination by Armour Energy with an entitlement to 3 months pay). Armour Energy may terminate the McNamara Agreement immediately in a number of circumstances including serious misconduct or serious or persistent breach of the McNamara Agreement by Phillip or the bankruptcy of Phillip. Armour Energy may also terminate the McNamara Agreement on 1 months notice due to Phillip being sick on incapacitated and unable to fulfill his duties for a continuous period of 3 months or a cumulative period of 3 months in any 12 month period.

Samuel Agreement

Armour Energy has entered a services agreement with Samuel Holdings Pty Ltd (**Samuel**) and Nicholas Mather dated 22 August 2011 to provide executive and consultancy services to the Company and Nicholas Mather has agreed to be appointed as director and executive chairman of the Armour Energy (**Consultancy Agreement**). Nicholas Mather is a director of D'Aguilar.

The services to be provided by Samuel to Armour Energy include procuring an executive chairman and providing executive and consulting services including services related to capital raisings and marketing plans, corporate, exploration and gas marketing strategy development, liaisons with brokers, financiers and investors and development and implementation of acquisition and divestment strategies (**Services**). Samuel agrees to appoint Nicholas Mather to act as a consultant of Armour Energy and provide the Services to Armour Energy.

The initial term of the Consultancy Agreement is a period of 2 years which commenced on 1 July 2011. Either party may extend the term for a further 2 years on notice at least 30 days prior to the end of the initial term. Samuel is required to provide the Services for at least 10 days each quarter.

A fee of \$160,000 per annum is payable on account of the provision of the Services and a further fee of \$70,000 per annum is payable on account of the provision of the appointment of Nicholas Mather as a director and executive chairman of Armour Energy.

The Remuneration Committee of Armour Energy shall conduct a review of the performance of the Services and the consultancy fee payable every 12 months (which shall be increased at least by any upwards movement in the Australian Quarterly CPI). Armour Energy is obliged to reimburse Samuel for all reasonable and necessary expenses incurred in the performance of the Services.

Samuel may terminate the Consultancy Agreement by giving 12 months written notice. Armour Energy may terminate the Consultancy Agreement by giving 12 months written notice or paying Samuel the amount equivalent to the consultancy fee for 12 months. Armour Energy may immediately terminate the Consultancy Agreement by giving written notice if Samuel breaches any term of the agreement, an insolvency event occurs in respect of Samuel, any officer of Samuel is charged with a criminal offence which in the reasonable opinion of Armour Energy brings the Armour Energy into disrepute or Nicholas Mather resigns as a director of Armour Energy (other than where he is removed as a director or is required to resign as a consequence of a change in control at the direction of the Board).

Millbohm Services Contract

The Company and Millbohm Consulting Group Pty Ltd (a related entity of Karl Schlobohm, the Company Secretary) (**Millbohm**) have entered into a Services Contract dated 1 August 2011 (**Millbohm Services Contract**).

Millbohm is engaged to provide company secretarial services for a fee of \$50,000 per annum exclusive of GST. The Millbohm Services Contract commences on quotation of the Company's securities on ASX and continues until terminated by either party.

Either party may terminate the Millbohm Services Contract on 4 weeks written notice or compensation in lieu of notice. The Company may immediately terminate the Millbohm Services Contract if in its reasonable opinion Millbohm is in breach of the Contract, Millbohm becomes unreliable in relation to completing the contract work or Millbohm's conduct or behaviour is fraudulent or illegal, disruptive or damaging to the Company.

Native Title Agreement

Armour Energy entered into a Co-existence and Exploration Deed (**Deed**) with the Government of Northern Territory, the Northern Land Council (**NLC**) and the Native Title Parties (**NTPs**) who have or claim native title within the area of the applications for Exploration Permit 171 and Exploration Permit 176 (**Tenements**). The Deed is not a conjunctive agreement and is therefore not applicable to a later act under the *Native Title Act 1993* (Cth) (**NT Act**).

The Deed has resulted in the grant of EP's 171 And 176.

Under the Deed, Armour Energy has agreed on a royalty payment regime for future production.

In respect of the environment, Armour Energy is obligated to ensure its work is conducted so as to avoid environmental damage and where avoidance is not possible minimise environmental impact.

Armour Energy is permitted to apply for a production licence and the parties will negotiate the terms of a production agreement in respect of each such production licence.

3.6 D'Aguilar Shareholder Priority Offer

It is proposed that Armour Energy will offer to D'Aguilar Shareholders, by way of a priority offer, up to 10% of the IPO Securities.

D'Aguilar shareholders wanting to participate in the Priority Offer will be required to subscribe for at least \$2,000 worth of shares at the Offer Price for the IPO Securities under the Priority Offer. The board of Armour Energy will (in conjunction with the joint lead managers) make the final determination as to whether all or part of any application under the Priority Offer is accepted. One of the key matters that the board of Armour Energy will have regard to when assessing applications under the Priority Offer is ensuring maximum shareholder spread for Armour Energy.

In the last 15 months, D'Aguilar has provided its shareholders with priority offers for the capital raisings and ASX listings of:

- AusNiCo Ltd (October 2010) - \$600,000 / 3,000,000 shares (15% of the issue);
- Navaho Gold Ltd (April 2011) - \$1,000,000 / 5,000,000 shares (11% of the issue).

D'Aguilar further intends to provide priority offers to its shareholders for the capital raisings and ASX listings associated with Archer Resources Limited and IronRidge Resources Limited, as and when those companies proceed to IPO.

3.7 D'Aguilar's interest in Armour Energy

The following table provides details of Armour Energy's capital structure, D'Aguilar's current interest in Armour Energy and sets out indicative examples of the dilutionary impact on D'Aguilar's interest in Armour Energy depending on the size of the offer of IPO Securities.

Shareholder	Current Share Holding in Armour Energy		Shareholding in Armour Energy with 100m IPO Shares issued		
	No.	%	No	%	Change in DGR's interest
D'Aguilar	75,050,000	50.03%	75,050,000	30.0%	-20.0%
Others	74,950,000	49.97%	74,950,000	30.0%	
IPO Shares			100,000,000	40.0%	
Total	150,000,000	100.0%	250,000,000	100.0%	

Shareholder	Current Share Holding in Armour Energy		Shareholding in Armour Energy with 125m IPO Shares issued		
	No.	%	No	%	Change in DGR's interest
D'Aguilar	75,050,000	50.03%	75,050,000	27.3%	-22.7%
Others	74,950,000	49.97%	74,950,000	27.2%	
IPO Shares			125,000,000	45.5%	
Total	150,000,000	100.0%	275,000,000	100.0%	

Note: The above table assumes that the IPO Shares are fully subscribed for, no further securities are issued and no existing or new options are exercised (including those held by D'Aguilar).

In addition to the 150,000,000 shares currently on issue in Armour Energy, there are 48,287,500 options to subscribe for shares in Armour Energy on issue, of which 18,837,500 Armour Energy options are held by D'Aguilar. As part of the issue of the IPO Securities, it is proposed that one new option to subscribe for a share in Armour Energy will be issued for every four new shares issued in Armour Energy. (**New Options**)

In the event that all existing and New Options are exercised (excluding those held by D'Aguilar), then D'Aguilar's shareholding position in Armour Energy will be diluted further.

3.8 Value of D'Aguilar's interest in Armour Energy

D'Aguilar currently holds 50.03% of the issued share capital of Armour Energy. Further details regarding the share capitalisation and assets of Armour Energy are set out above. D'Aguilar's interest in Armour Energy is currently recorded in D'Aguilar's accounts at cost, which is \$7,536. As Armour Energy is an exploration company, it has not contributed any earnings to the D'Aguilar group. Earlier this year Armour Energy raised \$14,000,000 at an issue price of \$0.20 per share. Based on this issue price, D'Aguilar's 75,050,000 shares in Armour Energy would have a value of \$15,010,000.

Armour Energy is currently treated as a subsidiary company of D'Aguilar, and is consolidated into D'Aguilar's Balance Sheet for financial reporting purposes in accordance with Australian Accounting Standards. Following the IPO, Armour Energy will cease to be a subsidiary of D'Aguilar and will be accounted for by D'Aguilar as an "associate" (as is currently the case with Mt Isa Metals Ltd and Navaho Gold Ltd). At the time of the IPO, D'Aguilar will realize an accounting gain on the deconsolidation of Armour Energy.

3.9 Advantages and Disadvantages of the issue of IPO Securities and ASX listing of Armour Energy

Potential advantages of the issue of the IPO Securities and ASX listing of Armour Energy include:

- The provision of additional capital to Armour Energy which is necessary for Armour Energy to explore its tenements and which D'Aguilar does not currently have the capacity to fund.
- An increased ability for Armour Energy to raise new capital in the future, with the effect that Armour Energy will not be reliant on D'Aguilar for its funding.
- Raising the profile of both Armour Energy and D'Aguilar (through its interest in Armour Energy) as a result of the capital raising to be undertaking and subsequent ASX listing.
- Enabling D'Aguilar to more easily realise its investment in Armour Energy by having a market for the sale of shares in Armour Energy (subject to any ASX imposed escrow restrictions).

Potential disadvantages of the issue of the IPO Securities and ASX listing of Armour Energy include:

- D'Aguilar will lose control over Armour Energy.
- D'Aguilar's exposure to Armour Energy's potential future growth and earnings will be diluted (to the extent of the new equity introduced).

3.10 Board Recommendation

By virtue of his interest as both a director of Armour Energy and D'Aguilar and his interest in the Consultancy Agreement in 3.5 above, Nicholas Mather does not consider it appropriate to make a recommendation in respect of this Resolution. William Stubbs is a non-executive director of both D'Aguilar and Armour Energy, and does not therefore not consider it appropriate to make a recommendation in respect of this Resolution.

Each of the other directors of D'Aguilar (Brian Moller and Vincent Mascolo) having regard to all relevant factors set forth in 3.9 above believe that the issue of the IPO Securities and subsequent ASX listing of Armour Energy (the subject of Resolution 2) is in the best interests of D'Aguilar shareholders.

SPECIAL BUSINESS

4. Special Resolution One – Approval for Change of Company Name

4.1 Rationale for proposed change

As outlined in detail in Section 2.3 above, D'Aguilar's business strategy for the past five (5) years or so has focused on diverse resource project generation and has not solely focused on gold exploration and development.

As a result, the Board believes it appropriate to change the name of the Company to create greater alignment with its business strategy and reset and re-establish market perceptions of D'Aguilar and its global resource strategy. In particular, D'Aguilar is keen to move away from any possible perception that D'Aguilar's focus and business activities are solely as a gold exploration company, and/or solely focused on the D'Aguilar Block region of Queensland.

4.2 Requirement for Change in Name

The Corporations Act provides that if a company wants to change its name, it must:

- (a) pass a special resolution (which is a resolution approved by at least 75% of the votes cast by members who are entitled to vote on a resolution), adopting a new name; and
- (b) make an application to ASIC in the prescribed form in respect of the change in name.

4.3 Effect of approval of the Resolution

If Resolution Three is approved, the Company will lodge an application with ASIC requesting ASIC alter the details of the Company's registration status to reflect this change to the Company's name.

If the proposed name is available ASIC is required to change the Company's name by altering the details of the Company's registration to reflect the change and the change of name comes into effect when ASIC alters the details of the Company's registration. The Company's ASX code will not change upon the Company changing its name.

The Directors recommend that you vote in favour of this Special Resolution.

5. Interpretation

Archer Resources means Archer Resources Limited ACN 121 572 192

Armour Energy means Armour Energy Limited ACN 141 198 414.

ASIC means Australian & Securities Investments Commission.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of directors of the Company.

Company means D'Aguilar Gold Limited ACN 052 354 837.

Corporations Act means the *Corporations Act* 2001 (Commonwealth).

Director means a director of the Company.

IPO means the initial public offering of securities pursuant to a prospectus issued pursuant to s 710 Corporations Act..

IPO Securities means the shares and options proposed to be issued in Armour Energy in connection with the admission to and quotation of the securities of Armour Energy on the ASX.

Listing Rules means the listing rules of the ASX.

Meeting means the General Meeting of the Company to be held on 7 November 2011.

Priority Offer means a priority offer of the IPO Securities to be made Shareholders.

Resolution means a resolution to be proposed at the Meeting.

Shares means ordinary fully paid shares in the issued capital of the Company.

Shareholder means a shareholder of the Company.

Tenements means explorations licences 6652 and 7497.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Mr Karl Schlobohm (Company Secretary):

D'Aguilar Gold Limited

Street address: Level 5, 60 Edward Street, Brisbane QLD 4000

Postal address: GPO Box 5261, Brisbane QLD 4001

Ph: (07) 3303 0680 **Fax:** (07) 3303 0681

Email: kschlobohm@daguilar.com.au

Proxy, Representative and Voting Entitlement Instructions

Proxies and Representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001 (Cth)*.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act 2001 (Cth)*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Karl Schlobohm, Company Secretary

D'Aguilar Gold Limited

Street address: Level 5, 60 Edward Street, Brisbane QLD 4000

Postal address: GPO Box 5261, Brisbane QLD 4001

Ph: (07) 3303 0680 **Fax:** (07) 3303 0681

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at **7.00pm on 4 November 2011**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

Proxy Form

APPOINTMENT OF PROXY

I/We being shareholder(s) of D'Aguilar Gold Limited (Company) hereby appoint:

☐ the Chairman of the Meeting **OR**
(mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of D'Aguilar Gold Limited to be held at Level 7, Waterfront Place, 1 Eagle Street Brisbane, Qld on 7 November 2011 at 2.00pm (Brisbane time) and at any adjournment of that meeting.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default, and you do NOT wish to direct your proxy how to vote as your proxy in respect of the resolution/s, please place a mark in the box opposite. ☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of a resolution (Relevant Resolution) and that votes cast by the Chair of the meeting for the Relevant Resolution other than as proxy holder will be disregarded because of that interest.

If the Chair of the meeting is your proxy and you do not mark this box or direct the Chair of the meeting how to vote above, the Chair of the meeting will not cast your votes on the Relevant Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Relevant Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of the resolutions.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/s he has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is%. (An additional proxy form will be supplied by the Company on request).

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares (Note: proxy will be over all shares if left blank).

I/we direct my/our proxy to vote as indicated below:

Ordinary Resolutions

- Approval for Transfer of Tenements to Archer Resources Limited
- Approval for Offer and Issue of IPO Securities by Armour Energy Limited

For **Against** **Abstain**

☐	☐	☐
☐	☐	☐

Special Resolution

- Approval for Change of Company Name

☐	☐	☐
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Individual or Security holder 1

Sole Director and
Sole Company Secretary
(if appointed)

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date