

New Rare Earth Element-Copper-Gold Project SOUTHERN COBAR BASIN

NYORA PROJECT: RARE EARTH ELEMENTS, BASE METALS & GOLD TARGETS

- An application has been made for a new 118 km² exploration licence called 'Nyora' (ELA6586, the "ELA"), which adjoins the Company's South Cobar Project in the Central Lachlan Fold Belt, NSW.
- Fourteen samples collected from historic drill core at the NSW government core library have been submitted by AGC for rare earth element ("REE") analysis.
- Elevated REE's were confirmed using a portable XRF analyser as due diligence prior to licence application, with full laboratory analysis pending.
- Outcropping areas are flagged for follow up sampling once the licence is granted.
- The ELA is also prospective for copper and gold with five magnetic bullseye targets on a crustal scale fault, analogous to the fault that hosts the high-grade CSA copper mine near Cobar. The ELA encompasses the Nyora Granite, a 14km long by 1.5km wide A-type, porphyritic granite.
- Previous sampling by the Geological Survey of NSW confirmed elevated REEs and a possible genetic link to the fertile Cobar A-type volcanics.
- Variable crystallisation zonation that is encouraging for REE potential is mapped in the outcropping parts of the granite, however systematic sampling has never been undertaken.
- Rare earth elements are increasingly important in high-end technological applications such as permanent magnets (particularly Nd, Pr, Dy and Tb).

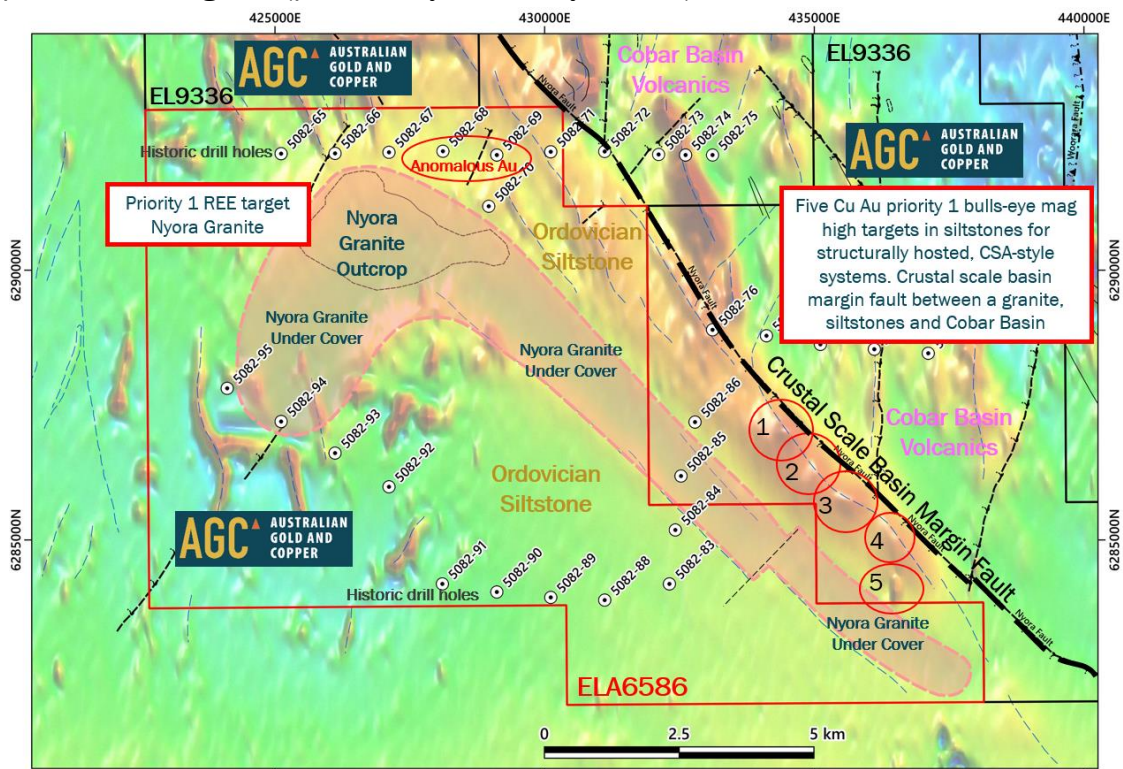


Figure 1: Plan view map of ELA6586 with basic geology over magnetics TMI RTP (NSW geological survey), historic drill holes (Jones and Seeley, 1997) and AGC's priority 1 REE and Cu-Au targets.

Australian Gold and Copper Ltd (ASX: AGC) (“AGC” or the “Company”) is pleased to report an application has been made for a new 118 km² exploration licence called ‘Nyora’ (ELA6586, the “ELA”), which adjoins the Company’s South Cobar Project in the Central Lachlan Fold Belt, NSW.

AGC Managing Director, Glen Diemar said *“This is another strong and logical addition to our high-potential South Cobar Project. While examining the copper-gold potential of this region, we recognised in the literature that the Nyora Granite was highly elevated in rare earths. This affiliation with rare earths didn’t surprise us given the known prospectivity of the similar aged volcanics that we are exploring in our South Cobar Project.*

Adding rare earth potential to our portfolio is exciting given their short supply and high demand. We eagerly await the first batch of lab analyses and once granted will aim to assess the potential for shallow, clay enriched, REE deposits.

The five bulls-eye magnetic Cu-Au targets that are within our granted tenure are a quality follow up target. Basin margins are geologically dynamic places, and these magnetic highs look like the alteration features surrounding the highly valued Cobar-style copper deposits.

These regional communities have seen immense amounts of flooding and the rate the water is receding is painfully slow. Our thoughts are with all our affected communities.”

Fourteen samples have been submitted by AGC for rare earth element (“REE”) analysis. These were sampled from historic drill core (Jones and Seeley, 1997) at the NSW Government core library in western Sydney. Elevated REE (Ce, La, Pr, Nd) readings were confirmed using a portable XRF analyser as due diligence on the project prior to applying for the licence and sampling for lab analysis.

The licence encompasses the Nyora Granite, a 14km long by 1.5km wide A-type, porphyritic granite (Colquhoun et al., 2005, p92-93). It has seen only limited previous sampling by the Geological Survey of NSW (Blevin, 2004) confirming elevated REEs and a possible genetic link to the fertile Cobar A-type volcanics. Variable crystallisation zonation that is encouraging for REE potential is mapped in the outcropping parts of the granite (Colquhoun et al., 2005, p92-93) however systematic sampling has never been undertaken. Outcropping areas are flagged for follow up sampling once the licence is granted.

The licence is also highly prospective for Cu-Au as it encompasses one of the Cobar Basin margin’s crustal scale faults, which is analogous to the Rookery Fault that hosts the high-grade CSA copper mine and the Federation ore body on the eastern edge of the Cobar Basin. The five magnetic bullseyes seen in Figure 1 are typical of the alteration features surrounding such deposits.

Further sampling and geophysics will be undertaken early next year.

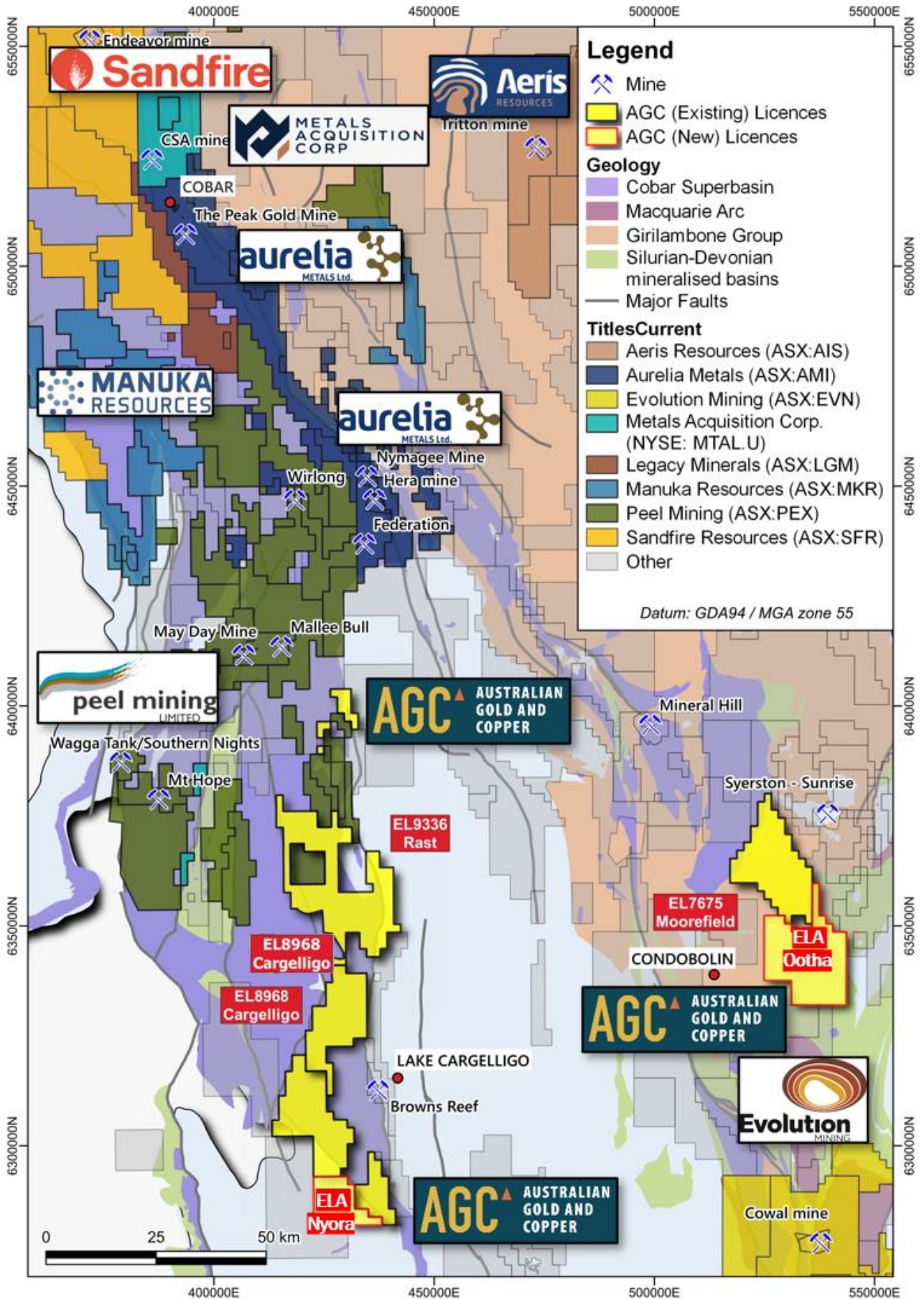


Figure 2: Map of the Cobar Basin showing the Company's Projects in yellow and new licences outlined in red.



Figure 3: Photograph of samples taken from historic drill core, ready for the laboratory. Nyora granite (front) and siltstones (rear).

AGC Projects Overview

AGC's portfolio located in the Central Lachlan Fold Belt of NSW includes the Moorefield-Ootha gold-copper project exploring for multi-million ounce orogenic gold deposits, the REE-copper-gold/base-metal project in the southern Cobar Super-Basin exploring for Hera and Federation style deposits, and the Gundagai gold project, exploring for multi-million ounce McPhillamy's type gold deposits.

References

Blevin P., 2004. Chemistry of the igneous rock units of the Cargelligo 1:250,000 sheet, NSW (updated and revised). Petrochem Consultants PL,

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Colquhoun G.P., Meakin N.S. & Cameron R.G. 2005. Cargelligo 1:250 000 Geological Sheet SI/55-6, 3rd edition, Explanatory Notes. Geological Survey of New South Wales, Maitland, NSW, 291 pp.

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Jones G.J. and Seeley J.B., 1997. EL 5082 Lake Cargelligo, First Annual Report for the period 20/8/1996 to 19/8/1997, Santa Fe Mining Australia Pty Ltd

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This announcement has been approved for release by the Board of AGC.

ENDS

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Forward-Looking Statements

This announcement contains “forward-looking statements.” All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and based upon information currently available to the company and believed to have a reasonable basis. Although the company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct as actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold, and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. The forward-looking statements contain in this press release are made as of the date of this press release and except as may otherwise be required pursuant to applicable laws, the Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement”.

Competent Persons Statement

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Glen Diemar who is a member of the Australian Institute of Geoscientists. Mr Diemar is a full-time employee of Australian Gold and Copper Limited, and is a shareholder, however Mr Diemar believes this shareholding does not create a conflict of interest, and Mr Diemar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Diemar consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Previously Reported Information

The information in this report that references previously reported exploration results is extracted from the Company’s ASX IPO Prospectus released on the date noted in the body of the text where that reference appears. The ASX IPO Prospectus is available to view on the Company’s website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.