



**ASX Announcement
AusNiCo Limited (the "Company")
29th March 2011**

High Grade Copper and Silver Intersections from Silver Valley Prospect, South East Queensland.

Highlights:

- **High grade near surface silver and copper intersections, in first two diamond drill holes.**
- **Significant tonnage targeted with mapped surface gossan outcrop over a length of 500 metres.**
- **SVGD1 returned 21.0m @ 1.0% Cu, 99 g/t Ag; including 1.5m @6.2% Cu and 582 g/t Ag.**
- **SVGD2 returned 8.0m @ 89 g/t Ag; including 2m @ 202 g/t Ag and 1 g/t Au.**
- **Induced Polarisation survey underway at Pembroke and Mt Cobalt, to define zones of disseminated sulphide mineralisation targeted as bodies of nickel sulphide mineralisation.**

Diamond drilling on AusNiCo's 100% owned Black Snake Project has been recently focused on the Silver Valley region (where intersections of over 105 g/t Ag and 1.2% Cu have been previously reported by AusNiCo). A total of four diamond holes are being drilled in the initial program to determine the strike extension and tonnage potential of the high grade copper and nickel zone.

The first diamond hole SVGD1 has confirmed a potentially economic intersection of (21m of Cu and Ag)*¹. The high Cu and Ag intersection encountered in SVGD1 extends to SVGD2 (50m along strike). Mapping has located intermittent outcrops of gossan over a distance of 500 metres, and along with the Copper and Silver soil anomalies have provided encouragement that Silver Valley could yield a significant tonnage of copper and silver mineralisation. The SVGD 2 intersection along with the intersection in SVGD1, does confirm that the mineralization extends along strike. The full extent of the depth and strike will be confirmed with additional percussion drilling, starting in early April.

Samples from drill hole **SVGD1** returned assays in the **Copper and Silver** zone of:

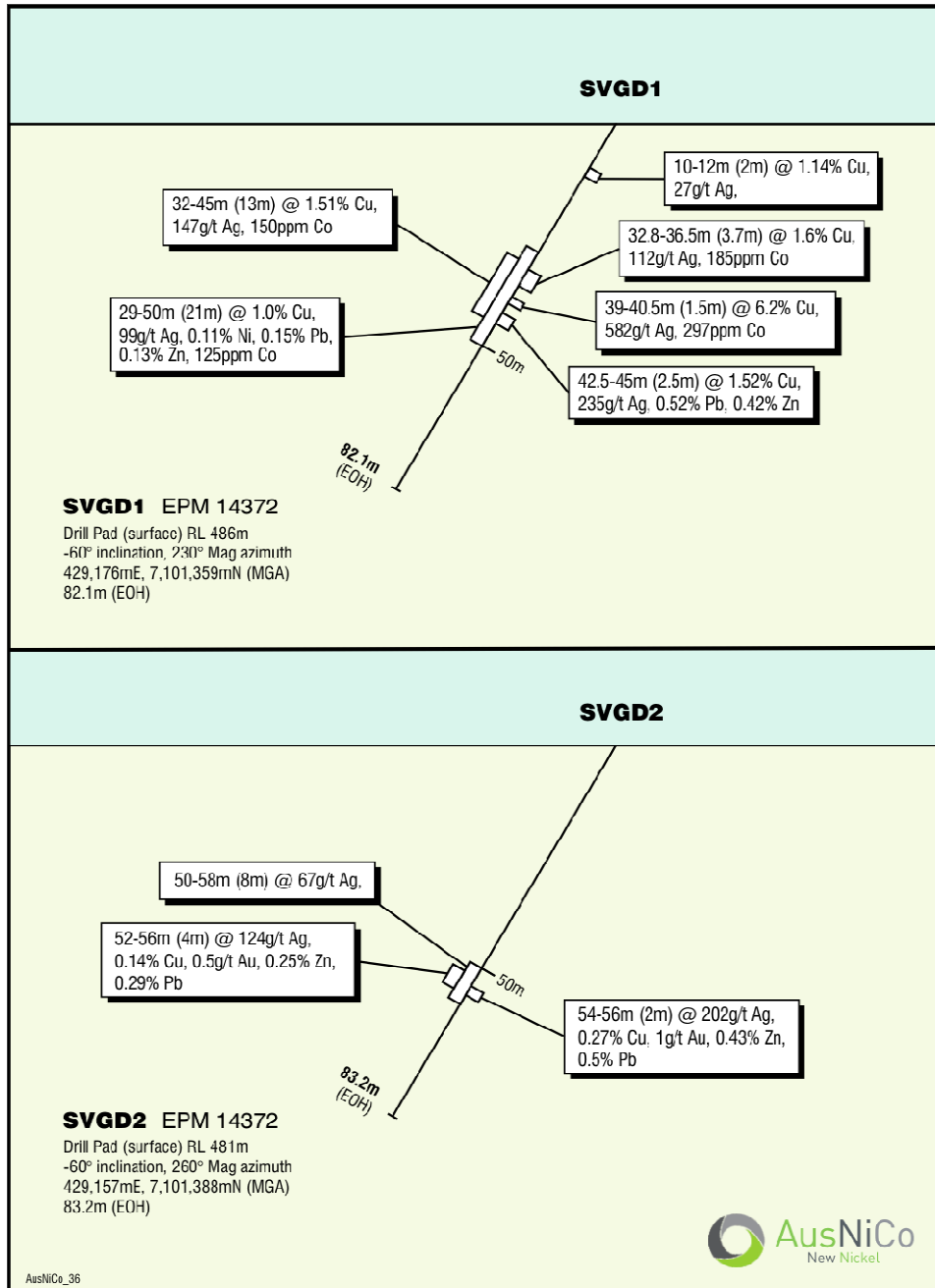
- **2.0 m (10-12m) @ 1.14% Cu, 27g/t Ag.**

- **21.0m (29-50m) @ 1.0% Cu, 99g/t Ag, including:
 - **13m (32.0-45.0m) @ 1.51% Cu, 147g/t Ag; including**
 - **3.7m (32.8-36.5m) @ 1.60% Cu, 112g/t Ag, and including**
 - **1.5m (39.0-40.5m) @ 6.2g/t Cu, 582g/t Ag.****

Samples from drill hole **SVGD2** returned assays in the **Copper/Silver** zone of:

- **8.0m** (50-58m) @ **0.1% Cu, 89g/t Ag, 0.34g/t Au** including:
 - **4m** (52-56m) @ **0.14% Cu, 124g/t Ag, 0.5g/t Au**; and including
 - **2m** (54-56m) @ **0.27%Cu, 202 g/t Ag, 1.0g/t Au**.

Diagram 1 below for drill hole sections.



*1 It should be noted that all intersection widths quoted are down hole widths.



The current diamond drilling program will be followed by an in-fill and step out Reverse Circulation "RC" program in order to better define the extent of the ore zone at Pembroke and Silver Valley. A number of other soil geochemical anomalies coincident with magnetic highs have been identified as drill targets for second quarter 2011. The potential for several other major discoveries in this region is considered by the Board to be very high based on the success at Pembroke. The area is well serviced with mining infrastructure and support, offering rapid development potential in the event of an economic discovery.

Work continues at Pembroke and Mt Cobalt. From this work it is apparent that we are able to identify sulphide zones that have a high probability of hosting mineralisation. The ground IP survey to detect zones of enhanced chargeability which may indicate the presence of a disseminated sulphide system covering a broader area has commenced.

AusNiCo has postulated the existence of a shell of disseminated sulphide mineralisation around the magnetic features at Mt Cobalt and believes that the IP survey will define zones of consistent disseminated sulphides such as was intersected in PEMD1, PEMD2 and PEMD4.

The Company is also undertaking further soil geochemistry and surface mapping of the strong gold –in-soil anomalies at its Kilkivan East prospect, in order to assist with the definition of drilling targets.

A handwritten signature in blue ink, appearing to read "KM Schlobohm", with a long horizontal flourish extending to the right.

On behalf of the Board
KM Schlobohm
Company Secretary

Competent Persons Statement

The information herein that relates to Exploration Results is based on information compiled by Nicholas Mather B.Sc (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Holdings Pty Ltd which provides certain consultancy services including the provision of Mr Mather as the Managing Director of D'Aguilar Gold Ltd (and a director of D'Aguilar Gold Ltd's subsidiaries).

Mr Mather has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

Figure 1 shows location of drill holes and potential strike extension.

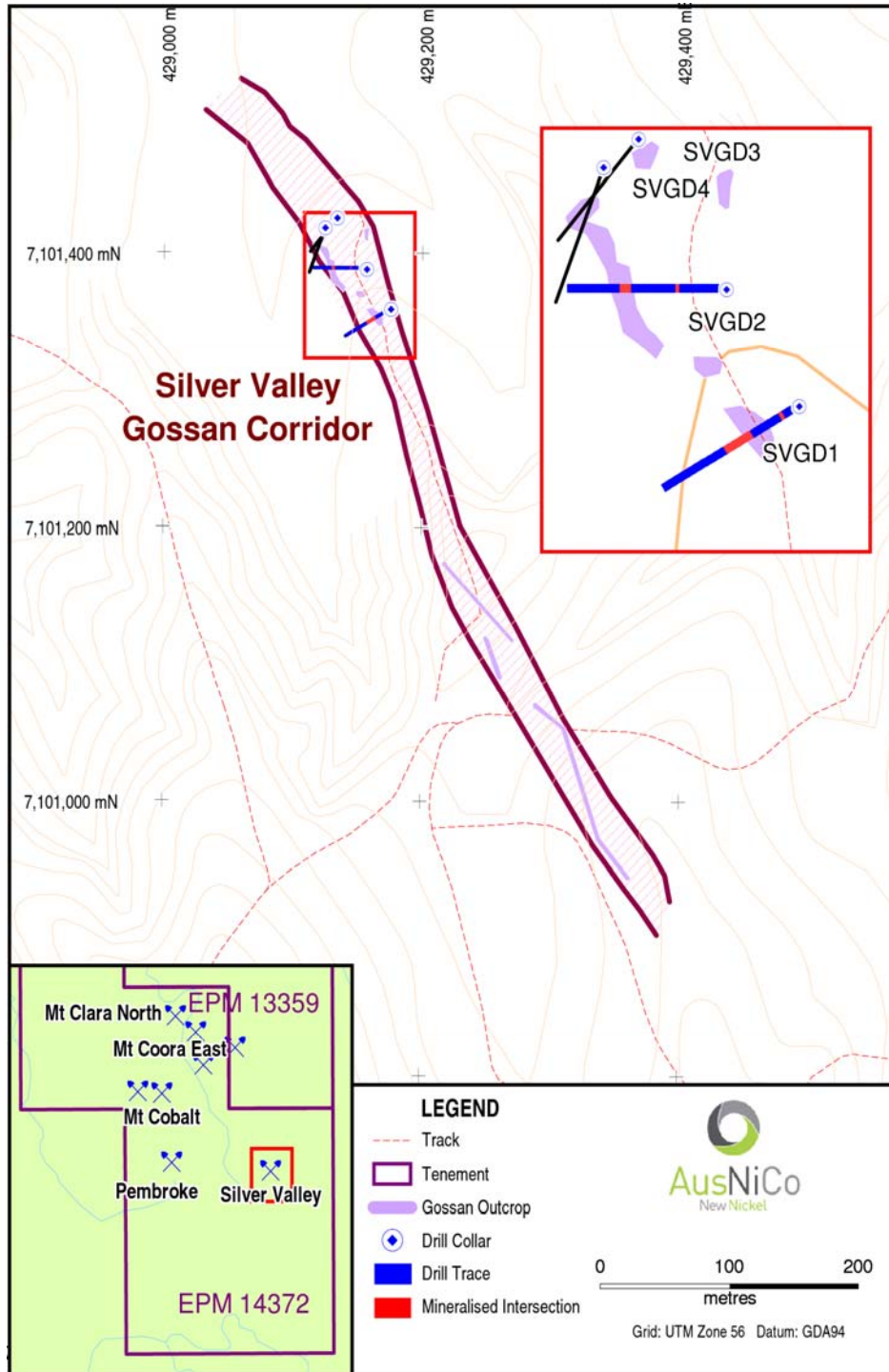
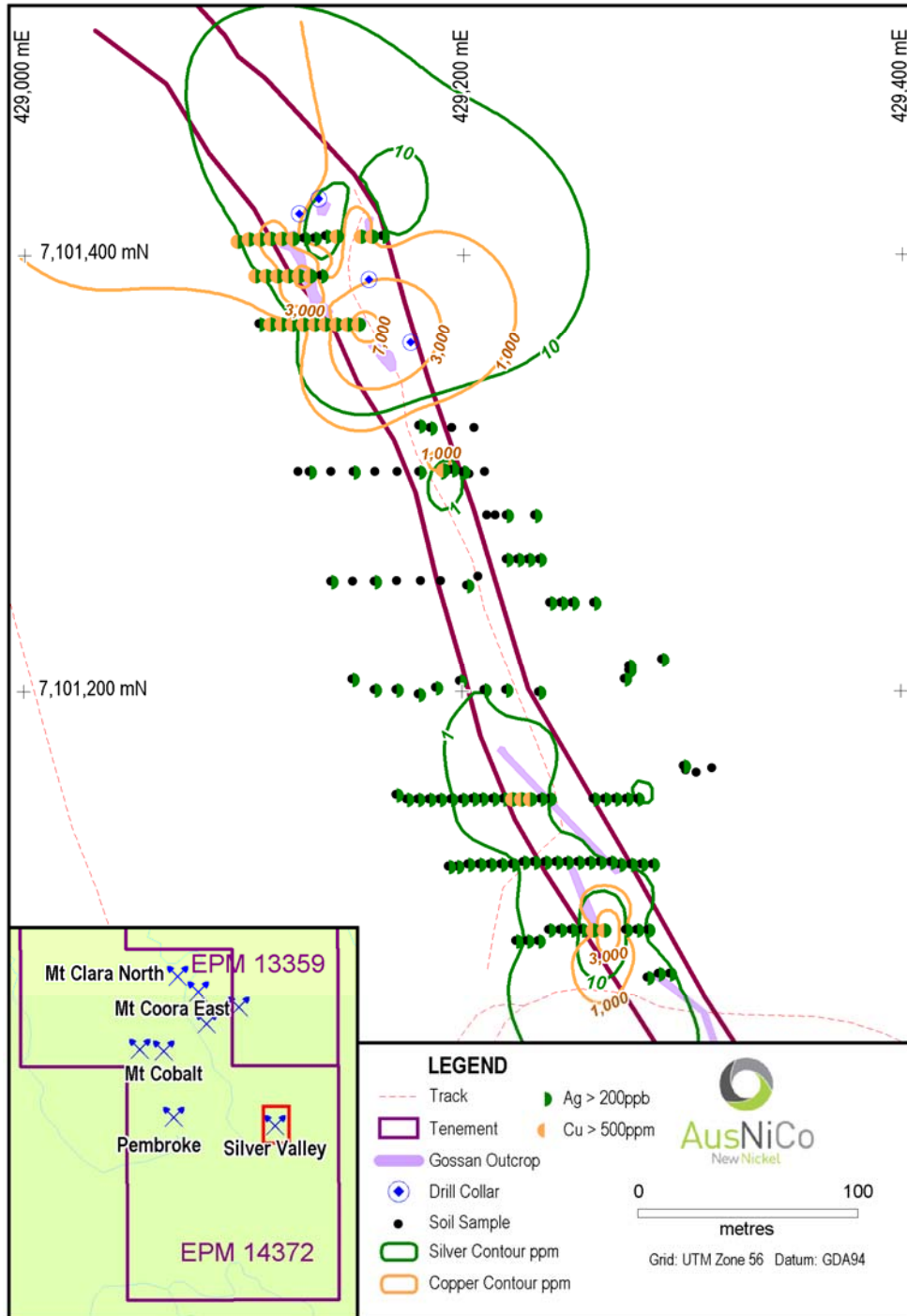


Figure 2 shows soil Cu, Ag anomalies in the Silver Valley Gossan Corridor (geochemistry).





About AusNiCo

AusNiCo is focusing on the continued exploration and development of its nickel sulphide discovery at Pembroke, Silver Valley and Mt Cobalt, which has already returned an exploration drilling result of 50m @ 0.34% Ni, including 4m @ 1.1% Ni.

AusNiCo offers the opportunity for exposure to:

- multiple commodities, including nickel, gold, silver, copper, cobalt and platinum group metals;
- an extensive package of tenements with encouraging mineralisation in an area of continuing industrial growth and established infrastructure;
- advanced targets with the prospect of rapid drilling results;
- accomplished Board and Management with substantial experience in the fields of large; and
- project exploration and development, and Ni project development.

Full details of the exploration programs are contained in the Company's Replacement Prospectus dated 4th August 2010.

AusNiCo has 110,160,000 shares on issue.

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Electronic copies and more information are available on the Company website: www.ausnico.com.au

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