

# AUSTRALIAN GOLD INVESTMENTS LIMITED

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29 December 2010

Mr Cameron Bill  
Adviser, Listings (Perth)  
ASX Compliance Pty Limited  
Level 8 Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Via email: [Cameron.Bill@asx.com.au](mailto:Cameron.Bill@asx.com.au)

Dear Mr Bill,

We are in receipt of your letter of today's date noting the recent significant increase in share volume and price of the Company's (AGV) securities and requesting confirmation of a number of matters. I respond to your queries using your numbering.

- 1) The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company. We believe that the recent trading is as a result of the completion of recently announced significant transactions, as will be detailed in response 3 below.
- 2) N/A.
- 3) In our view, the recent significant increase in price and volume in our shares is as a direct result of the Company's acquisition of thousands of square kilometres of what the Company considers to be highly prospective bauxite tenements in Queensland, following shareholder approval on 14<sup>th</sup> December 2010, pursuant to a Notice of Meeting sent to shareholders and announced to the ASX on 12th November 2010. These transactions were concluded in accordance with the Notice of Meeting following the unanimous approval of shareholders at the General Meeting. It is our belief that the market response to these acquisitions has lead to a significant increase in market interest and support of AGV as reflected in the increased volume and share price of the securities of the Company.
- 4) I confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1. The Company takes this opportunity to note that it has been approached in relation to a potential acquisition of its gold exploration tenements, which the Company may consider given its recent completion of the acquisition of the bauxite tenements. The Company will inform the market should it resolve to sell the gold tenements and if it reaches an agreement to do so.

Yours faithfully,



Sholom D. Feldman  
CEO and Company Secretary  
Australian Gold Investments Ltd



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29 December 2010

Mr Sholom Feldman  
CEO & Company Secretary  
Australian Gold Investments Limited  
Level 34 50, Bridge Street  
SYDNEY NSW 2000

*By Email: [sholomfeldman@gmail.com](mailto:sholomfeldman@gmail.com)*

Dear Sholom,

**AUSTRALIAN GOLD INVESTMENTS LIMITED (the "Company")**

**PRICE AND VOLUME QUERY**

We have noted a change in the price of the Company's securities from 16.5 cents on 24 December 2010 to the intra-day high of 22.5 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 5:00 pm (W.S.T) today**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

#### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

#### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please contact me on (08) 9224 0054.

Yours sincerely,



Cameron Bill  
**Adviser, Listings (Perth)**