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ASX ANNOUNCEMENT

Drilling underway at Ban Bak Gold Project in Laos

Highlights:

- Drilling has commenced at the Ban Bak prospect in Southern Laos
- Drilling targeting Sepon (Laos)/Carlin (Nevada, US) replacement style gold mineralisation
- The program will comprise 5,000m of reverse circulation drilling
- Highly mineralised target zones identified – drilling to progress over most prospective areas
- Initial ground magnetic survey completed at Ban Bak - over 1,300 soil samples logged and analysed

Argonaut Resources NL (ASX: ARE) is pleased to announce that a 5,000m reverse circulation ("RC") drilling program at the company's 65% held Xekong tenement in southern Laos has commenced.

The exploration program will target replacement style gold mineralisation analogous in nature to mineralisation found at the Sepon gold mine in Laos and at the Carlin trend in Nevada, USA.

Argonaut has completed detailed preparatory work and has identified highly mineralised but structurally complex target zones. The company plans to complete approximately 5,000m of RC drilling to test the most prospective mineralised zones.

The company has now cleared Unexploded Ordnance (UXO) from 15km of access track and 3km of inter-prospect development tracks. A drill and blast team was used under the supervision of Government authorities to create road cuttings in seven areas of particularly steep, rocky terrain.

The company has also completed a ground magnetic survey at the Ban Bak and Phu Tuang target areas. Approximately 1,300 soil samples in the Ban Bak area have been collected and analysed since November 2010 which have assisted Argonaut in selecting the primary drill targets.

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Sections of information contained in this report that relate to Exploration Results and Mineral Resources were compiled or supervised by Mr Lindsay Owler BSc, MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Argonaut Resources NL. Mr Owler has sufficient experience which is relevant to the style of mineral deposits under consideration 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 Mineral Resources and Ore Reserves". Mr Owler consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.