

16 December 2011

ASX ANNOUNCEMENT

Argonaut to commence drilling at Ban Klong, Laos

Highlights

- **RC drilling program to follow-up on Ban Klong gold intercepts announced on 18 July 2011**
- **59 drill holes totaling 5,000m planned to commence early January**
- **Initial drilling to determine geometry of intercepted mineralised bodies**
- **Subsequent drilling to test extensions to the mineralisation and proximal gold surface geochemical targets**
- **Previous results included: 6m at 26.2g/t gold from 22m in hole BBRC31**
- **Target analogous to Sepon, Laos and Carlin, Nevada**

Argonaut Resources NL (ASX: ARE) is pleased to announce access preparation for a 5,000m RC drilling program at the Ban Klong prospect within the Ban Bak project area on the company's Xekong concession in southern Laos is progressing well.

The program will target replacement style gold mineralisation discovered this year by Argonaut as a result of systematic programs of surface geochemical sampling, channel sampling and drilling. The exploration program is targeting 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.

On 18 July 2011 the company announced that drilling at the Ban Klong prospect in the north-western corner of the Ban Bak area had intercepted:

- 6m at 26.2g/t gold from 22m in drill hole BBRC31;
- including 2m at 76.4g/t gold from 24m;
- 12m at 3.48g/t gold from 10m in drill hole BBRC24; and
- 8m at 4.45g/t gold from 0m in drill hole BBRC22

The 59 hole program (Figure 1) will initially focus on determining the geometry of the mineralisation intercepted by RC drilling undertaken at Ban Klong in April/May 2011. On establishing the orientation of several known mineralised bodies, the program will seek to define the approximate extent of the gold mineralisation. Additionally, gold targets peripheral to Ban Klong that were defined by surface geochemistry during the year will be tested.

It should be noted that gold in soil anomalies shown in Figure 1 are subject to down-slope creep, hence surface anomalism can be laterally offset compared to the causative mineralisation at depth.

The main access track to the Ban Bak project area has now been re-established, following damage caused during the 2011 wet season. The construction of drill pads and drill site access tracks is about to commence and will involve drilling and blasting in steep terrain.

Licensed surveyors will soon complete a detailed topographic survey of the Ban Klong target area to JORC standards for the purpose of detail drill planning and future resource estimations.

Argonaut has contracted a track-mounted RC drilling rig for the program with an option to retain the rig for further drilling in the event of strong initial results. Drill samples will be analysed for gold within seven days of receipt by Australian Laboratory Services in Laos. This rapid turn-around time will allow the program to be progressively fine-tuned according to results.

Mobilisation of the drilling rig is expected in early January.

Media Contacts

Lindsay Owler
Director
+856 21 222 887

Sam Sloane
Six Degrees Media and Communication
+612 9230 0661

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.