

# QUARTERLY REPORT

For period ending 30 June 2011

Argonaut Resources NL is pleased to deliver the following report for the Quarter to 30 June 2011.

## Highlights

### Alford, SA

- Aircore drilling intercepts revealed a new discovery at the Truck Paddock prospect, located in the Alford East area, southwest of Netherleigh Park. Highlights included:
  - **67m at 0.72% copper** from 8m in drill hole ALAC197;
  - inc. **21m at 1.01% copper** and 882ppm cobalt from 10m;
  - and **18m at 1.04% copper** from 57m.
- Scoping metallurgical test work currently being undertaken to better define potential resource base.

### Xekong, Laos

- Drilling at the Ban Klong prospect in the north-western corner of the Ban Bak area of the Xekong concession in southern Laos 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.

### Blackwood Coal, QLD

- In the Quarter, Blackwood Coal completed a 15 hole drilling program at its 90% held East Wandoan project in Queensland.
- Drill holes intersected multiple plies of coal at shallow depths.

### Torrens, SA

- The Full Court of the Supreme Court of South Australia will hear the appeal against the decision by the ERD Court that proposed exploration activities may not be undertaken on EL4296 on 10 October 2011.

ASX Code: ARE

ABN: 97 008 084848

#### Head office

Suite 4, Level 9  
341 George Street  
Sydney, NSW, 2000, Australia  
T: +61 2 9299 9690  
F: +61 2 9299 9629  
E: sydney@argonautresources.com

#### Laos

House 073, Unit 19  
Rue Heng Boun Noy  
Ban Haisok, Chanthabury District  
Vientiane, Lao PDR  
T: +856 21 222 887  
F: +856 21 243 775  
E: laos@argonautresources.com

[www.argonautresources.com](http://www.argonautresources.com)

# Exploration

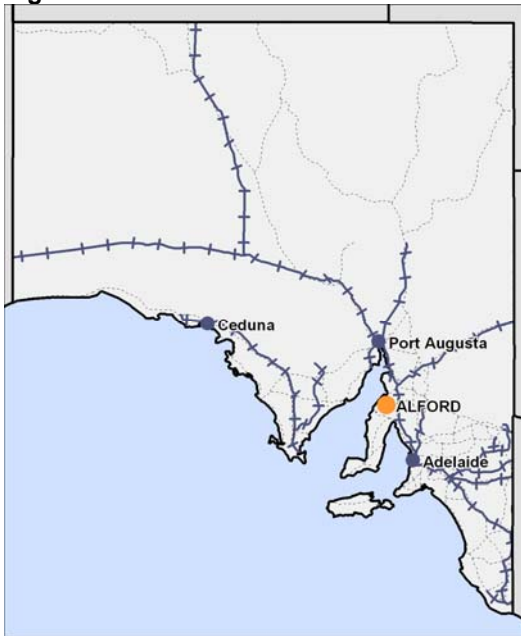
## Australia

### *EL3969, Alford (Argonaut 100%)*

On 12 July 2011, Argonaut announced final results for the recent drilling programs at the company's 100% held Alford project (EL3969) on South Australia's Yorke Peninsula.

The company completed eight diamond drill holes for a total of 1,978 metres and 76 aircore holes for a total of 5,136 metres.

**Figure 1: Alford Location**



#### **Diamond drilling program**

Diamond drill holes ALDDH09 and ALDDH10 intercepted broad zones of copper mineralisation at the Netherleigh Park prospect (Table 1 and Figure 7).

These results warrant follow-up basement drilling focussed on extending the known copper and silver mineralisation at Netherleigh Park.

Drill holes ALDDH12 and 13 were drilled west of Netherleigh Park into a target known as Lia Way.

Highlights of final results received include:

**Table 1: Alford diamond drilling highlights**

Hole	From (m)	Interval (m)	Cu (%)	Ag (g/t)
ALDDH09	95	<b>122</b>	<b>0.63</b>	<b>18.4</b>
<i>including</i>	111	14	2.26	11.4
ALDDH10	88	<b>98</b>	<b>0.64</b>	<b>6.2</b>
<i>including</i>	88	54	0.86	6.1
ALDDH11	238	5	1.06	18.7

Initial drill results released on 15 March 2011

Drill intercepts at Netherleigh Park were derived from copper mineralisation hosted in a formerly carbonaceous meta-siltstone unit.

This unit has been strongly metasomatised in the area of known mineralisation and is adjacent to a meta-basalt unit and granite.

Drilling in the Quarter was successful in extending the known footprint of sulphide mineralisation at Netherleigh Park.

Weak copper and lead mineralisation was intercepted at Lia Way.

Other holes drilled as part of the diamond drilling program tested a coincident magnetic, gravity and conductivity anomaly East of Netherleigh Park and several geochemical anomalies defined by previous aircore drilling.

A complete summary of diamond drilling results for the Quarter is shown in Appendix 1.

#### **Aircore drilling program**

76 aircore holes were completed in the Alford East area, across six prospect areas, including at Netherleigh Park, during the Quarter.

Final results for the aircore program were announced on 12 July 2011 and these results include:

**Table 2: Alford aircore drilling highlights**

Hole	From (m)	Interval (m)	Cu (%)	Ag (g/t)
ALAC158	77	26	0.54	4.15
ALAC160	75	18	0.50	8.07
ALAC164	68	31	0.58	26.01
ALAC197	8	<b>67</b>	<b>0.72</b>	<b>1.54</b>
<i>including</i>	10	<b>21</b>	<b>1.01</b>	<b>2.38</b>
<i>and</i>	57	<b>18</b>	<b>1.04</b>	

A complete summary of final aircore assays is shown in Appendix 2.

A significant new copper-cobalt discovery, located 1,100 metres to the south-west of the Netherleigh Park prospect, has been intersected by aircore drilling at the Truck Paddock prospect.

**Figure 2: Truck Paddock Prospect – Copper mineralisation trend from aircore drilling**



The zone of copper mineralisation is open along strike and down dip, and the discovery hole terminated in mineralisation.

The mineralised zone is interpreted to strike north-east with a broad halo of low grade copper intercepts (including 84m at 0.12% copper from 12m in ALAC204). Low order gold and silver anomalism is also associated with the newly discovered mineralisation with a peak of 8m at 0.68 g/t gold from 44m in ALAC197.

First pass aircore drilling at Truck Paddock was at 80 metre drill hole spacing with 160 metres between traverses.

The area was identified as having prospective calc-silicate and skarn alteration and low order copper anomalism (8m at 0.12% Cu) on the basis of historic, wide-spaced shallow rotary air blast (RAB) drilling.

Extensional aircore drilling to the north-east

of the Netherleigh Park prospect intersected a broad halo of low grade copper intercepts (including 60m at 0.13% Cu from 12m in ALAC167).

Geologically, mineralisation was hosted in a graphitic meta-sedimentary unit. The Netherleigh Park mineralisation is interpreted to plunge shallowly to the north-east and beyond aircore drilling range.

All Alford intercepts are reported as apparent widths. Drilling completed to date is not sufficiently detailed to determine the true width of mineralised bodies.

Aircore drilling results reaffirm the prospectivity of the Alford East target area. Previous exploration involved wide-spaced RAB traverses. The company has interpreted that this drilling targeted weathered basement samples below Tertiary cover. Recent drilling by Argonaut has shown that even minor copper anomalism in shallow RAB drilling will be subject to follow up exploration to better define the potential.

Scoping metallurgical testwork is being conducted on oxide mineralisation from the Netherleigh Park and Truck Paddock prospects. The results from this preliminary metallurgical sampling will better define the extent of the potential resource base.

Geological and structural interpretation is continuing and will generate additional targets within the Alford East area. Petrological studies are also underway to aid with geological modelling and to provide an understanding of the nature of the mineralised systems at Alford.

Plans are being formulated for further drilling, scheduled to commence in November/December 2011 following the crop harvest.

Drilling is likely to consist of staged aircore drilling programs and deeper diamond drill testing. Further geophysical data acquisition, including detailed airborne heli-mag to assist with structural and geological target generation, is also being considered.

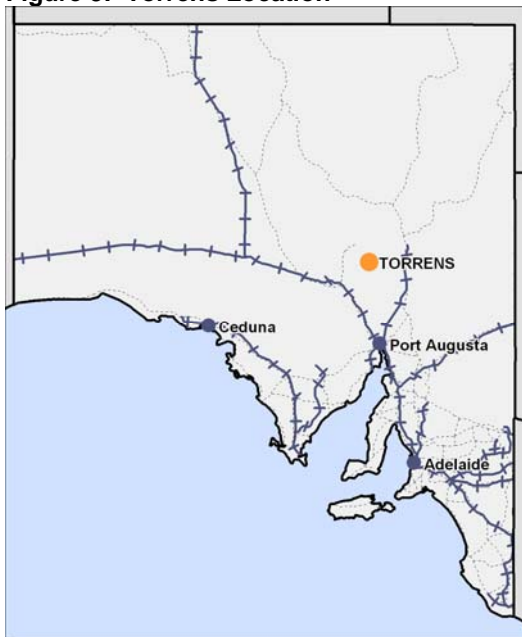
Netherleigh Park and Truck Paddock prospects will be the primary exploration targets.

### **EL4296, Torrens (Argonaut 100%)**

A comprehensive report on litigation related to the Torrens project in South Australia was included in Argonaut's Quarterly Report to 31 March 2011, dated 29 April 2011.

Since the release of information on 29 April 2011 the Full Court of the Supreme Court of South Australia has made known it will hear the appeal against the decision by the ERD Court that proposed exploration activities may not be undertaken on EL4296 on 10 October 2011.

**Figure 3: Torrens Location**



#### **The Torrens Joint Venture**

The Torrens Joint Venture is between Argonaut Resources NL and Straits Resources Limited (ASX: SRL) and relates to the Torrens Project, EL 4296. Argonaut currently holds 100% of EL 4296 and Straits is earning a 70% interest.

The Torrens Joint Venture is exploring for iron-oxide copper-gold ("IOCG") systems in the highly prospective Stuart Shelf region of South Australia. The Torrens Project is located near the eastern margin of South Australia's Gawler Craton region (Stuart Shelf), within 50 kilometres of Oz Mineral's Carrapateena copper - gold deposit and 75 kilometres from BHP Billiton's Olympic Dam mine.

### **Blackwood Coal (Argonaut 38%)**

Argonaut holds a 38% undiluted interest in Blackwood Coal Ltd.

On 12 July 2011, Blackwood Coal announced it had completed a 15 hole drilling program at its 90% held East Wandoan project in Queensland. The East Wandoan is a joint venture between Blackwood and Australia Pacific Coal Ltd.

Drill holes intersected multiple plies of coal at shallow depths. Each of the holes has been geophysically logged to determine cumulative coal thicknesses. Blackwood expects to drill a further six to eight holes in the area to generate sufficient data for a coal resource to be calculated to JORC standards. It is anticipated that the drilling will determine whether adjacent areas to the current target area to be targeted for exploration in the 2012 drilling season.

Blackwood is intending to conduct a six hole scout drilling program at its Galilee Project and a 12 to 15 hole drilling program at its Moorlands Projects in the coming 8 to 10 weeks.

Recently Blackwood has applied for two additional tenements in the Galilee Basin where it has just commenced a six hole scout drilling program.

On 20 July 2011, Blackwood announced that it had acquired 100% of the shares in Scorpion Pty Ltd. Scorpion holds five EPCs in Queensland, one of which, the Amberely project, has been explored previously. The results of previous exploration are being compiled to examine the possibility that a resource can be estimated from existing data.

In the previous Quarter, Blackwood Coal Ltd released its maiden Resource estimation, calculated in accordance with the JORC code, for its Moorlands Project in Queensland with the delineation of 27.3 million tonnes of coal in EPC 1738.

Blackwood's statement was included in an announcement by Argonaut dated 16 February 2011.

**Figure 4: Blackwood Coal project locations**



Blackwood is a private company and currently has six granted coal Exploration Permits (EPC 1955, EPC 1738, EPC 1979, EPC 1802, EPC 2127 and EPC 2237) with another ten EPCs under sole application and three under competing application.

Blackwood is exploring for and defining coal Resources in the Bowen, Surat and Galilee coal basins and expects to list on the ASX in Q3 2011.

### ***Musgrave Minerals (Argonaut 2.1%)***

During the Quarter, the Musgrave Minerals Limited initial public offering closed fully subscribed with a maximum oversubscription of \$5 million, raising \$20 million before expenses.

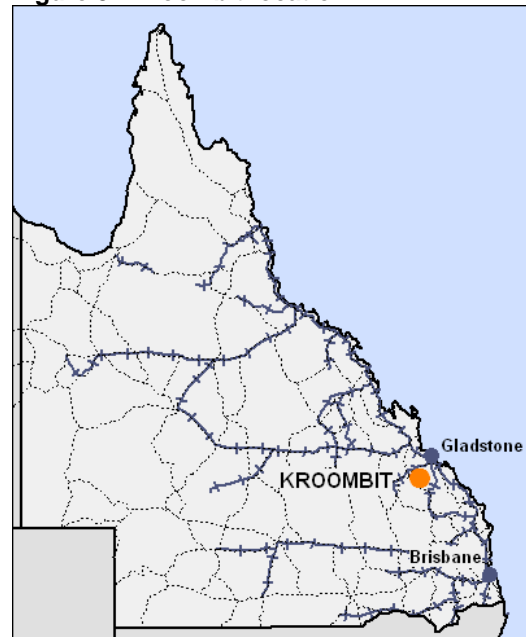
Argonaut vended four exploration licence applications into Musgrave Minerals and now holds a 2.1% interest in the company.

Musgrave Minerals has a large footprint in the Musgrave Block - one of the least explored geological provinces in Australia - with tenements covering an area totalling 50,000km<sup>2</sup>, approximately 5% of the State of South Australia.

### ***Kroombit (Argonaut 100%)***

No field based work was undertaken on the Kroombit project during the Quarter.

**Figure 5: Kroombit location**

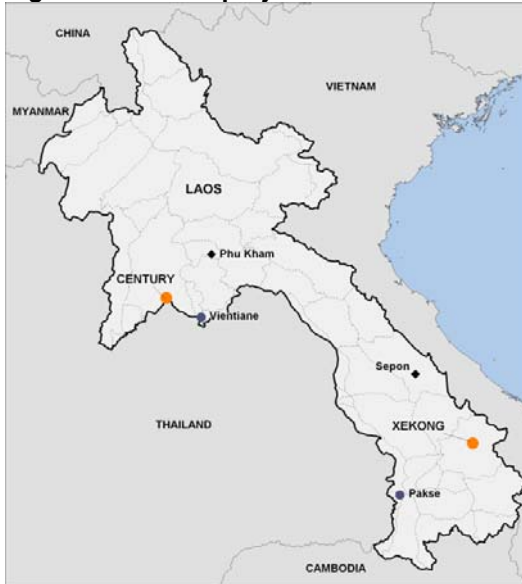


### ***EL4358 and EL4153, Aroona (Argonaut 100%)***

No field based work was undertaken on the Aroona project during the Quarter.

# Laos

**Figure 6: Laotian project locations**



## Xekong Area (Argonaut 65%)

On 18 July 2011, Argonaut announced that final results have been received from the reverse circulation (RC) drilling program that was conducted over the 2010/2011 dry season at the company’s 65% held Xekong tenement in southern Laos.

Drilling targeted gold anomalies in the Ban Bak area. The two principal targets were Ban Bak Central and Ban Klong. Geologically, the exploration program targeted 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.

### Ban Klong

16 holes for a total of 1,217 metres were completed at the Ban Klong prospect (Figure 8 and Appendix 3).

Drilling at Ban Klong has revealed that surface gold anomalism is principally caused by gold in the matrix of sulphide-bearing structural/hydrothermal breccias. Argonaut geologists have also identified gold bearing veins at Ban Klong that are epithermal in appearance. Highlights of the drilling at Ban Klong to date are shown in Appendix 3 and include:

**Table 3: Ban Klong RC drilling highlights**

Hole	From (m)	Interval (m)	Au (g/t)	Ag (g/t)
BBRC21	0	6	1.09	1.9
<b>BBRC22</b>	0	<b>8</b>	<b>4.45</b>	8.9
<b>BBRC24</b>	10	<b>12</b>	<b>3.48</b>	12.1
BBRC27	8	4	0.92	
<b>BBRC30</b>	20	<b>6</b>	<b>3.45</b>	
<b>BBRC31</b>	22	<b>6</b>	<b>26.20</b>	14.4
<b>incl.</b>	24	<b>2</b>	<b>76.40</b>	38.6
BBRC33	6	10	0.52	
and	38	4	1.58	
and	46	4	1.95	

Preliminary results were released on 6 June 2011

### Ban Bak Central

The company completed 27 reverse circulation holes for a total of 2,398 metres at Ban Bak Central.

Gold mineralisation was intercepted near surface at Ban Bak Central and long anomalous intervals of gold were intercepted at depth, but the company is yet to intersect gold mineralisation at depth that would be capable of causing the extensive surface anomalism, as defined by soil, rock chip and trench sampling. Causative mineralisation may be spatially off-set at depth. Further testing to extend the known area of mineralisation is planned in the upcoming drilling program.

Highlights of final assays are shown in Appendix 3 and include:

**Table 4: Ban Bak Central RC drilling highlights**

Hole	From (m)	Interval (m)	Au (g/t)
BBRC1	2	2	1.11
BBRC11	0	10	0.50
BBRC18	6	6	1.08

Preliminary results were released on 6 June 2011

The drill intercepts shown in Table 3, Table 4, Figure 8 and Appendix 3 may not indicate the true widths of mineralised bodies. Drilling to date is not sufficiently detailed for true widths to be determined. It should be noted that mineralisation intercepted at Ban Klong and Ban Bak Central is not in the form of tabular veins.

A program of infill and follow-up drilling is warranted at Ban Klong. Infill drilling is required to better define the orientation of

the high grade zones. A significant area of the Ban Klong surface anomaly remains untested.

An RC rig and a diamond drilling rig have been secured to recommence drilling in November 2011, at the start of the upcoming dry season. The recommencement of this program remains subject to final approval by the Argonaut board.

### **Century Area (Argonaut 70%)**

In the period the following work was undertaken at the Century concession in Laos:

- Nam Hone exploration camp construction completed;
- due diligence work at Nam Hone prospect completed;
- consultant engaged to carry out environmental and social baseline studies of Century Concession area;
- deep soil auger program approximately 25% complete;
- geological mapping with rock-chip sampling around Nam Hone prospect continues;
- geophysical consultant engaged to carry out IP survey at Nam Hone prospect;
- refurbishment of 2km of tracks at the Khokhe prospect to facilitate geological programs completed;
- corner peg survey of Century Concession area carried out; and
- conducted site visit with WREA to carry out environmental inspection of work areas.

The Century tenement is subject to a Management and Shareholders Agreement with Aurum Resources Pty. Ltd.

Under the terms of the agreement, Aurum has been appointed the manager of the Century Thrust Joint Venture Agreement and will have the right to earn a 51% beneficial interest in the Century concession.

In order to acquire this interest, Aurum must spend US\$6.5 million on exploration within five years. The five year period includes an initial one year assessment period. At the completion of this earn-in Argonaut Resource's interest in the Century concession will be 19%.

### **Corporate**

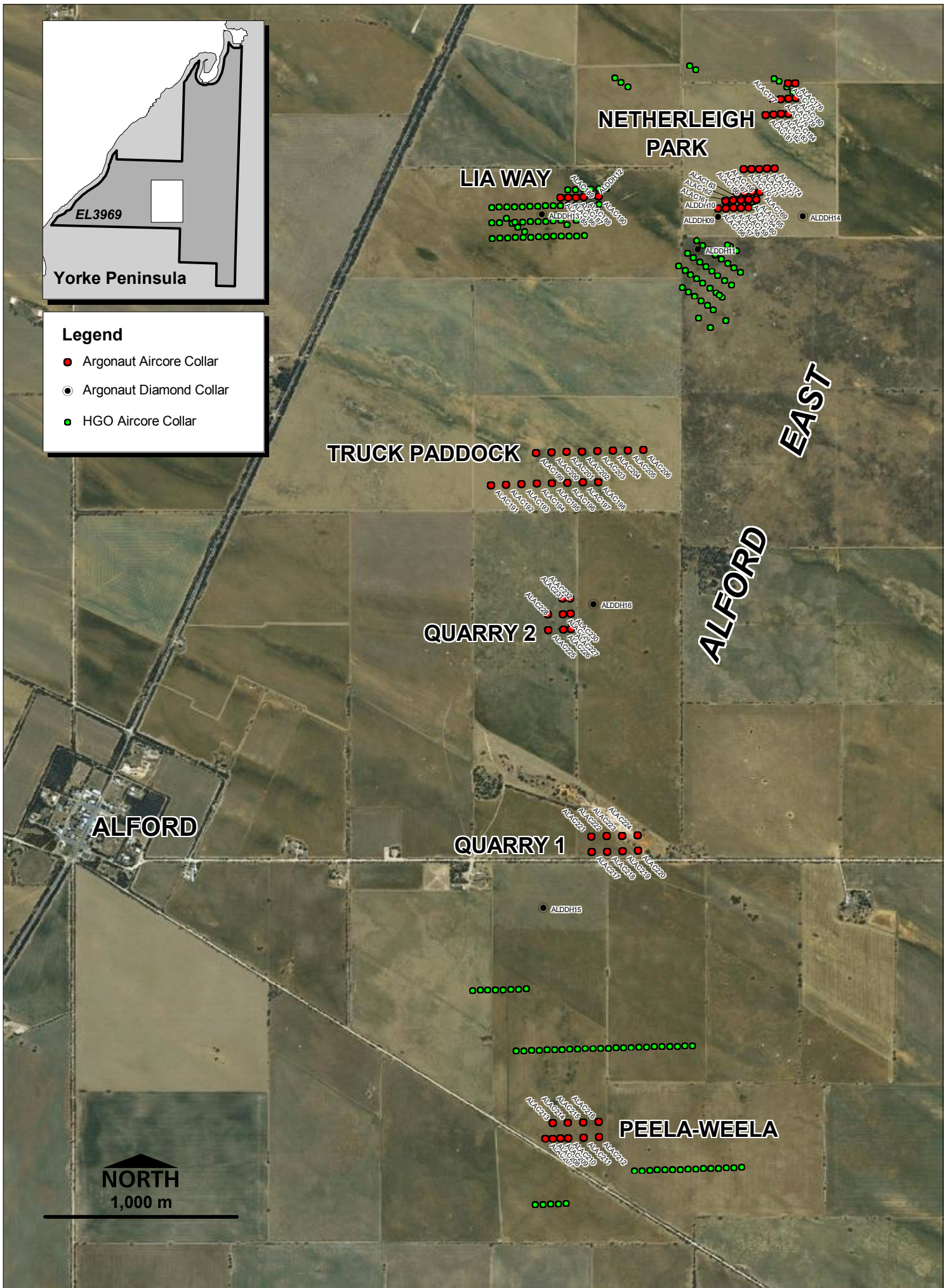
During the Quarter, Argonaut directors devoted considerable resources to finding and securing prospective, new exploration and development projects to supplement the company's existing portfolio.

Details of new projects will be announced on satisfactory completion of project documentation.

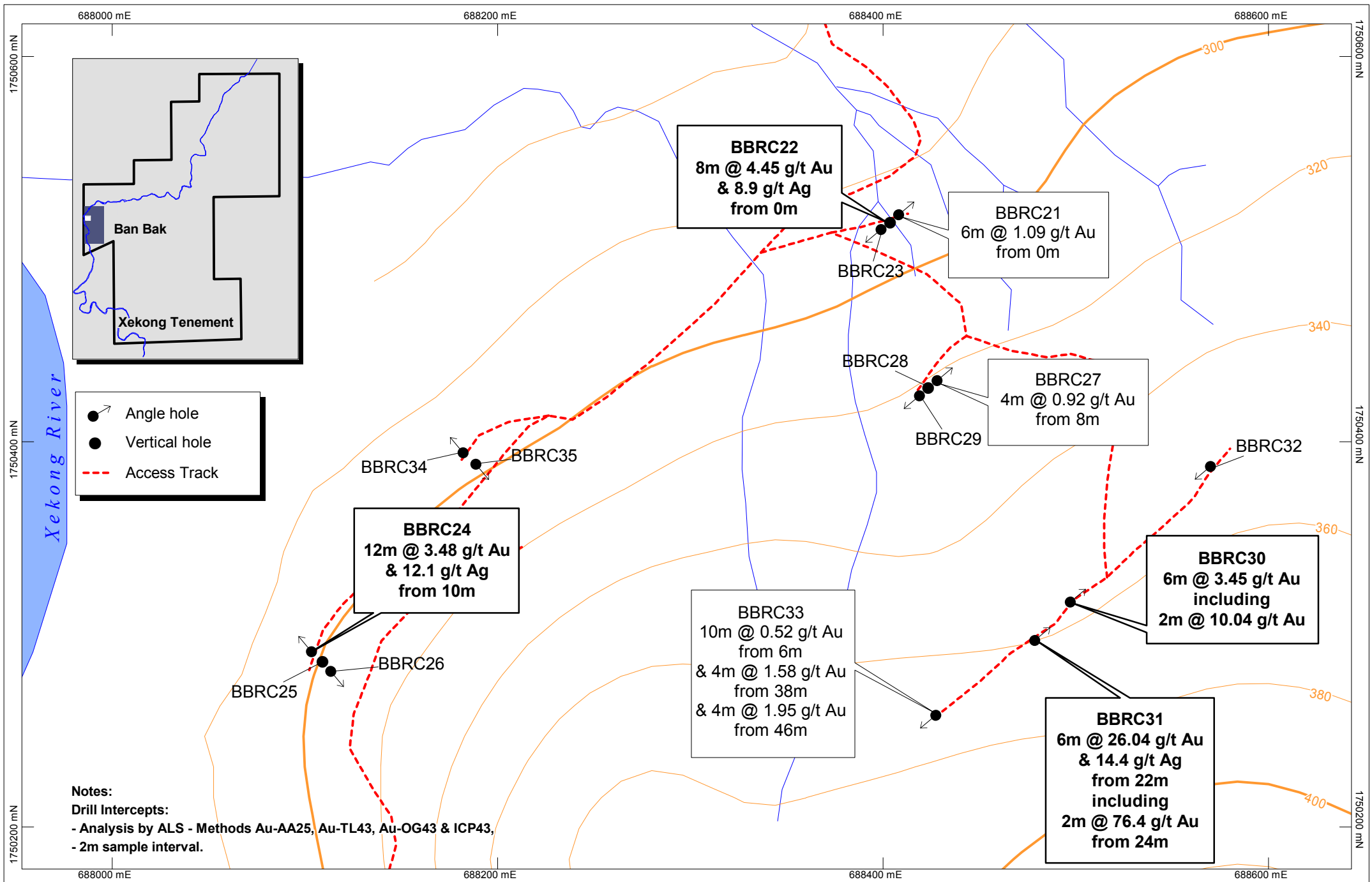
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**Lindsay Owler**  
Director  
Argonaut Resources NL

*Sections of information contained in this report that relate to Exploration Results 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.*







Hole	East	North	RL	Dip	Azimuth	TotalDepth	From	To	Interval	Cu (%)	Ag (g/t)	Comment
ALDDH09 <i>including</i>  <i>including</i> <i>and</i> <i>and</i> <i>and</i> <i>and</i>	764,540	6,257,710	50	-60	135	260.0	20	85.9	65.9		4.0	MR
							48	60	12		10.8	MR
							36	44	8	0.16		MR
							72	90	18	0.11		MR, DH
							95	217	122	0.63	18.4	DH
							95	106	11	1.04		DH
							111	125	14	2.26	11.4	DH
							138	143	5	1.10		DH
							161	165	4	1.28	12.1	DH
							176	198	22	0.61	5.0	DH
							211	217	6	0.95	106.1	DH
							238	247	9	0.25		DH
							ALDDH10 <i>and</i> <i>including</i> <i>plus</i> <i>and</i> <i>including</i> <i>and</i>	764,590	6,257,775	50	-60	135
32	173.5	141.5		3.9	MR							
136	140	4		40.6	MR							
52	64	12	0.13		MR							
88	186	98	0.64	6.2	MR, DH							
88	142	54	0.86	6.1	MR							
173.5	186	12.5	0.71	8.1	DH							
ALDDH11	764,430	6,257,545	50	-60	135	258.4	28	86.4	58.4	0.19		MR
							125	133	8	0.17		DH
							153	185	32	0.22		DH
							238	243	5	1.06	18.7	DH
ALDDH12	763,890	6,257,840	50	-60	315	174.4	59	64	5	0.34		DH
							129	132	3	0.32	6.9	DH
							165	171	6	0.25		DH
ALDDH13	763,620	6,257,750	50	-60	270	216.1	75	88	13	0.18		DH
							112	145	33	0.19	4.7	DH
ALDDH14	764,980	6,257,700	50	-70	270	294.3	0	28.5	NSI			MR
							28.5	294.3	NSI			DH
ALDDH15	763,540	6,254,150	45	-70	270	252.4	0	47.2	NSI			MR
							47.2	252.4	NSI			DH
ALDDH16	763,840	6,255,720	45	-60	270	261.5	200	205	5	0.25		DH
							227	261	34	0.15		DH

**Notes**

- 1 Pre collars by mud rotary drilling
- 2 1m sample interval in diamond core
- 3 Analysis by ALS - Methods ICP61 and Cu-OG62
- 4 Coordinate System: MGA/GDA94, Zone 53
- 5 NSI = No Significant Intercepts
- 6 MR = Mud Rotary intercept
- 7 DH = Diamond Core intercept

Hole	East	North	RL	Dip	Azimuth	Total Depth	From	To	Interval	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	La (%)	Co (ppm)	Comment	Target
ALAC156	764540	6257760	50	-60	270	99.0	20	92	72	0.15	1.22							Netherleigh Park Strike Extension
<i>including</i>							64	73	9	0.31	3.18							
							56	71	15		3.91							
							77	99	22		1.19							
ALAC157	764580	6257760	50	-60	270	102.0	52	100	48		2.92							Netherleigh Park Strike Extension
ALAC158	764620	6257760	50	-60	270	133.0	28	133	105	0.20	2.76							Netherleigh Park Strike Extension
<i>including</i>							<b>77</b>	<b>103</b>	<b>26</b>	<b>0.54</b>	<b>4.15</b>							
							32	91	59		3.85							
							12	18	6				0.31					
ALAC159	764660	6257760	50	-60	270	135.0	20	88	68	0.23	2.88							Netherleigh Park Strike Extension
<i>including</i>							49	86	37	0.31	4.49							
							56	95	39		4.54							
							32	56	24									
<i>including</i>							46	55	9					0.25				
							89	112	23					0.40				
<i>including</i>							90	96	6					0.18				
							90	96	6					0.29				
ALAC160	764700	6257760	50	-60	270	93.0	65	93	28	0.38	7.95							Netherleigh Park Strike Extension
<i>including</i>							<b>75</b>	<b>93</b>	<b>18</b>	<b>0.50</b>	<b>8.07</b>							
							20	93	73		4.26							
<i>including</i>							66	81	15		11.83							
<i>including</i>							72	78	6		22.62							
ALAC161	764580	6257800	50	-60	270	106.0	36	91	55	0.18								Netherleigh Park Strike Extension
<i>including</i>							80	89	9	0.29								
ALAC162	764620	6257800	50	-60	270	114.0	20	116	96	0.12	1.03							Netherleigh Park Strike Extension
<i>including</i>							61	67	6	0.36								
							69	88	19		3.19							
							108	116	8					0.19				
ALAC163	764660	6257800	50	-60	270	74.0											NSI	Netherleigh Park Strike Extension
ALAC164	764700	6257800	50	-60	270	103.0	54	103	49	0.44	17.46							Netherleigh Park Strike Extension
<i>including</i>							<b>68</b>	<b>99</b>	<b>31</b>	<b>0.58</b>	<b>26.01</b>							
							57	103	46		18.49							
							69	83	14		47.44							
							93	99	6		18.02							
							97	100	3					0.31				
ALAC165	764740	6257800	50	-60	270	93.0											NSI	Netherleigh Park Strike Extension
ALAC166	764640	6257840	50	-60	270	126.0	24	36	12	0.17								Netherleigh Park Strike Extension
							56	64	8	0.19								
							84	126	42	0.14								
ALAC167	764680	6257840	50	-60	270	86.0	24	84	60	0.13	2.34							Netherleigh Park Strike Extension
ALAC168	764720	6257840	50	-60	270	108.0	84	104	20	0.10								Netherleigh Park Strike Extension
ALAC169	764760	6257840	50	-60	270	90.0											NSI	Netherleigh Park Strike Extension
ALAC170	764680	6257960	50	-60	270	67.0	40	67	27	0.13								Netherleigh Park Strike Extension
ALAC171	764720	6257960	50	-60	270	76.0	24	32	8									Netherleigh Park Strike Extension
ALAC172	764760	6257960	50	-60	270	87.0	85	87	2	0.23	2.95							Netherleigh Park Strike Extension
ALAC173	764800	6257960	50	-60	270	116.0	56	64	8									Netherleigh Park Strike Extension
ALAC174	764840	6257960	50	-60	270	91.0											NSI	Netherleigh Park Strike Extension
ALAC175	764920	6258400	50	-60	270	76.0											NSI	Netherleigh Park Strike Extension
ALAC176	764960	6258400	50	-60	270	81.0											NSI	Netherleigh Park Strike Extension
ALAC177	764840	6258320	50	-60	270	78.0	24	48	24									Netherleigh Park Strike Extension
							70	76	6									
							75	78	3	0.37	2.90							
ALAC178	764880	6258320	50	-60	270	84.0	48	60	12	0.10								Netherleigh Park Strike Extension
ALAC179	764920	6258320	50	-60	270	95.0	89	92	3	0.67								Netherleigh Park Strike Extension

Hole	East	North	RL	Dip	Azimuth	Total Depth	From	To	Interval	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	La (%)	Co (ppm)	Comment	Target
ALAC180	764960	6258320	50	-60	270	85.0											NSI	Netherleigh Park Strike Extension
ALAC181	764800	6258240	50	-60	270	60.0	29	46	17				0.17					Netherleigh Park Strike Extension
							32	38	6	0.14			0.30					
							44	59	15	0.13								
ALAC182	764840	6258240	50	-60	270	57.0											NSI	Netherleigh Park Strike Extension
ALAC183	764880	6258240	50	-60	270	50.0	49	50	1	0.42								Netherleigh Park Strike Extension
ALAC184	764920	6258240	50	-60	270	81.0											NSI	Netherleigh Park Strike Extension
ALAC185	763720	6257840	50	-60	270	78.0	4	12	8	0.13								Netherleigh Park Strike Extension
ALAC186	763760	6257840	50	-60	270	46.0											NSI	Lia Way Infill
ALAC187	763800	6257840	50	-60	270	62.0	16	20	4	0.11								Lia Way Infill
ALAC188	763840	6257840	50	-60	270	59.0	26	32	6	0.27								Lia Way Infill
ALAC189	763880	6257850	50	-60	270	52.0	12	18	6	0.10								Lia Way Infill
							14	23	9				0.49					
							48	52	4	0.22								
ALAC190	763920	6257840	50	-60	270	54.0	23	32	9	0.12								Lia Way Infill
							48	52	4	0.12								
ALAC191	763320	6256360	50	-60	270	46.0	8	44	36	0.12								Truck Paddock First Pass
							9	12	3				0.13					
							14	18	4					0.11				
ALAC192	763400	6256360	50	-60	270	43.0											NSI	Truck Paddock First Pass
ALAC193	763480	6256360	50	-60	270	40.0											NSI	Truck Paddock First Pass
ALAC194	763560	6256360	50	-60	270	43.0											NSI	Truck Paddock First Pass
ALAC195	763640	6256360	50	-60	270	34.0	8	11	3	0.17								Truck Paddock First Pass
ALAC196	763720	6256360	50	-60	270	54.0	29	32	3	0.11								Truck Paddock First Pass
							45	54	9	0.12								
ALAC197	763800	6256360	50	-60	270	75.0	<b>8</b>	<b>75</b>	<b>67</b>	<b>0.72</b>	<b>1.54</b>					<b>361</b>		Truck Paddock First Pass
<i>including and</i>							<b>10</b>	<b>31</b>	<b>21</b>	<b>1.01</b>	<b>2.38</b>					<b>882</b>		
							<b>57</b>	<b>75</b>	<b>18</b>	<b>1.04</b>								
<i>including</i>							44	75	31				0.24					
							44	52	8				0.68					
ALAC198	763880	6256360	50	-60	270	31.0	4	28	24	0.13								Truck Paddock First Pass
ALAC199	763560	6256520	50	-60	270	43.0											NSI	Truck Paddock First Pass
ALAC200	763640	6256520	50	-60	270	42.0											NSI	Truck Paddock First Pass
ALAC201	763720	6256520	50	-60	270	42.0	8	34	26	0.17								Truck Paddock First Pass
							18	24	6		8.37							
ALAC202	763800	6256520	50	-60	270	83.0	16	32	16	0.14								Truck Paddock First Pass
							52	64	12	0.10								
							82	83	1	0.66			0.11					
ALAC203	763880	6256520	50	-60	270	45.0	12	30	18	0.16								Truck Paddock First Pass
							34	44	10	0.13								
							25	30	5				0.19					
							17	18	1				0.49					
							24	30	6				0.32					
							35	36	1				0.48					
ALAC204	763960	6256520	50	-60	270	96.0	12	96	84	0.12								Truck Paddock First Pass
ALAC205	764040	6256520	50	-60	270	89.0	8	16	8	0.12								Truck Paddock First Pass
							32	89	57	0.19								
<i>including</i>							39	63	24	0.25								
ALAC206	764120	6256520	50	-60	270	70.0											NSI	Truck Paddock First Pass
ALAC207	763520	6252960	45	-60	270	63.0											NSI	Peela Weela Follow Up
ALAC208	763560	6252960	45	-60	270	40.0											NSI	Peela Weela Follow Up
ALAC209	763600	6252960	45	-60	270	50.0											NSI	Peela Weela Follow Up
ALAC210	763640	6252960	45	-60	270	54.0	40	48	8	0.11								Peela Weela Follow Up

Hole	East	North	RL	Dip	Azimuth	Total Depth	From	To	Interval	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	La (%)	Co (ppm)	Comment	Target
ALAC211	763720	6252960	45	-60	270	61.0	56	60	4			0.26						Peela Weela Follow Up
ALAC212	763800	6252960	45	-60	270	52.0	12	40	28	0.14								Peela Weela Follow Up
ALAC213	763560	6253040	45	-60	270	35.0											NSI	Peela Weela Follow Up
ALAC214	763640	6253040	45	-60	270	42.0											NSI	Peela Weela Follow Up
ALAC215	763720	6253040	45	-60	270	34.0											NSI	Peela Weela Follow Up
ALAC216	763800	6253040	50	-60	270	39.0											NSI	Peela Weela Follow Up
ALAC217	763800	6254440	50	-60	270	34.0											NSI	Quarry Target 1 First Pass
ALAC218	763880	6254440	50	-60	270	31.0											NSI	Quarry Target 1 First Pass
ALAC219	763960	6254440	50	-60	270	40.0	20	29	9	0.21								Quarry Target 1 First Pass
<i>including</i>							25	29	4	0.35								
ALAC220	764040	6254440	50	-60	270	43.0											NSI	Quarry Target 1 First Pass
ALAC221	763800	6254520	50	-60	270	37.0											NSI	Quarry Target 1 First Pass
ALAC222	763880	6254520	50	-60	270	34.0											NSI	Quarry Target 1 First Pass
ALAC223	763960	6254520	50	-60	270	37.0	8	37	29	0.12								Quarry Target 1 First Pass
ALAC224	764040	6254520	50	-60	270	43.0	16	32	16	0.15								Quarry Target 1 First Pass
ALAC225	763600	6255600	50	-60	270	52.0	20	44	24	0.16								Quarry Target 2 First Pass
ALAC226	763680	6255600	50	-60	270	64.0	44	64	20	0.18								Quarry Target 2 First Pass
							60	64	4					0.11				
ALAC227	763720	6255600	50	-60	270	76.0	60	69	9	0.38								Quarry Target 2 First Pass
<i>including</i>							66	69	3	0.87	3.40							
							72	76	4					0.15				
ALAC228	763600	6255680	50	-60	270	43.0	20	41	21	0.26								Quarry Target 2 First Pass
							37	38	1			0.10						
							41	42	1			0.14						
ALAC229	763680	6255680	50	-60	270	60.0	32	56	24	0.14								Quarry Target 2 First Pass
							20	24	4			1.14						
ALAC230	763720	6255680	50	-60	270	78.0	65	78	13	0.16								Quarry Target 2 First Pass
ALAC231	763680	6255760	50	-60	270	54.0	16	28	12	0.18								Quarry Target 2 First Pass
ALAC232	763720	6255760	50	-60	270	67.0	52	56	4	0.11								Quarry Target 2 First Pass

**Notes**

- 1 Predominantly 1m samples
- 2 Some 4m composite intervals
- 3 Weighted average intercepts
- 4 0.1% Cu cutoff
- 5 Analysis by ALS - Methods ICP61 and Cu-OG62
- 6 Coordinate System: MGA/GDA94, Zone 53
- 7 NSI = No Significant Intercepts

## BAN BAK RC DRILL INTERSECTIONS

Hole	East	North	RL	Dip	Azimuth	Total Depth	From	To	Interval	Au(g/t)	Ag (g/t)	Comment
BBRC1	688,531	1,748,970	232	-60	106	85	2	4	2	1.11		
BBRC2	688,575	1,748,952	239	-60	106	90						NSI
BBRC3	688,605	1,748,947	246	-60	106	76						NSI
BBRC4	688,524	1,748,975	232	-60	286	79						NSI
BBRC5	689,004	1,749,522	456	-60	120	79						NSI
BBRC6	689,002	1,749,525	456	-90	0	60						NSI
BBRC7	689,001	1,749,528	456	-60	300	79						NSI
BBRC8	688,985	1,749,474	439	-60	120	79						NSI
BBRC9	688,983	1,749,474	439	-90	0	79						NSI
BBRC10	688,982	1,749,474	439	-60	300	145						NSI
BBRC11	689,112	1,749,793	483	-90	0	115	0	10	10	0.50		
BBRC12	689,112	1,749,792	483	-60	120	79	22	32	10		3.2	
BBRC13	689,111	1,749,793	483	-60	300	133	0	10	10	0.30		
BBRC14	688,915	1,749,283	361	-60	120	79	24	32	28		1.2	
BBRC15	688,919	1,749,279	361	-90	0	131						NSI
BBRC16	688,905	1,749,286	361	-60	300	131						NSI
BBRC17	689,262	1,750,034	490	-60	90	97						NSI
BBRC18	689,255	1,750,030	490	-60	270	127	6	12	6	1.08		
BBRC19	689,255	1,750,036	490	-90	0	103						NSI
BBRC20	689,294	1,750,036	495	-60	270	49						NSI
BBRC21	688,406	1,750,514	283	-60	50	106	0	6	6	1.09	1.9	
BBRC22	688,406	1,750,518	283	-90	0	79	0	8	8	4.45	8.9	
BBRC23	688,406	1,750,513	283	-60	230	67						NSI
BBRC24	688,099	1,750,276	294	-60	320	79	10	22	12	3.48	12.1	
BBRC25	688,100	1,750,275	294	-90	0	61						NSI
BBRC26	688,099	1,750,277	294	-60	140	72						NSI
BBRC27	688,423	1,750,432	314	-60	50	85	8	12	4	0.92		
BBRC28	688,422	1,750,431	314	-90	0	60						NSI
BBRC29	688,419	1,750,429	314	-60	230	67						NSI
BBRC30	688,500	1,750,314	346	-60	50	85	20	26	6	3.45		
<i>incl.</i>							20	22	2	10.04		
BBRC31	688,477	1,750,295	347	-60	50	78	22	28	6	26.20	14.4	
<i>incl.</i>							24	26	2	76.40	38.6	
BBRC32	688,574	1,750,387	335	-60	230	97						NSI
BBRC33	688,427	1,750,255	351	-60	230	80	6	16	10	0.52		
<i>and</i>							38	42	4	1.58		
<i>and</i>							46	50	4	1.95		
BBRC34	688,183	1,750,386	304	-60	320	115						NSI
BBRC35	688,183	1,750,386	304	-60	140	37						NSI
BBRC36	688,864	1,749,877	438	-60	320	79						NSI
BBRC37	688,869	1,749,871	438	-60	140	79						NSI
BBRC38	689,129	1,749,639	487	-60	120	67						NSI
BBRC39	689,070	1,749,763	480	-60	120	80						NSI
BBRC40	689,163	1,749,675	488	-50	120	66						NSI
BBRC41	688,980	1,749,305	396	-70	120	73						NSI
BBRC42	688,715	1,749,028	290	-60	120	75						NSI
BBRC43	688,589	1,748,804	224	-50	90	33						NSI

**Notes**

- 1 2m sample interval
- 2 Analysis by ALS - Methods Au-TL43, Au-OG43, Au-AA25 and ICP43
- 3 Coordinate System: WGS84, Zone 48N
- 4 NSI = No Significant Intercepts

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Argonaut Resources NL

ABN

97 008 084 848

For the period ending

30 June 2011

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,780)	(3,581)
(b) development	-	-
(c) production	-	-
(d) administration	(273)	(939)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	107	437
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – abnormal costs, fraud related recovery	-	22
<b>Net Operating Cash Flows</b>	<b>(1,946)</b>	<b>(4,061)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(4,101)
(c) other fixed assets	(115)	(123)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(115)</b>	<b>(4,224)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,061)</b>	<b>(8,285)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,061)	(8,285)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	8,813
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	(15)
1.19	Joint venture contributions received	812	812
1.20	Other (capital raising costs)	-	(637)
	<b>Net financing cash flows</b>	812	8,973
	<b>Net increase (decrease) in cash held</b>	(1,249)	688
1.21	Cash at beginning of quarter/ year to date	9,865	7,942
1.22	Exchange rate adjustments to item 1.20	(16)	(30)
1.23	<b>Cash at end of the period</b>	8,600	8,600

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	94
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Payment for Directors Fees

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NA
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NA
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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-



### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,800
4.2 Development	-
4.3 Production	-
4.4 Administration	250
<b>Total</b>	<b>2,050</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,852	6,114
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – term deposits	3,748	3,751
<b>Total: cash at end of period (item 1.22)</b>	<b>8,600</b>	<b>9,865</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of year	Interest at end of 12 months
6.1 Interests in mining tenements relinquished, reduced or lapsed	ELA 143/97 ELA 144/97 ELA 186/97 ELA 321/97	Sold	100%	0%
6.2 Interests in mining tenements acquired or increased				

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	253,376,470	253,376,470		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	7,000,000 (Exp. 31/12/2013, \$0.30) 1,500,000 (Exp 31/12/2011, \$0.20)	N/A		
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				

7.12	<b>Unsecured notes</b> <i>(totals only)</i>			
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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: .....Date: 29 July 2011  
(Company secretary)

Print name: Andrew Bursill  
Company Secretary

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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