

ASX announcement

28 January 2021

MURDIE PROJECT: Drilling Contract Executed

Argonaut Resources NL (ASX: ARE) (*Argonaut or the Company*) is pleased to announce that it has executed a drilling contract to undertake deep diamond drilling at the Company's Murdie copper project in South Australia.

Argonaut will proceed with a major exploration drilling program around the western shoreline of Lake Torrens and Andamooka Island. The drilling program will target iron oxide copper-gold (IOCG) copper mineralisation in the style of Olympic Dam, Carrapateena and BHP's recent Oak Dam discovery.

Highlights

- Argonaut has executed a drilling contract for an initial 3,750m of diamond drilling. The drilling program is expected to involve five drill holes to an average depth of 750m.
- The drilling rig will sit on fit-for-purpose, heavy duty, interlocking mats to protect the salt crust. Vehicles will access the drilling rig via temporary tracks covered by ground protection mats.
- Mobilisation to site is expected to occur in late February 2021.

Drilling Targets

The Murdie exploration licence covers two largescale, regional gravity anomalies – Murdie and West Lake Torrens (Figure 1). These anomalies represent locations with significant volumes of high-density rock that could contain economic IOCG deposits. Efforts are being focused on the West Lake Torrens anomaly.

Drilling will target specific 'residual gravity anomalies'. Residual anomalies are volumes of rock with a particularly high density that can be found within broader, regional anomalies.

Details of residual gravity anomalies in the area of Carrapateena Well will be released once final processing and modelling has been completed.

Drilling Equipment and Mobilisation

The track-mounted Sandvik DE740 drilling rig is capable of drilling cored holes to 1,800m. Drill holes are expected to be between 500 and 1,000m in depth.

The contractor is currently sourcing the specialist equipment required for drilling in an environmentally sensitive location. Mobilisation to site is expected to occur in late February 2021.

Ground Gravity Survey

Geophysical crews have been working at the Murdie area since 20 October 2020. The crews are conducting a detailed ground gravity survey over selected areas to improve the accuracy of drill-target modelling.

To date over 7,000 gravity stations have been surveyed including over the area of several confirmed drilling targets. A further 1,800 gravity stations will be surveyed in the coming weeks.

Argonaut is pleased with both the results of the survey and the resolution of the data. Results of this work and its processing will be released when available.

Murdie, South Australia

Argonaut Resources holds two highly prospective South Australian exploration licences, EL5937 and EL5945 (Figure 1). The licences are contiguous with the Company's Torrens project in South Australia. The licence areas cover a confirmed IOCG target in an area known as Murdie as well as a second anomaly at West Lake Torrens. There are 54 known residual gravity targets within the area.

The licences cover an area of 1,015 square kilometres and are located immediately south and east of the Torrens project and east of the Carrapateena mine (Figure 1).

This report is authorised for release by:

Lindsay Owler

Director and CEO

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 holds shares and options in Argonaut Resources NL, details of which are disclosed in the Company's 2019 Annual Report. 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 2012 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.

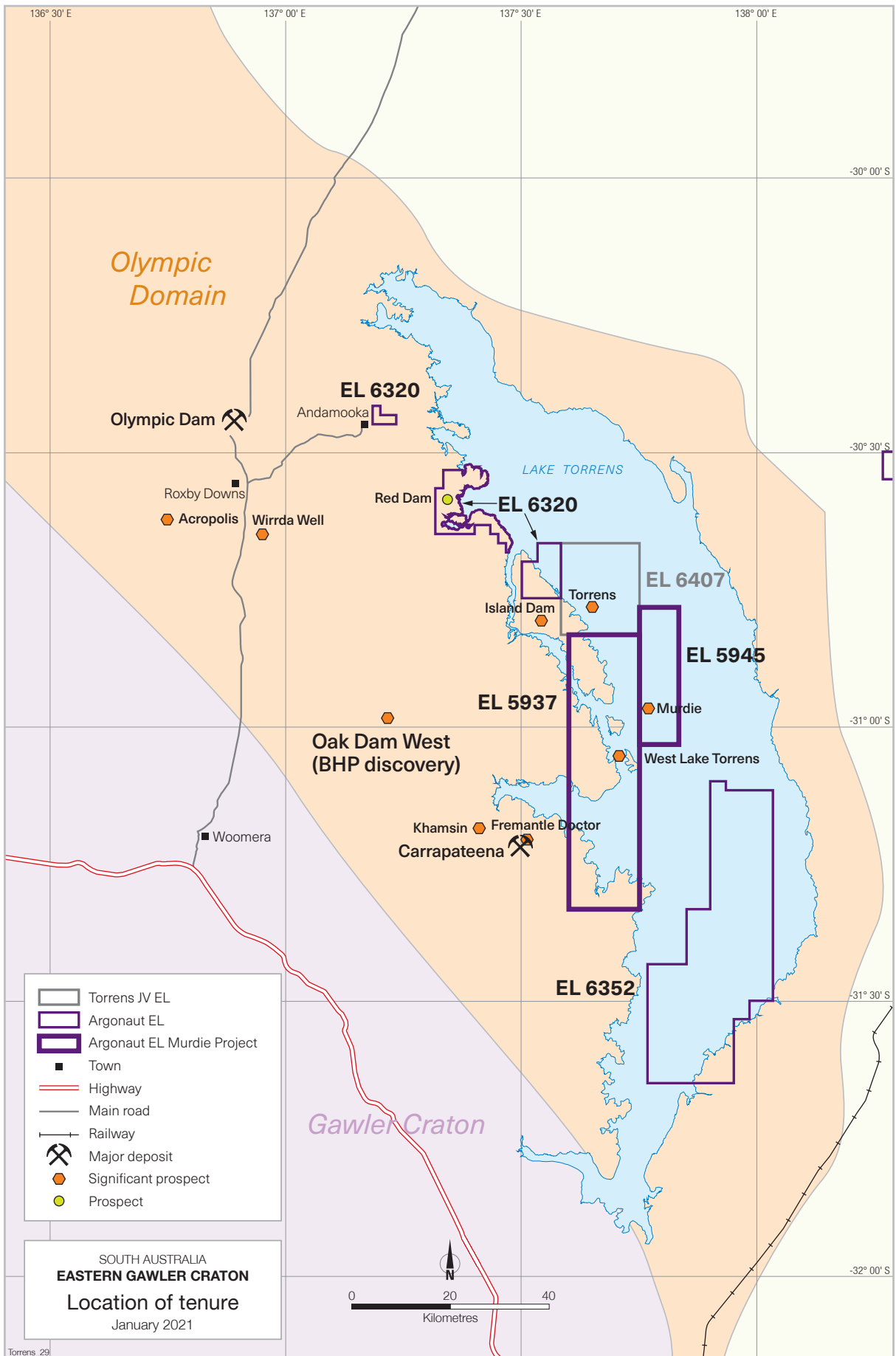


Figure 1 Lake Torrens exploration licences.

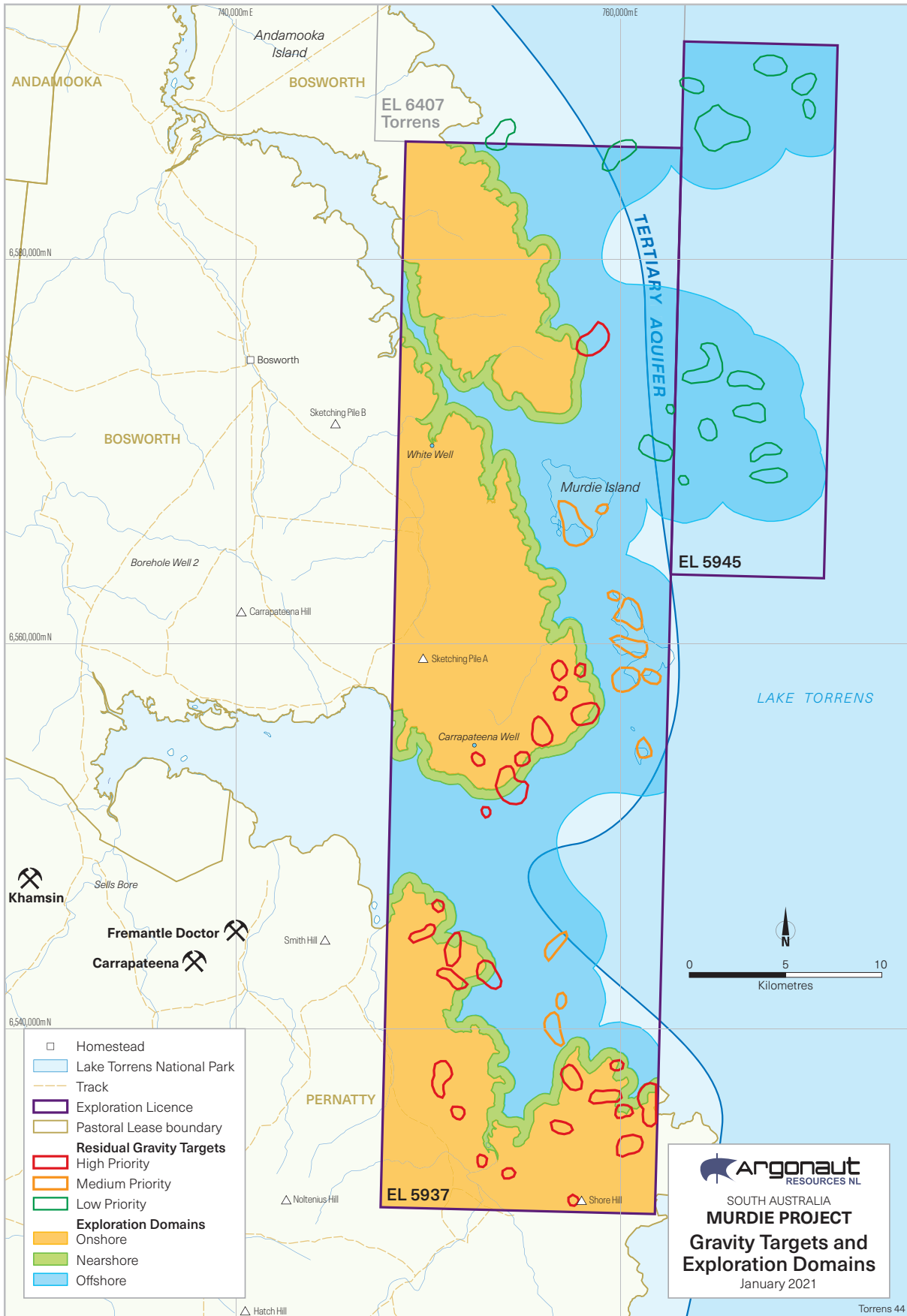


Figure 2 Murdie Project gravity targets and exploration domains.