

# QUARTERLY REPORT

For the period ending 31 March 2013

Argonaut Resources NL (the Company or Argonaut) is pleased to deliver the following report for the quarterly period to 31 March 2013 (the Quarter).

## Highlights

### Lumwana West, Zambia

- Exploration Target with a range of **200Mt to 680Mt** across the Company's Lumwana West project on the Mwombezi Dome in Zambia.
- Results received during the Quarter from drilling at Nyungu Central include:
  - NYRD031: **78m at 0.59% copper** from 217m
  - NYRD038: 31m at 0.53% copper and 0.12% cobalt from 258m
  - NYRD046: **196m at 0.45% copper** from 69m (no cut-off grade applied)
    - including 38m at 1.0% copper and 0.11% cobalt from 183m
  - NYRD045: **71m at 0.61% copper** from 30m
    - plus 35m at 0.54% copper from 126m
    - plus 65m at 0.49% copper from 221m
- Results received during the Quarter from drilling at Nyungu South include:
  - NYRD040: 29m at 0.53% copper from 27m

### Alford, South Australia

- Sandfire Resources NL commenced a program of aircore drilling during the Quarter to define the most prospective project areas within the Alford tenement and to delineate deep drill targets. The aircore program is continuing with 235 holes for ~17,000 metres completed during the Quarter. Significant anomalies will be announced on receipt and compilation of final results.
- Ground geophysical Induced Polarisation (IP) surveys were completed during the Quarter covering the Alford East and Glenrae prospects. Several targets were identified potentially associated with sulphide mineralisation at depth.
- A program of diamond drilling has commenced since the end of the Quarter to test these geophysical, geochemical and geological targets.

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# Exploration

## Zambia

### *16121-HQ-LPL, Lumwana West (Argonaut earning 85%)*

The Mwombeszhi Dome is located in the western extension of the Lufilian Arc which is host to the Central African Copperbelt. The Mwombeszhi Dome is comprised of two northeast-southwest trending basement inliers, and is one of several domes in an area of the Copperbelt known as the ‘Domes Region’.

The Domes Region is host to the new generation of Zambian Copperbelt mines including Barrick’s Lumwana Mine on the eastern lobe of the Mwombeszhi Dome (Figure 1) plus First Quantum’s Kansanshi Mine and Sentinel Project.

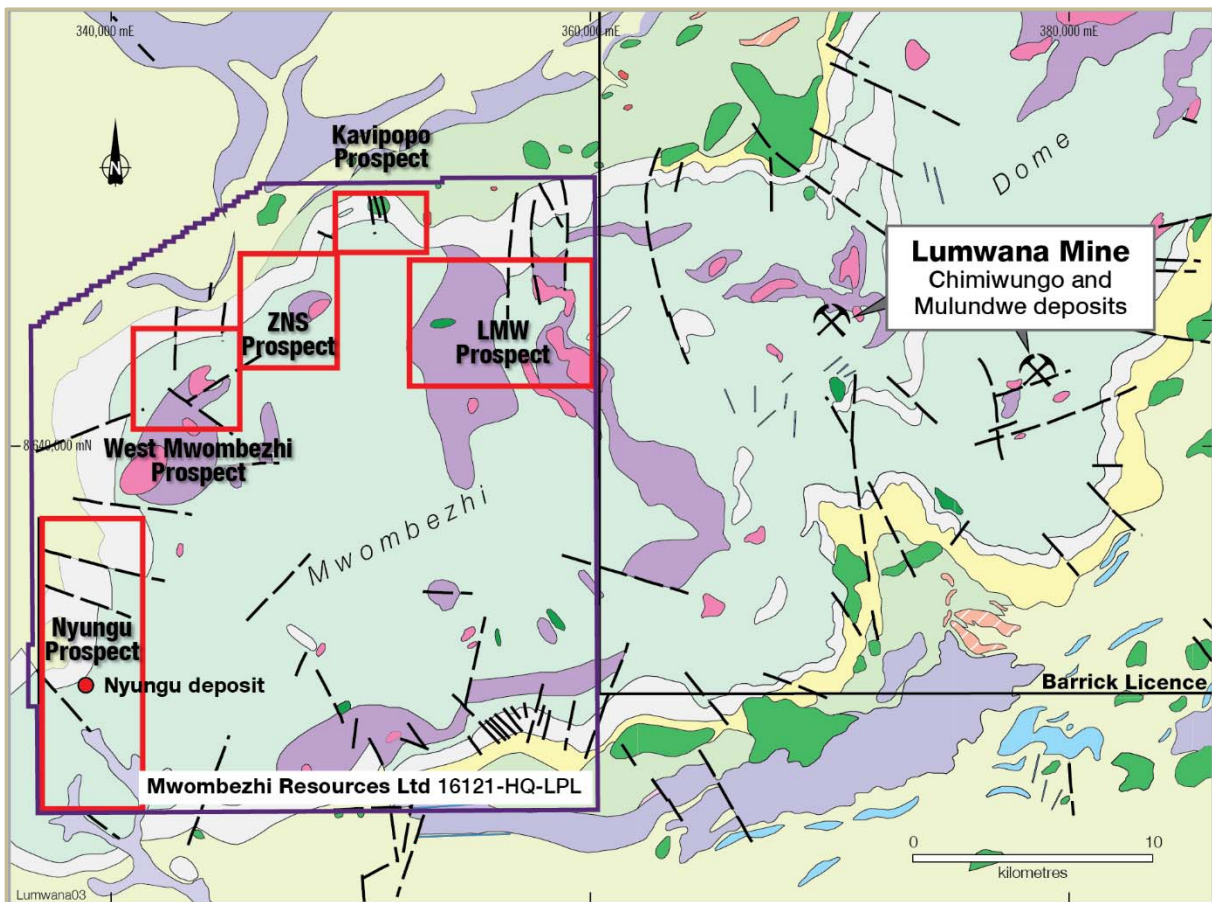


Figure 1: Lumwana West large scale prospecting licence, prospect locations and Lumwana mine location

## NYUNGU DEPOSIT EXPLORATION TARGET

On 9 April 2013 Argonaut announced that RungePincockMinarco Limited (RPM) had been contracted during the Quarter to carry out an estimate of the Exploration Target for the Nyungu Copper-Cobalt (Cu-Co) deposit. The deposit forms part of the Lumwana West Project. The mineralisation is disseminated copper-cobalt sulphide mineralisation hosted in basement schists associated with intense folding and shearing.

The Nyungu Exploration Target has the potential to host between **130 to 180Mt at a grade range of 0.45 to 0.65% copper**. The Exploration Target estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). The potential quantity and grade is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

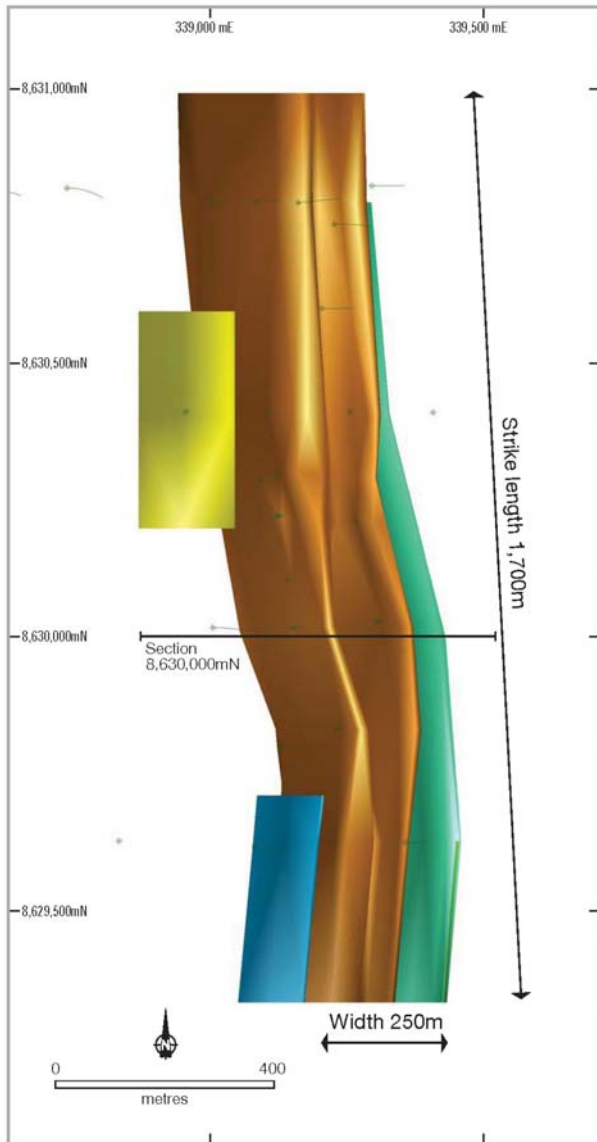


Figure 2: Plan view of Nyungu Central geological model

Two separate zones of disseminated copper sulphide mineralisation are interpreted by Argonaut; (i) tightly folded biotite-kyanite-garnet schist (Host Schist) at Nyungu Central, and (ii) satellite mineralisation in gentle, east dipping Host Schist at Nyungu South. At Nyungu Central, the Host Schist contains a higher grade graphitic unit, interpreted to persist through the centre of the broader Host Schist.

Mineralisation interpretations were generated by RPM based on the supplied Argonaut interpretations. The mineralisation envelopes were based on a nominal 0.1% Cu cut-off grade for low grade material and 0.7% Cu cut-off grade for high grade material. These cut-off grades are consistent with those used in the area for commercial production.

For all zones in the Nyungu deposit, the wireframe objects were used as hard boundaries in the interpolation. That is, only grades inside each object were used to interpolate the blocks inside the object. The Inverse Distance Squared (ID<sup>2</sup>) algorithm was selected for grade interpolation. The bulk density values are based on bulk densities from deposits within similar geological terranes and have been applied as an average bulk density value for each weathering domain.

RPM concluded: The Nyungu deposits represent two continuous, well-defined zones of copper-cobalt mineralisation. The broad mineralised zones of economic interest range between structurally complex, folded geometry at Nyungu Central; to relatively simple, east-dipping geometry at Nyungu South. The mineralisation

boundaries are well-defined at both deposits. Drilling has confirmed the presence of mineralisation over a strike length of 1,700m at Nyungu Central and 1,000m at Nyungu South.

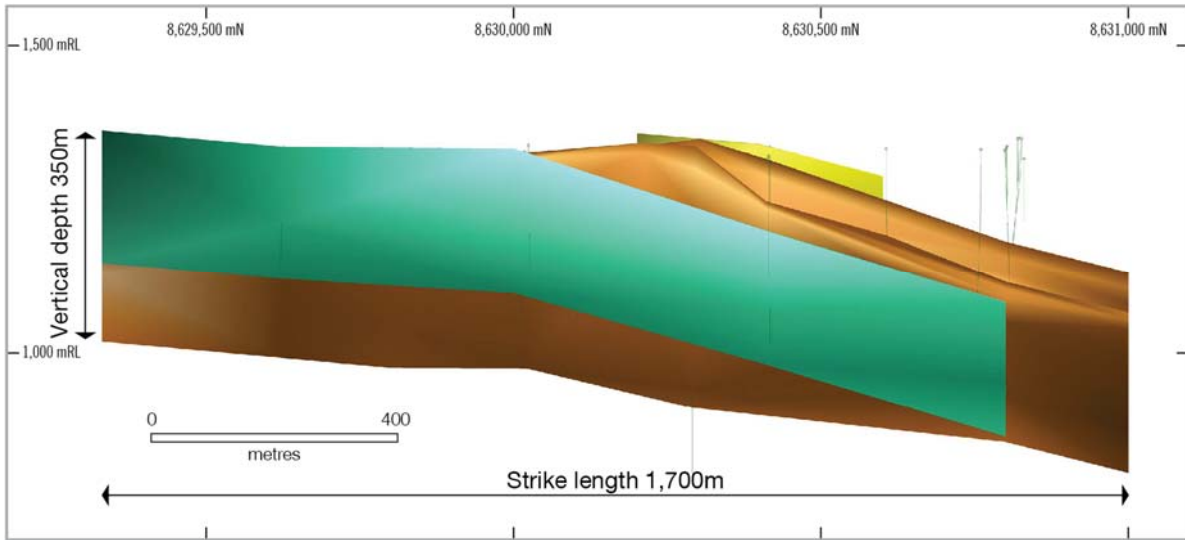


Figure 3: Long sectional view of Nyungu Central geological model, looking west

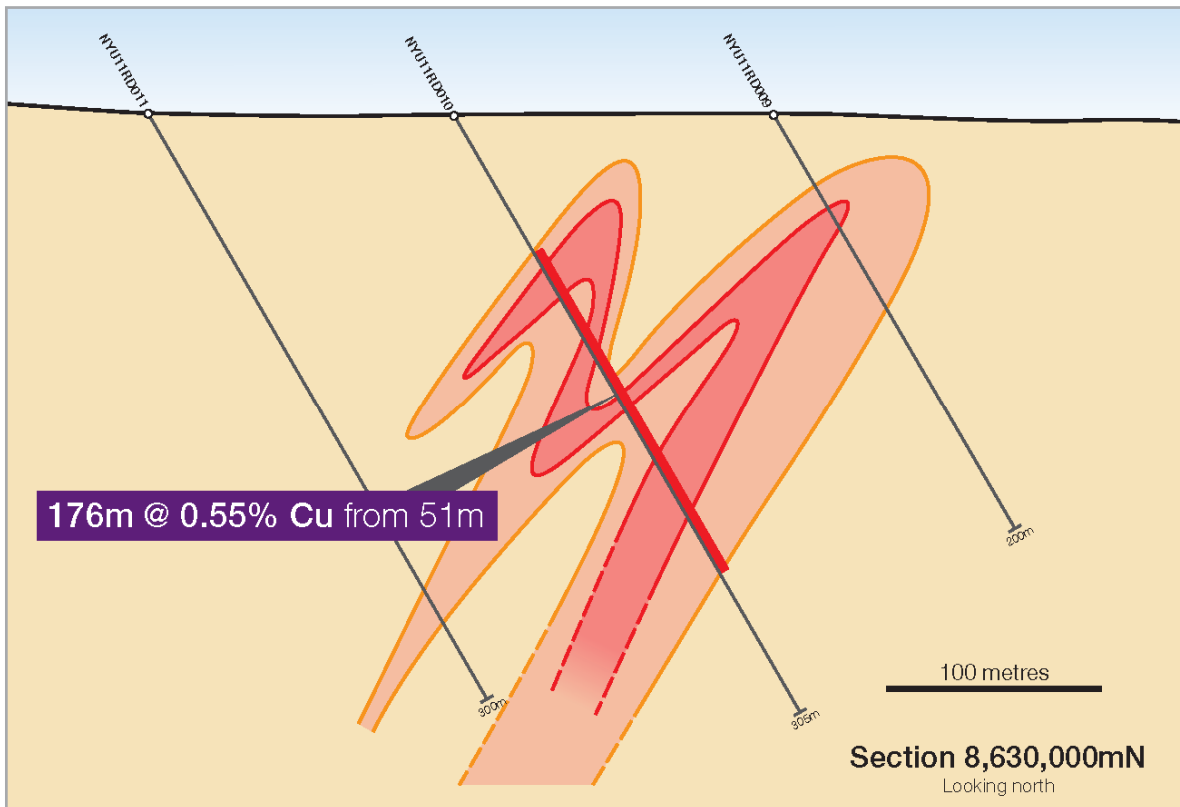


Figure 4: Cross sectional view of Nyungu Central deposit, looking north

The deposits display good geological and mineralisation continuity from information provided, however due to the predominantly wide section spaced drilling, both geological and grade continuity is assumed rather than verified.

RPM recommends additional drilling along strike and down dip at both deposits as well as infill drilling to nominal 100m spacing. Bulk density test work should be undertaken, with specific gravity measurements obtained from diamond core. With the additional drilling to 100m spacing, bulk density measurements and a detailed QAQC program, the deposit could meet the criteria for an Inferred Mineral Resource.

Argonaut has designed a program of drilling consistent with the RPM recommendations and has scheduled this contingent drilling for 2014.

### NYUNGU CENTRAL DRILLING

Argonaut, via its 51% owned Zambian subsidiary, Mwombezhi Resources Ltd, drilled nine RC/diamond holes for a total of 2,100m at Nyungu Central between August and November 2012. Results of this drilling were received during the Quarter. The holes succeeded in determining the orientation of northerly extensions to the mineralisation and in outlining the geometry of mineralisation via follow-up infill holes.

Results received during the Quarter from drilling at Nyungu Central include:

- NYRD030: 22m at 0.51% Cu from 143m
- NYRD031: 32m at 0.48% copper from 26m
  - and 78m at 0.59% copper from 217m
  - including 22m at 0.13% cobalt from 237m
- NYRD038: 31m at 0.53% copper and 0.12% cobalt from 258m
  - including 7m at 0.27% cobalt
- NYRD046: 196m at 0.45% copper from 69m (no cut-off grade applied)
  - including 38m at 1.0% copper and 0.11% cobalt from 183m
- NYRD045: 71m at 0.61% copper from 30m
  - plus 35m at 0.54% copper from 126m
  - plus 65m at 0.49% copper from 221m

A cut-off grade of 0.1% Cu has been applied to the intercepts shown above unless otherwise stated.

### NYUNGU SOUTH DRILLING

Mwombezhi Resources drilled 10 holes at the Nyungu South target for a total of 1,728m across four 400m broadly spaced traverses.

Results received during the Quarter from drilling at Nyungu Central include:

- NYRD040: 29m at 0.53% copper from 27m

A cut-off grade of 0.1% Cu has been applied to the intercept above.

### KAVIPOPO EXPLORATION TARGET

On 9 April 2013 Argonaut announced it had undertaken an in-house Exploration Target estimation for the Kavipopo prospect, also located at the Lumwana West licence on the western lobe of the Mwombezhi Dome in Zambia.

The Kavipopo Exploration Target is **70 to 500Mt**. The potential quantity is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Kavipopo Exploration Target is hosted in basement biotite-kyanite schists similar to the host schist at Nyungu. These schists are adjacent to the unconformably overlying Lower Roan sedimentary units. Mineralisation is assumed to be copper (+/- cobalt, nickel, gold and uranium) associated with basement shearing or thrusting.

In 2012 Argonaut completed an IP chargeability survey over the Kavipopo target. This survey covered an area with a surface geochemistry anomaly and potassium-uranium radiometric anomaly and succeeded in defining a strong IP chargeability anomaly with a strike length of 1,900m, open to the north and east (Figure 5). The chargeability anomaly dips steeply to the north.

Argonaut had not completed a drilling program at Kavipopo at the time the estimation was undertaken, however six historical drill holes were drilled along an existing track by past explorers. Of these six drill holes, two returned significant intercepts.

Argonaut constructed a 3D model containing various chargeability shells and historical drill holes. The historical copper intercepts occurred only within the chargeability shells. Historical drill holes with no significant intercepts fell outside the chargeability shells.

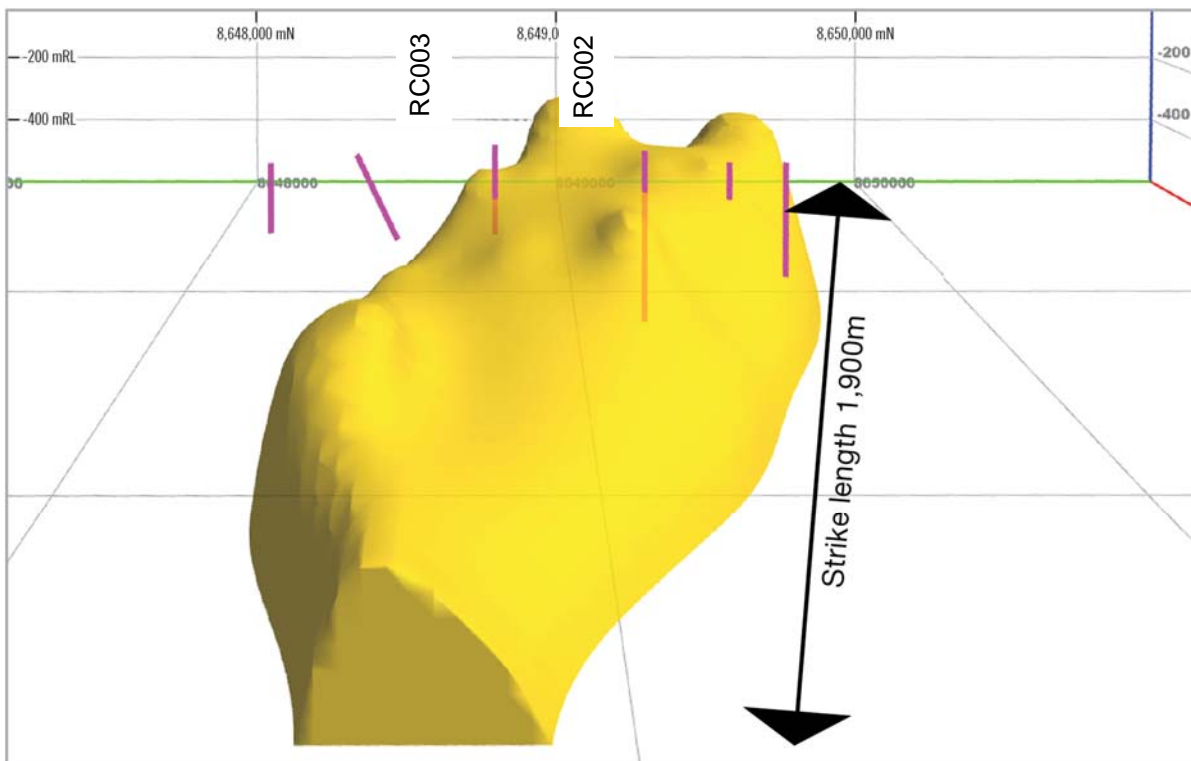


Figure 5: Kavipopo 3D chargeability shell with historical drill holes, looking west northwest

The apparent relationship between grade and chargeability was considered and chargeability values of >20ms and >40ms were assumed to be reasonable for the purpose of estimating volume. The volumes of these shell were

calculated using a nominal depth cut-off -350m i.e. 350m below surface. The volumes of each shell were then halved and the resulting numbers rounded.

The bulk density value applied was based on bulk densities from deposits within similar geological terrains and was applied as an average bulk density.

The drill holes which intercept the chargeability anomaly were reported in historical technical reports as significant intercepts only. Drill hole RC002 returned 8m at 0.45% copper from 36m and 2.3m at 1.27% copper from 164m. Drill hole RC003 returned 4m at 1.1% copper and 0.28g/t gold from 60m.

Grades of nearby deposits in similar geological terrains were also considered in estimating a grade range for Kavipopo, however Argonaut considers the existing information to be inadequate and will instead make a grade statement in the event further drilling returns appropriate supporting data.

Argonaut plans to commence RC drill testing of the Kavipopo Exploration Target in July 2013. Contingent infill and extensional drilling is planned for 2014.

## REGIONAL EXPLORATION

Argonaut is enthusiastic about the regional exploration potential at Lumwana West and now considers the Mwombezhi Dome to be a **mineralised geological province**. The Board has committed funds to fast tracking the systematic exploration and drill testing of the four highest priority prospects in 2013.

The Company must ensure that high expenditure Resource drilling adds maximum value to the project. Logically, this must follow appropriate testing and appraisal of major regional targets.

The Company has considered and ranked the regional targets (Figure 6) and the four highest priority prospects are summarised in the following table:

Target	Geochem Dimensions	Anomaly	2013 planned follow up
<b>Kavipopo</b>	2,600 x 1,000m	Strong IP, Cu in soil, strong Radiometric	Confirmatory soil geochemistry, RC drilling
<b>ZNS</b>	Lobe 1: 4,200 x 1,100m	Cu in soil, radiometric	IP Survey, confirmatory soil geochemistry, RC drilling
	Lobe 2: 1,200 x 900m	Strong radiometric, weak Cu in soil	IP Survey, confirmatory soil geochemistry, RC drilling
<b>West Mwombezhi</b>	2,200 x 1,500m	Cu in soil, radiometric	IP Survey, confirmatory soil geochemistry, RC drilling
<b>LMW</b>	Lobe 1: 2,300 x 800m	Strong radiometric, Cu in soil	IP Survey, confirmatory soil geochemistry, RC drilling
	Lobe 2: 2,200 x 400m	Strong radiometric, Cu in soil	IP Survey, confirmatory soil geochemistry, RC drilling

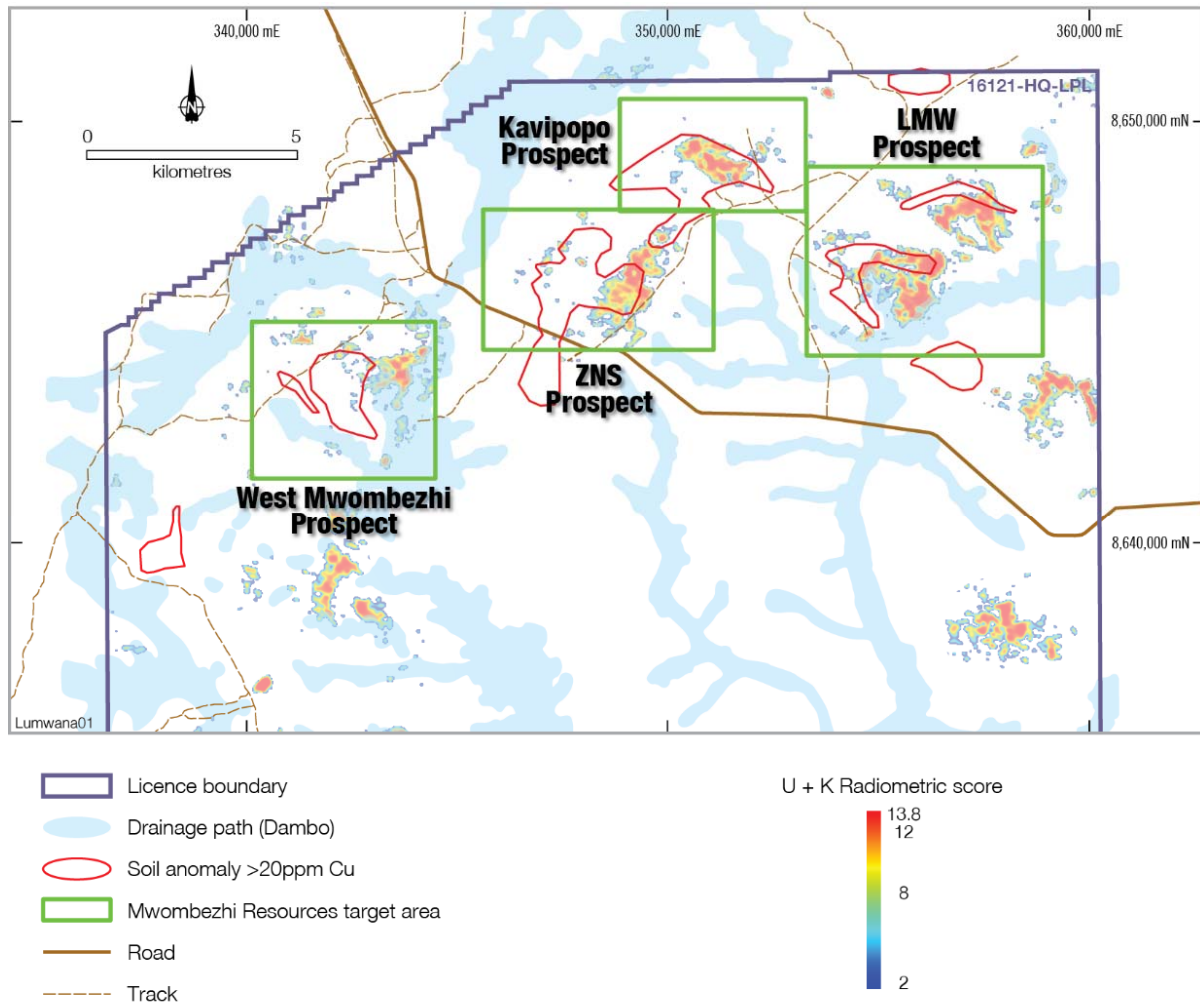


Figure 6: Lumwana West priority regional targets with surface Cu geochemistry and K+U radiometric overlay

Argonaut will undertake a major IP geophysics program in three phases over the regional targets. The first phase will cover the best regional targets as defined by surface geochemistry and airborne radiometrics. Subsequent phases will expand on subsurface anomalies and infill as required. The results of these surveys will be compiled the chargeability anomalies will be ranked in order of priority for drilling.

The Company is currently in negotiations with drilling companies for the provision of an RC drilling rig which can drill to the required target depths. The Company plans to commence RC drilling in July, following the first phase of IP geophysics.

It is estimated that 7,700m of RC drilling will be required in the first pass to test all IP anomalies.

### LUMWANA WEST JOINT VENTURE

The Lumwana West Joint Venture involves large scale prospecting licence 16121-HQ-LPL. The grant of 16121-HQ-LPL was approved by the Mines Advisory Committee, a majority independent committee, in July 2011. The licence was registered in the Zambian 'Flexicadastre' system in the same month.



Under the terms of the Joint Venture, Argonaut's 100% held subsidiary, Lumwana West Resources Ltd, can earn up to 85% of Mwombezhi Resources Ltd which holds 16121-HQ-LPL. The Joint Venture is in three phases. In earning the initial 51%, Lumwana West paid a USD300,000 signing fee and funded USD1.8 million in exploration works prior to 31 December 2012. Argonaut paid USD600,000 to the original shareholders on the first allotment of shares.

To earn a further 24%, for a total of 75%, Lumwana West must spend an additional USD2.4 million on exploration and make a final cash payment of USD1.1 million to the original shareholders. This is expected to occur in the 2013 calendar year.

Lumwana West can take a further 10% interest in the licence for a total of 85%, by completing a Feasibility Study.

## GENERAL

As noted by the Company in an announcement dated 30 March 2012, an action was initiated by Mwombezhi Resources Ltd in the High Court of Zambia as a precautionary measure to counter concerns raised by Equinox Zambia Ltd (EZL) in relation to an historical application for a retention licence over an area covered by 16121-HQ-LPL. The Argonaut board expects to announce a satisfactory resolution of this matter in coming weeks.

# Australia

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

Sandfire Resources NL commenced a program of air core drilling during the Quarter to define the most prospective project areas within the Alford tenement and to delineate deep drill targets. The aircore program is continuing with 235 holes for ~17,000 metres completed during the Quarter drilled on a 400 metre by 160 metre grid.

The current aircore program represents the most comprehensive regional exploration program to have been undertaken at Alford in its 30+ year exploration history.

The regional aircore drilling aims to return a sub-surface geochemical anomaly map via samples taken at or near the top of fresh basement. The aircore drilling is penetrating surface sands, Tertiary sediments and weathered basement.

In addition, basement samples will be used to generate an 'alteration vector' map of the Alford East and Glenrae areas. The identification of concentric alteration halos may generate targets for infill aircore drilling, Induced Polarisation geophysics and deep diamond drilling.

Laboratory analysis of aircore samples is incomplete. Significant anomalies will be announced on receipt and compilation of final results.

Ground geophysical Induced Polarisation (IP) surveys were completed during the Quarter covering the Alford East and Glenrae prospects. Several targets were identified potentially associated with sulphide mineralisation at depth.

A program of diamond drilling has commenced since the end of the Quarter to test strong geophysical and geochemical targets generated to date. No diamond drilling assays have been received to date.

## ALFORD FARM-IN JOINT VENTURE

On 9 November 2012, Argonaut announced it has signed a farm-in joint venture letter agreement with Sandfire Resources NL in relation to the Company's 100% owned EL3969, Alford, on the Yorke Peninsula in South Australia.

Under the terms of the letter agreement, Sandfire may earn a 49% interest in the Alford tenement by sole funding \$4,000,000 of exploration within three years (the first earn-in period). Sandfire has now completed a minimum 2,000m of drilling within 12 months of the date of the Letter Agreement.

Having met the minimum commitment during the First Earn-in Period, Sandfire then has the right to form a Joint Venture with Argonaut's subsidiary, Kelaray Pty Ltd, to jointly explore the tenement or to proceed to earn an additional 26% interest in the project by spending a further \$4,000,000 on exploration within an additional three years (the Second Earn-in Period).

## ***EL4296, Torrens (Argonaut 30%)***

### THE TORRENS JOINT VENTURE

The Torrens Joint Venture is between Argonaut Resources NL and Straits Resources Limited (ASX: SRQ) and relates to the Torrens Project, EL 4296.

The Torrens Joint Venture is exploring for ironoxide 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 (Stuart Shelf), within 50 kilometres of Oz Mineral's Carrapateena copper-gold deposit and 75 kilometres from BHP Billiton's Olympic Dam mine.

### LITIGATION

The Company previously announced that the Full Court of the Supreme Court of South Australia had overturned the decision of 14 January 2011 by the Environment, Resource and Development Court of South Australia that Mining Operations (exploration) may not be conducted on EL4296.

The Torrens Joint Venture is considering the merits and timing of an ERD Court retrial under the Mining Act. It is important to note that in overturning the original decision, the Full Court provided considerable guidance for the purpose of an ERD Court retrial.

The Torrens Joint Venturers remain open to a negotiated settlement with regard to land access for the purposes of proposed drilling activities on Andamooka Island and Lake Torrens.

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

Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, vended four mineral Exploration Licence Applications in the Musgrave Block into Musgrave Minerals Ltd. Argonaut holds 2.1% of the ordinary shares in Musgrave Minerals. 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.

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

No field based work was undertaken on the Aroona project during the Quarter. These tenements are subject to a joint venture agreement with Perilya Limited.

## **Laos**

### ***Xekong Area (Argonaut 65%)***

Gold exploration at Xekong is focused on three main prospect areas: Ban Bak, Ban Don and Phu Tuang. The Ban Bak area includes the Ban Klong sub-prospect.

Exploration at Ban Klong is targeting gold mineralisation discovered by Argonaut in 2011. The Company is exploring for 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.

During the Quarter the Company completed construction and unexploded ordinance clearance of a 22km access road from Ban Klong to Ban Don. The road will be used for access to drill-ready targets gold targets at Ban Don. The Xekong concession is currently subject to renewal. Exploration work will not recommence prior to the extension to the concession term being granted.

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

During the period, Argonaut's Joint Venture partner, Aurum, continued programs of geological and geochemical sampling at Nam Hone and Khokhe prospects at the Century concession in Laos.

#### **CENTURY JOINT VENTURE**

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%.

Century is located approximately 70km northwest of the capital city Vientiane on the highly prospective Loei-Luang Prabang fold belt, a prominent, regionally mineralised belt, which stretches from Thailand in the south, to Laos in the north.

## **About Argonaut**

Argonaut is an Australian Stock Exchange listed mineral exploration and development Company with projects in South Australia, Queensland, Laos and Zambia. Argonaut's projects are in the advanced exploration and feasibility stages.

The Company is exploring for gold and copper at its Alford and Torrens projects in South Australia, zinc-copper at Mt Krombit in Central Queensland, gold in Laos and copper at the flagship Lumwana West Project in Zambia. Argonaut has a significant investment in Cuesta Coal Ltd which listed on the Australian Securities Exchange in May 2012.

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 holds shares and options in Argonaut Resources NL, as described on pages 54 to 56 of the Company's 2012 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.*

Hole	East	North	RL	Dip	Azimuth	Total Depth	From	To	Interval	Cu (%)	Co (%)	Au (g/t)	Oxidation State	Comment
NYRD024 including	338240	8626396	1307	-70	90	216.00	80	103	23	0.19			transition/fresh	RC
							94	96	2	0.62			transition/fresh	RC
							114	140	26	0.16			fresh	DD
including NYRD025 including	338162	8626400	1310	-70	90	186.15	121	124	3	0.44			fresh	DD
							27	42	15	0.27			oxide/transition	RC
including NYRD026 NYRD027	338162	8626400	1310	-70	90	186.15	28	36	8	0.35			oxide/transition	RC
							62	81	19	0.14			transition/fresh	RC/DD
							87	90	3	0.35			fresh	DD
										NSI				RC/DD
including NYRD028 NYRD029	338079	8626401	1311	-70	90	113.65	47	80	33	0.15			transition/fresh	RC
							161.75	169.00	7.25	0.11			fresh	DD
including NYRD030 including	338240	8626800	1310	-70	90	201.15	135.55	139	2.95	0.11			fresh	DD
										NSI				RC/DD
including NYRD031 including	338126	8629801	1321	-70	90	200.65	143	164.82	21.82	0.51			fresh	DD
							143	145	2	1.30		0.06	fresh	DD
including NYRD031 including	338120	8630222	1332	-70	90	305.65	26	58	32	0.46	0.04	0.05	oxide/transition	RC
							40	55	15	0.71	0.04	0.10	oxide/transition	RC
including NYRD031 including	338120	8630222	1332	-70	90	305.65	77.00	83.10	6.10	0.66	0.04	0.12	transition/fresh	DD
							131.45	163.45	32	0.35			fresh	DD
including NYRD031 including	338120	8630222	1332	-70	90	305.65	157	162.35	5.35	0.82			fresh	DD
							188.65	193	4.35	0.68			fresh	DD
including NYRD031 including	338120	8630222	1332	-70	90	305.65	216.90	295	78.10	0.59	0.05		fresh	DD
							216.90	252	35.10	0.77	0.07		fresh	DD
including NYRD031 including	338120	8630222	1332	-70	90	305.65	219	228	9	1.15			fresh	DD
							237	259	22	0.59	0.13		fresh	DD
NYRC032	339082	8630801	1332	-70	90	133.00				NSI				RC, no DD tail
NYRC033	338998	8630802	1337	-70	90	85.00				NSI				RC, no DD tail
NYRC034	339820	8635601	1268	-70	90	100.00				NSI				RC, no DD tail
NYRC035	339742	8635601	1272	-70	90	127.00				NSI				RC, no DD tail
NYRC036	339540	8633199	1294	-70	90	91.00				NSI				RC, no DD tail
NYRC037	339621	8633203	1289	-70	90	91.00	70	79	9	0.17			transition/fresh	RC, no DD tail
including NYRD038 including	339159	8630799	1330	-70	90	300.00	246	295	49	0.40	0.08		fresh	DD
							258	289	31	0.54	0.12	0.05	fresh	DD
including and NYRD039	339159	8630799	1330	-70	90	300.00	259	267	8	0.95	0.12	0.08	fresh	DD
							273	280	7	0.41	0.26		fresh	DD
including and NYRD039	338237	8626601	1309	-70	90	216.45	72	80	8	0.20			transition/fresh	DD
							107	124	17	0.40			fresh	DD
including and NYRD040	338154	8626600	1311	-70	90	159.55	18	22	4	0.13			oxide	RC

						27	56	29	0.54			oxide/transition	RC	
						47	54	7	1.24			transition	RC	
						74	76.96	2.96	0.12			transition/fresh	DD	
NYRD041	338125	8626203	1311	-70	90	116.46	0	80	80	NSI			RC/DD	
NYRD042	338201	8626198	1312	-70	90	170.55	25	36	11	0.14		oxide	RC	
							64	80	16	0.16		transition/fresh	RC/DD	
							105	111	6	0.28		fresh	DD	
							118	132	14	0.14		fresh	DD	
NYRD043	339225	8630760	1332	-70	90	242.65	38.65	47.65	9	0.61	0.05	oxide/transition	DD	
							63	90	27	0.28		transition/fresh	DD	
NYRD044	339200	8630600	1332	-70	90	239.75	20.75	33.75	13.00	0.10		oxide	DD	
							96.28	99.00	2.72	0.32		fresh	DD	
							104	106.00	2.00	0.20		fresh	DD	
							112	119.75	7.75	0.16		fresh	DD	
							149.75	154.68	4.93	0.58		fresh	DD	
							161	165.00	4.00	0.19		fresh	DD	
							171	208.78	37.78	0.15		fresh	DD	
							186.78	192.78	6.00	0.24	0.16	0.07	fresh	DD
NYRD045	339120	8630300	1331	-70	90	302.55	29.55	101.00	71.45	0.61	0.06	oxide/transition/fresh	DD	
including							63.55	84.79	21.24	1.03	0.07	0.05	transition/fresh	DD
							125.66	161.00	35.34	0.54			fresh	DD
including							145.31	156.00	10.69	1.00			fresh	DD
							220.55	285.25	64.70	0.49	0.03		fresh	DD
including							258.25	269.25	11.00	1.02	0.04		fresh	DD
NYRD046	339138	8630105	1329	-70	90	290.25	5.25	27.00	21.75	0.11		0.06	oxide	DD
							32.25	61.25	29.00	0.18		0.06	oxide/transition	DD
							69.25	126.75	57.50	0.44			transition/fresh	DD
							132.75	166.00	33.25	0.44			fresh	DD
							172	264.88	92.88	0.66	0.11		fresh	DD
including							183.38	221.50	38.12	1.04	0.11		fresh	DD
and							218.5	241.50	23.00	0.51	0.21		fresh	DD

**Notes**

- 1 Pre collars by Reverse Circulation drilling
- 2 1m and 2 to 4m composite sample interval in RC drilling
- 3 1m and 2m composite sample interval in Diamond Core drilling
- 4 Calculated using 0.1% Cu lower cut threshold, no upper cut threshold, maximum 4 metres internal dilution

**Notes Cont...**

- 5 *Analysis by Intertek Genalysis - Methods 4A/OES and 4A/MS, FA25/AAS for Au*
- 6 *Coordinate System: WGS84, Zone 35 South*
- 7 *NSI = No Significant Intercepts*
- 8 *RC = Reverse Circulation intercept*
- 9 *DD = Diamond Core intercept*
- 10 *EOH = End of Hole*

# 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

31 March 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(704)	(3,864)
(b) development	-	-
(c) production	-	-
(d) administration	(192)	(626)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	143
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – rental income	9	28
<b>Net Operating Cash Flows</b>	<b>(885)</b>	<b>(4,319)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments – (see section 2.1 below)	-	(250)
(c) other fixed assets	(2)	(2)
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>(2)</b>	<b>(252)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(887)</b>	<b>(4,571)</b>



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

1.13	Total operating and investing cash flows (brought forward)	(887)	(4,571)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Joint venture contributions received	323	809
1.20	Other (capital raising costs)	-	-
	<b>Net financing cash flows</b>	323	809
	<b>Net increase (decrease) in cash held</b>	(564)	(3,762)
1.21	Cash at beginning of quarter/ year to date	2,770	5,968
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	<b>Cash at end of the period</b>	2,206	2,206

**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	121
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 (1.24)

**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

N/A

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

**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	600
4.2	Development	-
4.3	Production	-
4.4	Administration	250
<b>Total</b>		<b>850</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	Previous quarter
		\$A'000	\$A'000
5.1	Cash on hand and at bank	206	770
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details) – short term deposits	2,000	2,000
<b>Total: cash at end of period (item 1.22)</b>		<b>2,206</b>	<b>2,770</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of year	Interest at end of 3 months
6.1	Interests in mining tenements relinquished, reduced or lapsed			
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>	274,876,470	274,876,470		
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)  7,000,000 (Exp. 31/12/2015, \$0.10)  10,000,000 (Exp. 11/12/2015, \$0.15)			
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>			

## 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: 30 April 2013  
(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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