

13 February 2011

Mr Cameron Bill
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

By email: cameron.bill@asx.com.au

Dear Sir,

Re: Price Query

With reference to your letter dated 10 February 2012 and with specific reference to your queries contained therein, we advise as follows:

1. No, the Company does not consider the content of the Announcement generally to be material to the Company pursuant to listing rule 3.1.
2. The Company first became aware of the information in the Announcement via an email received at 1.36pm on Wednesday, 1 February, 2012. We note that the detail contained in the Announcement was incomplete in nature, and as there was no competent person statement included, the Announcement had not been independently verified. A request was made to Cuesta Coal Limited ("Cuesta Coal") to expand on the detail in contained within the Announcement and to provide a competent person statement. Several iterations of the Announcement were provided, until the version as released, including the required competent person statement was provided by Cuesta Coal via email at 12.47pm on Monday 6 February 2012. The Announcement was released to the ASX as soon as practicable thereafter.
3. N/A

Head Office

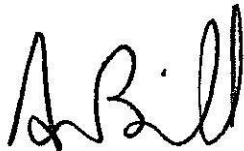
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4. The Company's investment in Cuesta Coal is one of a number of investments / projects that the Company is currently involved in. Whilst the Company is pleased with the progress being made by Cuesta Coal, the Company is of the view that the content of the Announcement is secondary to that of the potential liquidity event provided by the sale of some of the Company's shareholding into Cuesta Coal under the proposed Cuesta Coal initial public offering. On that basis, it is the view of the Company that the content of the Announcement was not information that a reasonable person would expect to have a material effect on the price of value of the Company's securities.
5. The Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours Sincerely



ANDREW BURSILL
Company Secretary
Argonaut Resources NL

Head Office

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10 February 2012

Mr Andrew Bursill
Company Secretary
Argonaut Resources NL
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Sydney NSW 2000

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www.asx.com.au

By Email

Dear Andrew,

Argonaut Resources NL (the "Company")

We refer to the announcement lodged by the Company to ASX Limited ("ASX") and announced on 6 February 2012 at 02:36 PM (E.D.S.T) titled "Cuesta Coal Announces Maiden Thermal Coal Resource for East Wandoan" enclosing a copy of an announcement stated to have been made by Cuesta Coal Limited (together the "Announcement") which includes the following information, among other statements:

- (i) "Cuesta Coal Limited ('Cuesta Coal') is pleased to announce the results of the initial maiden JORC resource estimate for the company's East Wandoan project in the Surat Basin in Queensland (Figure 1). The East Wandoan project consists of EPCs 1955, 2237 and EPCAs 1987, 2481. The independent estimate, carried out by Encompass Mining Pty Ltd ('Encompass Mining'), estimated a total inferred coal resource of 23.9Mt calculated in accordance with the JORC code. The estimate is in line with Cuesta Coal's expectations." (the "Results")
- (ii) "Cuesta Coal expects to significantly increase the size of the maiden resource estimate in the coming months." (the "Forecast")

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive officer (in the case of a trust, a director or executive officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity"

Further, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A. Please note that for disclosure not to be required under this listing rule all of the exceptions must apply.

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company consider any of the Results, the Forecast or the content of the Announcement generally to be material to the Company pursuant to listing rule 3.1?
2. When did the Company become aware of the Results, the Forecast and other information in the Announcement? In your response to this question please indicate the date and approximate time the Company became aware.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the Results, the Forecast or other information in the Announcement prior to the release of the Announcement, please advise the following:
 - 3.1 Please advise why the Company did not make an announcement at an earlier time or request a trading halt prior to the Announcement?
 - 3.2 Why was the information not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1?
4. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Results, the Forecast and other information in the Announcement to be material.
5. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Please note the ASX reserves its right under listing rule 18.7 to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5:00pm (E.D.S.T) on **Monday, 13 February 2012**.

Your response should be sent to me by email to cameron.bill@asx.com.au. It should not be sent to the ASX Market Announcements Office.

If you have any queries, please do not hesitate to contact me.

Yours sincerely,



Cameron Bill
Adviser, Listings (Sydney)