

ASX ANNOUNCEMENT

CHAIRMAN'S ADDRESS 2009 ANNUAL GENERAL MEETING

27 November 2009

Notwithstanding the harsh background financial environment until earlier this year Argonaut Resources has made solid progress on a number of fronts.

Firstly, we announced a Jorc compliant zinc and copper resource at Kroombit. This indicated and inferred resource comprises:

- A zinc resource of 5.2 million tonnes at 1.9% zinc; and
- A copper resource of 0.9 million tonnes at 1.0% copper.

In addition, our Independent Geological Consultants reported a defined exploration potential of between 1 and 1.5 million tonnes at 1.5% to 2.0% zinc and between 0.5 and 1.0 million tonnes at 0.7% to 1.3% copper. Further, there is potential for additional copper and zinc mineralisation below the known resources, around its periphery and on the surrounding EPM's.

We had been planning on undertaking scoping studies for the development of Kroombit earlier this year. However, in light of the then lower zinc and copper prices, we deferred that activity and proceeded to undertake an exploration program on the surrounding EPM's to try and build up towards a larger resource inventory at Kroombit.

With the improvement in zinc and copper prices we are again revisiting our plans for a scoping economic study. The Kroombit resource has a number of economic advantages:

- It is open cut;

Head Office

Suite 4, Level 7, 60 Park Street Sydney NSW 2000 Australia
Phone: +61 2 9268 5100 Fax: +61 2 9268 5188 Email: sydney@argonautresources.com

Laos

Unit 3, Level 5, Vientiane Commercial Building 33 Lane Xang Avenue Vientiane Laos
Phone: +856 21 222 731 Fax: +856 21 240 281 Email: laos@argonautresources.com

- Metallurgical testwork indicates a 55.4% zinc grade concentrate can be produced with an 87% recovery rate;
- It is extremely well located being less than 100 kilometers from Gladstone in Central Queensland.

Secondly, our joint venture partners, Straits Resources, have been stalled, throughout the past year, on their drilling program at Torrens due to Aboriginal heritage issues. A number of productive meetings have occurred with the parties involved and we are hopeful that a satisfactory resolution will be achieved in the coming months.

Thirdly, in Laos we undertook a drilling program on several prospects on the Century Block. Unfortunately the results were disappointing and the geological keys to success are not yet within our grasp. We are reviewing all our past work whilst we finalise the extension of our mineral reconnaissance and exploration licences with the Laos authorities.

At Alford, our joint venture partner, Hillgrove Resources, has undertaken little work over the past year.

During the year we have also made substantial recovery of the money fraudulently misappropriated from Argonaut over several years until mid 2008. We have recovered some \$2.4 million out of a total of \$2.9 million and are exploring options to recover the balance.

Our cash position is currently \$8.9 million. The \$12 million raised in late 2007 through a placement have been largely used to fund the Kroombit resource work and we are well placed to continue evaluation and exploration at Kroombit and in Laos.

We have evaluated a number of possible additional resource assets but at this stage have not yet found anything that meets our risk/reward approach. We are seeking to make sure that any additional asset we contemplate will prove rewarding to shareholders.

I am expecting that this time next year we will be able to report sound progress on each of our three assets: Kroombit; Torrens and Laos.

Thank you

Patrick Elliott
Chairman
Argonaut Resources NL

Head Office

Suite 4, Level 7, 60 Park Street Sydney NSW 2000 Australia
Phone: +61 2 9268 5100 Fax: +61 2 9268 5188 Email: sydney@argonautresources.com

Laos

Unit 3, Level 5, Vientiane Commercial Building 33 Lane Xang Avenue Vientiane Laos
Phone: +856 21 222 731 Fax: +856 21 240 281 Email: laos@argonautresources.com