

# ASX announcement

2 November 2015

## Option Agreement Update – Lumwana West, Zambia

Argonaut Resources NL (ASX: ARE) (*Argonaut* or the *Company*) has received two notices from a subsidiary of Antofagasta plc (*Antofagasta*) in relation to an overlying option agreement between companies for the exploration and development of the Lumwana West project in Zambia (the *Overlying Agreement*).

Antofagasta has advised Argonaut that it has exercised its first option to acquire a 25% interest in the Lumwana West project. The interest holdings in the project is now as follows: Argonaut 65%, Antofagasta 25% and the initial shareholders 10%.

The second notice states that Antofagasta has terminated the second option under the Overlying Agreement with the effect being it will not proceed to sole fund the second phase. Approved second phase works will be funded pro rata by Argonaut and Antofagasta. Argonaut remains the operator of the project.

Argonaut is continuing to assess its options in relation to the Lumwana West project and these include further definition of the Nyungu copper deposit and exploration of targets defined by the Company within the tenement area which are yet to be explored.

Additionally, Argonaut is in advanced negotiations with parties regarding new Zambian copper projects. The Company notes that access to quality projects is very good at this point in the commodities cycle.

## Lumwana West Project

The Lumwana West project is located in the Central African Copperbelt, North-Western Province, Zambia. The area is prospective for large tonnage, low to medium grade copper deposits. There are several major mines nearby to Lumwana West that are hosted in similar geological settings.

Argonaut, via its majority held subsidiary, Mwombezhi Resources Ltd, has been successful in intercepting broad copper intercepts at the Nyungu deposit.

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