

ASX announcement

19 March 2018

Torrens Native Title Appeals Dismissed

Argonaut Resources NL (ASX: ARE) (*Argonaut* or the *Company*) announces that appeals by three groups in relation to native title rights over Lake Torrens in South Australia were dismissed by the Full Federal Court.

Background

- Historically, operators of the Torrens Project hadn't been able to secure all required agreements with native title claimants.
- In August 2016, the Federal Court dismissed all three native title claims that overlapped with the Torrens anomaly and Exploration Licence 5614.
- All native title groups appealed this decision.
- On Friday, 16 March 2018, the Full Federal Court dismissed all three appeals by majority decision.

“Native title trials involve a significant emotional investment by aboriginal communities, particularly by those who give evidence at trial. Argonaut empathises with the people effected by Friday’s judgement and confirms its commitment to continued respectful engagement.”

Lindsay Owler, Argonaut CEO.

Native Title Appeals

Since 1996, three native title groups have lodged various claims for native title rights over the area of Lake Torrens in South Australia, including over the Torrens anomaly. Historically, operators of the Torrens Project hadn't been able to secure all required agreements with native title claimants. The overlapping claims were eventually heard by the Federal Court between October 2015 and February 2016.

In August 2016, the Federal Court dismissed all three native title claims over the Torrens anomaly. All groups elected to appeal the decision to the Full Federal Court. In the event any or all the appeals were allowed, the claim(s) would be sent back for retrial before a single judge.

The Full Court heard the appeals during February and March 2017. All three appeals were dismissed by a 2 to 1 majority. This decision was handed down on 16 March 2018.

All Torrens Drilling Permits Granted

The Torrens Joint Venture between Argonaut and Aeris Resources Ltd (ASX: AIS) required three authorisations to resume drilling at the Torrens anomaly nearby to Olympic Dam in South Australia. The three authorisations relate to: native title, operational approval and aboriginal heritage.

Argonaut confirmed on 19 February 2018 that all three approvals had been granted and that the Torrens Joint Venture is preparing to commence drilling in the September quarter, 2018.

Native Title

In April 2017, following the dismissal of all native title claims in August 2016, Argonaut announced that the South Australian ERD Court granted authority to enter and undertake mining operations (exploration) within the area of EL 5614.

Operation Approval

On 28 November 2017, the South Australian Government approved an 'Exploration Program for Environment Protection and Rehabilitation (E-PEPR) for ongoing exploration activities including aerial and ground gravity surveys, and diamond drilling at EL 5614.

This approval permits the drilling of up to 70 deep diamond drill holes into the giant Torren anomaly from the salt crust of Lake Torrens. The approval lasts for the term of EL 5614 and any subsequent licences.

Authorised drilling is subject to strict environmental controls.

Authority under the Aboriginal Heritage Act

On 15 February 2018, the Minister for Aboriginal Affairs and Reconciliation granted an authorisation under section 23 of the Aboriginal Heritage Act 1998. The authorisation allows for up to 70 deep diamond drill holes and covers an area of 120km² over the Torrens gravity anomaly.

Appropriately, the authorisation requires the Torrens Joint Venture to stay in close consultative contact with two aboriginal groups.

This authorisation allows the Torrens Joint Venture to proceed to a major exploration drilling program. No further approvals are required.

The Torrens Anomaly

The Torrens anomaly is a coincident magnetic and gravity anomaly with a footprint considerably larger than that of Olympic Dam. The anomaly is located at the Torrens hinge zone, a continent-scale zone of crustal weakness that appears to have been a conduit for mineralising fluids from the Earth's mantle.

Drilling of the Torrens anomaly by Western Mining Corporation in the late 1970s and by the Torrens Joint Venture in 2007 and 2008 confirmed the existence of a major IOCG mineralising system beneath several hundred metres of sedimentary cover.

More drilling is required to intercept the modelled copper-gold mineralisation. In the event of a discovery, the Torrens anomaly has the scale to host a world-class copper-gold deposit.

The Torrens Joint Venture

The Torrens Joint Venture is between Argonaut Resources NL (30%) and Aeris Resources Limited (ASX:AIS) (70%) and relates to the Torrens project, EL 5614.

In its role as manager of the joint venture, Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, has succeeded in securing access to the licence for the purpose of a planned drilling program targeting areas which have the properties of large IOCG deposits.

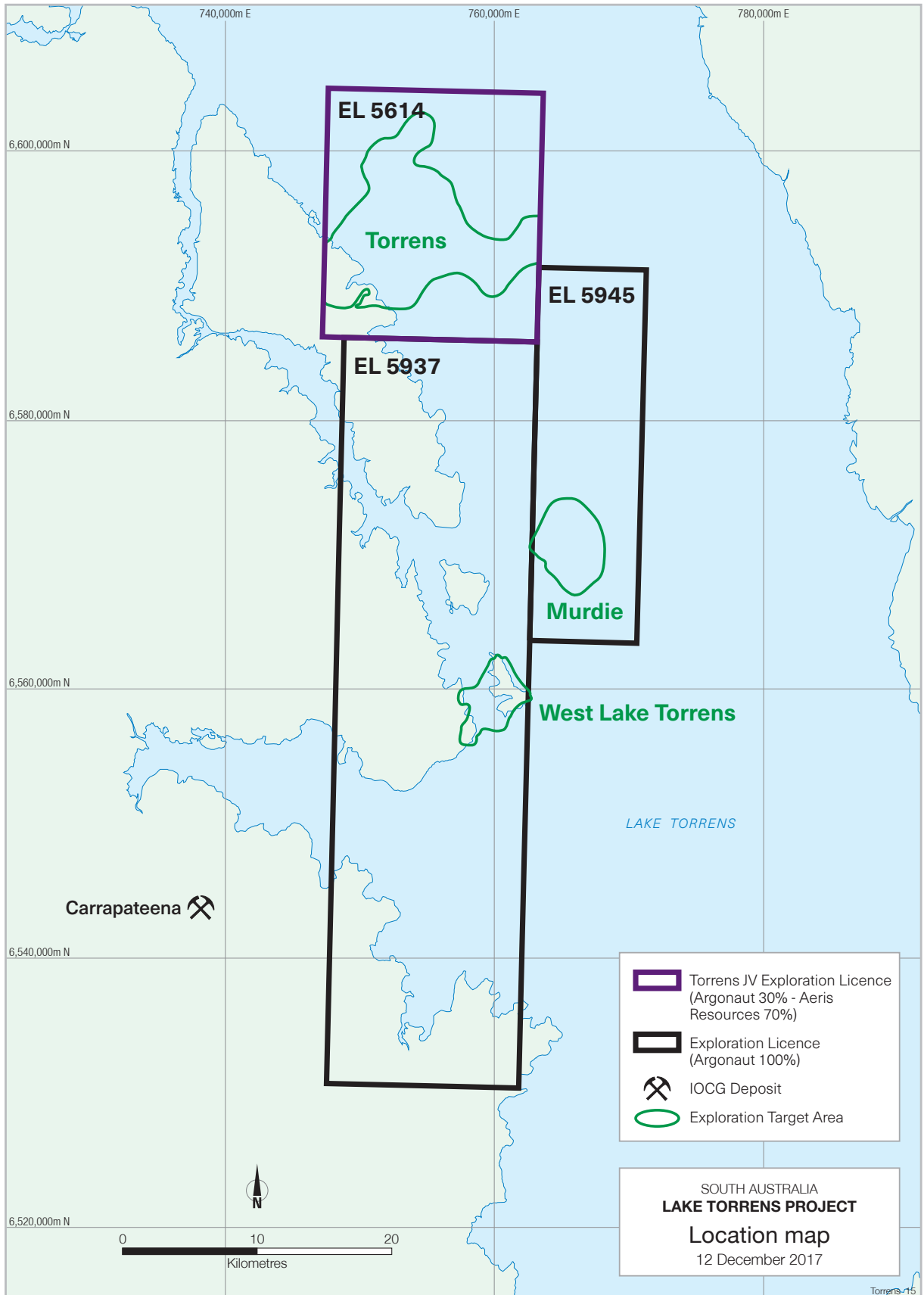


Figure 1 Lake Torrens exploration licences.

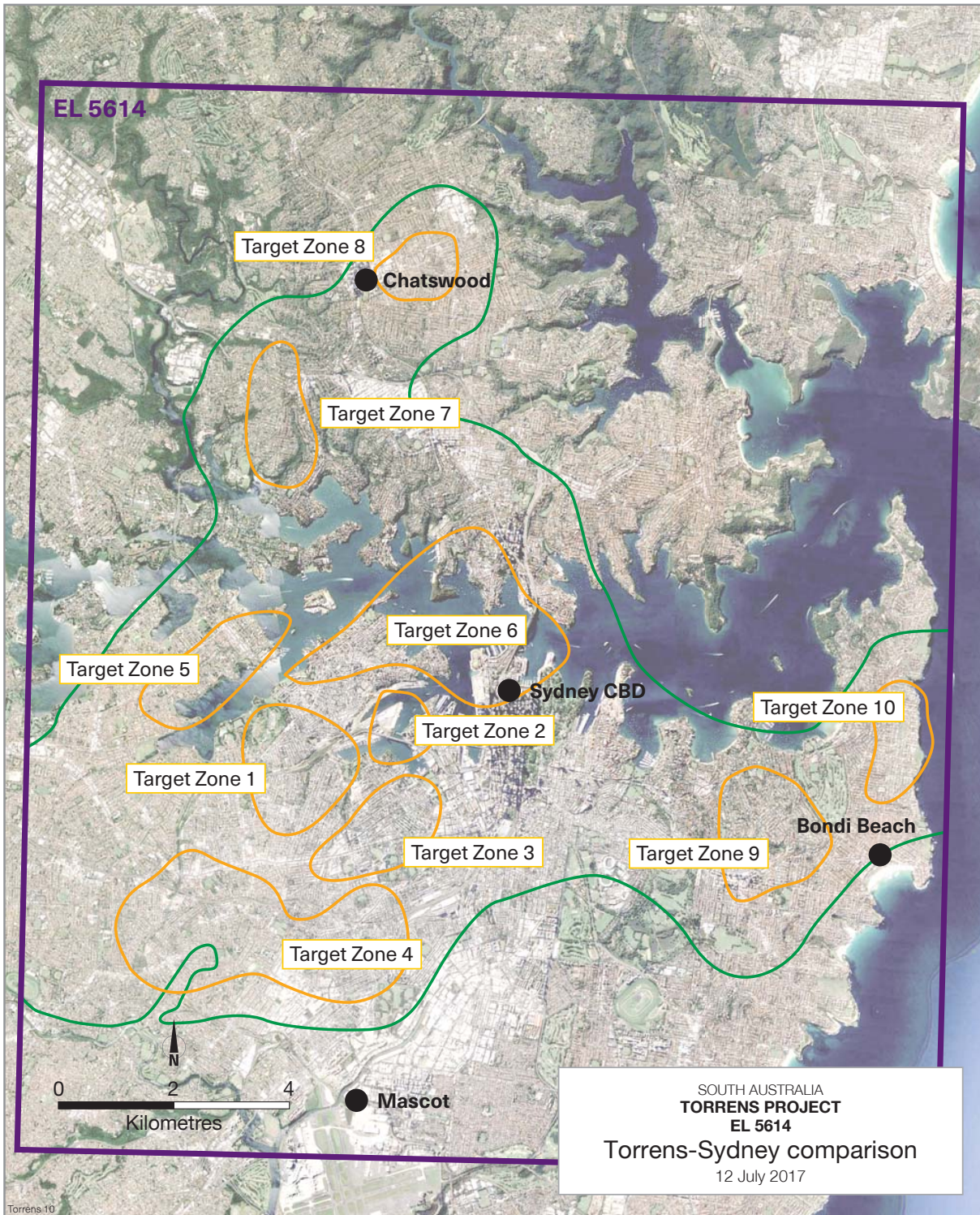


Figure 2 Torrens gravity anomaly (bouguer: green, residual: yellow) overlain on metropolitan Sydney.

Murdie, South Australia

Argonaut Resources was granted two highly prospective South Australian exploration licences, EL 5937 and EL 5945 (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.

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 deposit (Figure 1).

The Murdie and West Lake Torrens targets constitute excellent exploration opportunities in their own right and provide Argonaut with a commanding land holding in the event of a discovery at Torrens.

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 2017 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.