

Exploration Success

2008 – a year of strong exploration results across three projects



ARGONAUT RESOURCES NL

AGM – 28 November 2008

Exploration Success

- **Argonaut reported its strongest ever exploration results in the 2008 calendar year.**
- **During the previous dry season in Laos, Argonaut reported:**
 - Robust gold mineralisation from the Houai Khouay prospect on the Century tenement
 - The definition of four nickel targets at Century, two of which were subsequently confirmed by trenching intercepts
 - High grade gold mineralisation at the Ban Bak prospect on the Xekong tenement
- **Resource drilling at the Kroombit copper-zinc deposit was completed in September 2008**
 - Better than expected copper intercepts, particularly at depth
 - Zinc results consistent with expectation over entire known area

Exploration Success by Quarter

- The company has exploration exposure to multiple metals: gold, nickel, copper and zinc
- Quarterly Activities reports to the ARE shareholders and the ASX illustrate the company's exploration and development success through the year
- The March and June Quarterly reports detail work undertaken in Laos during the previous dry season
- The September Quarterly report and subsequent announcements detail resource definition results from Kroombit in Central Queensland

Exploration Success – March Quarterly

- **Xekong, Laos**
 - **Gold exploration at Ban Bak – high grade hits**
 - BBRL177: 8m at 40g/t Au
 - BBRL147: 12m at 5.15g/t Au
 - Plus bonanza grade rock chip samples to 368g/t Au

- **Century, Laos**
 - **Gold exploration – initial gold intercepts from Houai Khouay**

 - **Nickel exploration – confirmation of Nickel discovery at Century**
 - VMTR59: 63m at 0.39% Ni,
 - including 28m at 0.55% Ni

Exploration Success – June Quarterly

▪ Century, Laos

▪ Very strong gold results from Houai Khouay

- HKTR81: 28m at 3.23g/t Au
- and **56m at 2.01g/t Au**
- HKTR85: 44m at 2.64g/t Au
- including **30m at 3.58g/t Au**
- HKTR86: **80m at 1.80g/t Au**

▪ Additional nickel discovery confirmed at Nam Hone East

- NHTR155: 96m at 0.47% Ni
- including **20m at 1.0% Ni**
- NHTR156: 124m at 0.50% Ni
- including 24m at 0.67% Ni
- and 22m at 0.70% Ni
- NHTR157: **208m at 0.45% Ni**
- including **26m at 0.81% Ni**

Exploration Success – June Quarterly cont...

- **Xekong, Laos**
 - **Gold exploration at Ban Bak – more high grade hits**
 - BBRL218: 12m at 19.24g/t Au
 - BBRL219: 8m at 19.83g/t Au
 - BBRL220: 16m at 3.37g/t Au and 256g/t Ag

Exploration Success - September Quarterly

■ Kroombit, Queensland - Resource drilling program

■ Copper hits:

- KRRC33: 34m at 2.02% Cu from 88m
- KRRC37: 21m at 3.16% Cu from 78m
- KRRC37: 11m at 5.00% Cu from 78m
- KRRC51: 46m at 1.56% Cu from 36m
- KRRC51: 27m at 2.01% Cu from 47m
- KRRC66: 11m at 3.95% Cu from 95m

■ Zinc hits:

- KRRC38: 9m at 10.7% Zn from 51m
- KRRC43: 20m at 5.31% Zn from 48m
- KRRC50: 18m at 5.15% Zn from 71m
- KRRC51: 20m at 4.94% Zn from 14m
- KRRC80: 39m at 4.40% Zn from 50m
- incl. 10m at 11.92% Zn from 69m
- KRRC84: 16m at 6.56% Zn from 4m

Exploration Success – December Quarter results to date

- **Kroombit, Queensland - Resource drilling program cont...**
 - **Copper hits:**
 - **KRRC66: 11m at 3.95% Cu from 95m**
 - **KRRC155: 27m at 3.01% Cu from 89m**
 - **including 14m at 4.73% Cu from 90m**
 - **KRRC170: 16m at 3.92% Cu from 79m**
 - **Zinc hits:**
 - **KRRC80: 39m at 4.40% Zn from 50m**
 - **including 10m at 11.92% Zn from 69m**
 - **KRRC84: 48m at 3.38% Zn from surface**
 - **including 16m at 6.56% Zn from 4m**
 - **KRRC151: 10m at 5.18% Zn from 5m**
 - **KRRC192: 30m at 3.39% Zn from surface**

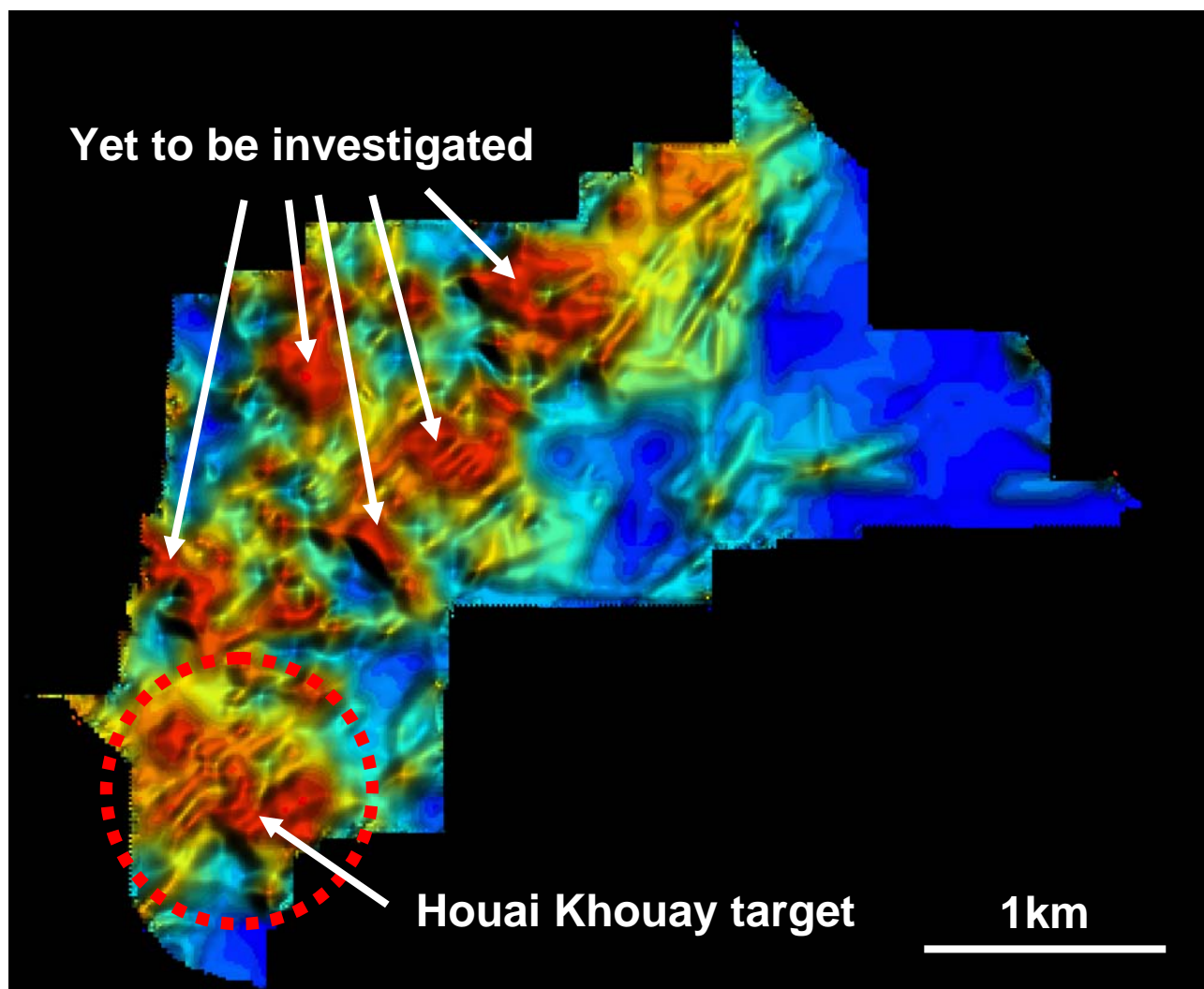
Exploration work completed in 2008

- **The programs of exploration work undertaken by Argonaut in 2008 were substantial**
- **In Laos the company completed:**
 - 19,990m of trenching and channel sampling
 - The analysis of 11,000+ exploration samples for 19 elements
- **At Kroombit the company completed:**
 - 14,678m of reverse circulation drilling
 - The analysis of 15,000+ RC samples for 33 elements
- **26,000+ samples analysed for the year**

Exploration Program 2009 - Laos

- The market has determined that exploration and development of gold targets should take priority over nickel, copper and zinc.
- Argonaut is well placed to proceed with exploration over mature, advanced gold exploration targets in Laos, commencing December 2008.
- The Houai Khouay target on Century Block has already demonstrated consistent grades over considerable widths.
- This is the company's best gold target to date. Argonaut geologists believe the mineralised system at Houai Khouay is potentially very large with considerable depth extent.
- Argonaut will drill the defined gold targets at Houai Khouay in the coming months.
- This target is the first of many equivalent gold targets in the Houai Khouay area.

Houai Khouay gold target, Century, Laos



Trench	Intercept (m)	Au (g/t)
BSTR69	28	0.87
including	8	2.10
BSTR72	92	0.50
including	34	1.03
HKTR75	6	2.49
HKTR80	2	10.80
HKTR81	28	3.23
and	56	2.01
and	20	2.66
HKTR82	11	1.42
HKTR83	24	1.21
HKTR84	25	2.16
HKTR85	44	2.64
including	30	3.58
HKTR86	80	1.80
HKTR87	13	1.29
HKTR94	48	1.16
HKTR107	4	2.60

Exploration Program 2009 - Kroombit

- **Calculation and announcement of maiden JORC compliant Cu-Zn resource at Kroombit scheduled for March Quarter 2009**



Kroombit 'sample farm', Sept 2008

Kanmantoo divestment

- **A 60% interest in the Kanmantoo exploration licence was purchased in 2002 for \$49,000**
- **Argonaut entered a Joint Venture with Hillgrove Resources Ltd. in 2003**
- **Argonaut diluted to 10% free carried interest, under JV**
- **The 10% interest was divested during the year for 10,000,000 ordinary HGO at notional 25c per share, i.e. \$2.5 million**
- **The sale of ~6,000,000 HGO realised a profit of \$3,312,098**
- **The group reported a consolidated profit of \$1,526,694 for the period, the first profit in the company's history**
- **The company has retained 4,000,000 HGO**

Summary

- **The company made substantial progress towards the delineation of a commercial mining proposition during the period**
- **Well positioned to target ‘market friendly’ metals going forward, due to the company’s range of mature exploration projects across a range of metals**
- **2009 exploration program will focus on large, robust gold targets in Laos**
- **The company reported its first ever profit in the 2008 financial year as a result of the sale of its interest in Kanmantoo**