

QUARTERLY REPORT

For period ending 31 March 2009

Argonaut Resources NL is pleased to deliver the following report for the Quarter to 31 March 2009.

Highlights

Cash

- At 31 March 2009 Argonaut had cash and deposits of \$7.6 million and no debt.

Kroombit, Australia

- Argonaut progressed the estimation of the maiden copper-zinc resource for the Kroombit copper-zinc deposit in Central Queensland. The Company expects to announce the resource – estimated to JORC standards - in May 2009.
- Metallurgical testwork aimed at defining a process route and aiding equipment selection recommenced.

Century, Laos

- The dry season drilling program at Argonaut's Century tenement was completed. Best results from this program include:
 - Houai Khouay Prospect – Gold
 - BSRC1: 2m at 5.94g/t gold from 16m
 - BSRC7: 10m at 1.28g/t gold from 129m
 - Nam Hone East Prospect – Nickel
 - NHRC50: 8m at 0.63% nickel from surface
 - NHRC51: 6m at 0.54% nickel from surface

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Exploration

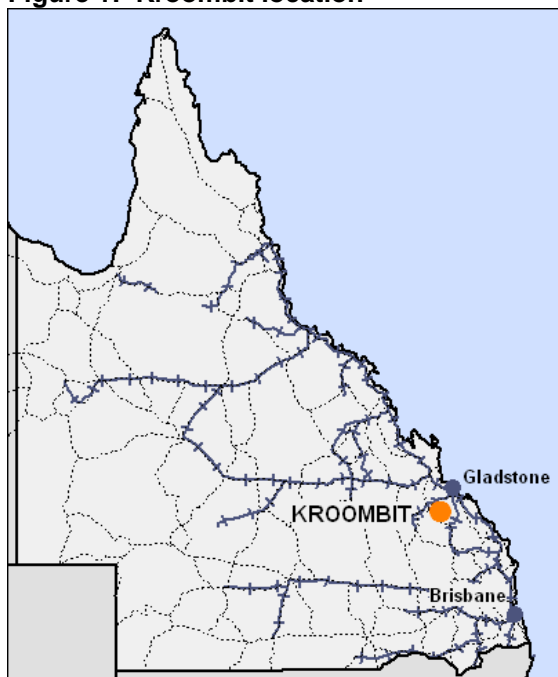
Australia

Kroombit Cu-Zn Deposit (Argonaut 100%)

The Company is currently conducting a pre-feasibility study with the intention of establishing an open cut, bulk mining operation at the Kroombit copper-zinc deposit, located in Central Queensland.

During the Quarter Argonaut engaged Hellman & Schofield Pty Ltd as independent geological consultants to undertake a mineral resource estimation for the Kroombit deposit. The estimation is utilising the results from 197 reverse circulation drill holes and four diamond drill holes completed by Argonaut in 2007 and 2008.

Figure 1: Kroombit location



The mineral resource estimation involves the constructions of separate geostatistical models for copper and zinc. The estimation will be classified using the JORC guidelines and the

Company expects to release the results in May 2009.

The deposit is a skarn-style mineral deposit hosted in Devonian age sediments and volcanics with interpreted associated porphyritic intrusive rocks.

The Kroombit deposit is well located with regard to infrastructure. This is due in part to the large number of coal mines and related coal fired power stations in the region. Power, road, rail and port facilities are all located within easy reach of the deposit (Figure 5).

The company has commenced floatation test work aimed at maximising the concentration of zinc sulphide mineralisation and confirming previous positive results for the concentration of copper. In addition, comminution tests will be undertaken.

The results of these metallurgical tests will help define an optimal concentration process and aid equipment selection for the planned processing facility.

To protect extensions to the Kroombit deposit and other conceptual targets in the area, the company holds three Mineral Exploration Permits in the area of ML 5631 (Figure 5). These tenements are:

- EPM 15705, Mt Kroombit;
- EPM 15733, Blue Hills; and
- EPM 15734, Mt Lookerbie.

These areas include prospective geological features and historical zinc and copper mineral occurrences in the area of the Kroombit Mining Lease.

Argonaut holds 100% of all three EPMs. It also holds 100% of ML 5631, subject to a 2% royalty payable to Straits Resources Ltd.

EL3195, Torrens (Argonaut 100%)

During the Quarter, Argonaut and its Joint Venture partner, Straits Resources Ltd., closely monitored ongoing third-party legal proceedings and investigated different

approaches available to the JV to progress access negotiations.

The JV has maintained a presence at the Torrens site during the Quarter at the substantial campsite constructed by Straits on Andamooka Island (within the tenement) for the purpose of deep diamond drill programs and other associated exploration works.

No exploration was undertaken at Torrens during the Quarter.

The Torrens Project is located in South Australia's Gawler Craton region (Stuart Shelf), within 50 kilometres of Teck Cominco's Carapateena copper-gold discovery and 75 kilometres from BHP's Olympic Dam mine.

The project contains strong magnetic and gravity anomalies with previous drilling by WMC Ltd intersecting intense magnetite and haematite alteration typical of Olympic Dam and Carapateena style ore bodies in SA.

Straits Resources Ltd. has the right to earn a 70% interest in the project, pursuant to the terms of the Joint Venture, by spending \$7 million on exploration. Argonaut currently holds 100%.

EL3037, Alford (Argonaut 80%)

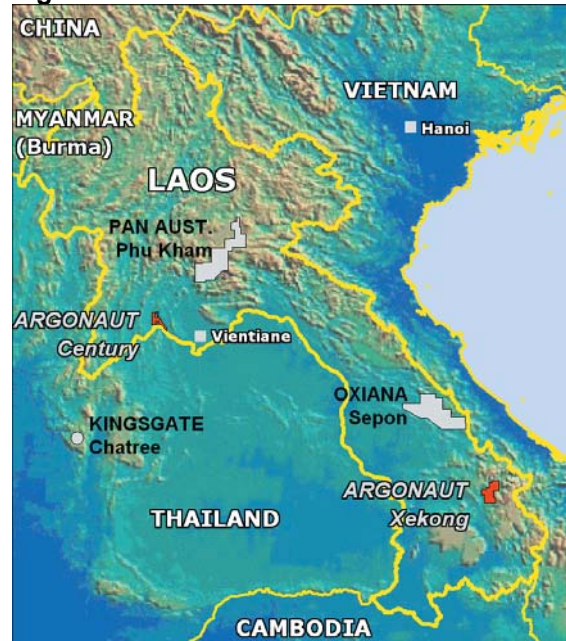
Argonaut's Joint Venture partner, Hillgrove Resources Ltd can earn a 70% interest by spending \$4 million on exploration. No exploration was carried out during the Quarter.

EL3193 and EL3075, Aroona (Argonaut 100%)

No exploration work was undertaken on EL3195 or EL3075 during the Quarter. These tenements are currently subject to a joint venture agreement with Perilya Limited.

Laos

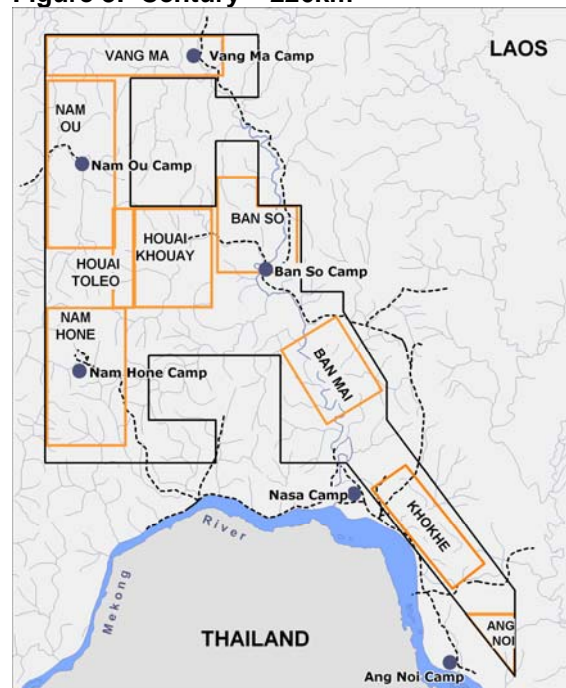
Figure 2: Laos



Century Area (Argonaut 70%)

Argonaut conducted its dry season exploration at Century during the Quarter. This comprised road construction and maintenance, the construction of a new contractors' camp at Ban So, trenching at Houai Khouay prospect and reverse circulation drilling at Houai Khouay and Nam Hone East.

Figure 3: Century – 226km²



Xekong Area (Argonaut 65%)

Houai Khouay Prospect (Gold)

The main focus of this Quarter's exploration was at the Company's Houai Khouay gold prospect, near the centre of the Century tenement in Western Laos.

The program of 11 reverse circulation drill holes totalled 1,542m. Best results from the program at Houai Khouay included 2m at 5.94g/t gold from 16m in drill hole BSRC1 and 10m at 1.28g/t gold from 129m in drill hole BSRC7.

The drilling targeted sulphide bearing quartz veins defined by trenching and surface sampling. In most instances the drilling intercepted the intended veins, however, the distribution of gold within the swarm of quartz veins was found to be irregular.

Holes BSRC9 and BSRC10 targeted zones of intense alteration around interpreted quartz monzonite intrusions, north of the principal quartz vein target. Drill hole BSRC9 intersected 12m at 0.32 g/t gold from 54m confirming that these alteration zones have the potential to host high tonnage, low grade gold deposits.

Detailed results of the RC program at Houai Khouay are shown in Appendix 1.

Nam Hone East (Nickel)

In the Quarter, the Company also completed a 458m RC program at the Nam Hone East Nickel target in the Southwest of the tenement.

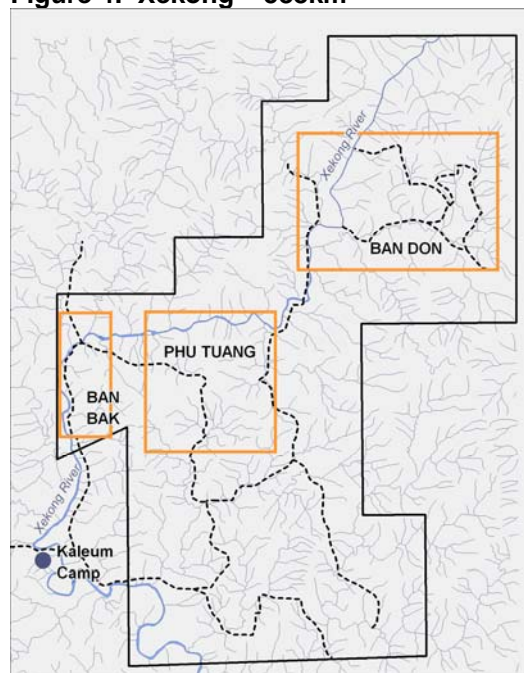
Best results of the four holes completed include 8m at 0.63% nickel from surface in hole NHRC50 and 6m at 0.54% nickel from surface in hole NHRC51.

Detailed results of the RC program at Nam Hone East are shown in Appendix 1.

The company has defined seven prospective areas over the 588 square kilometre tenement at Xekong. The most prospective area defined by reconnaissance sampling is a prospect known as Ban Bak.

Field work was not undertaken at Xekong in the Quarter.

Figure 4: Xekong – 588km²



Media Contacts

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Sections of information contained in this report that relate to Exploration Results and Mineral Resources 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 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 2004 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 appear.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Argonaut Resources NL

ABN

97 008 084 848

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A '000	Year to date (Nine (9) months) \$A '000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(619)	(3,820)
(b) development		
(c) production		
(d) administration	(419)	(1,145)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	103	393
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	33	354
	(902)	(4,218)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments		
(c) other fixed assets	(16)	(513)
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		(15)
		(528)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(918)	(4,746)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(918)	(4,746)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	(3)	(7)
	Net financing cash flows	(3)	(7)
	Net increase (decrease) in cash held	(921)	(4,753)
1.20	Cash at beginning of quarter/year to date	8,493	12,325
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	7,572	7,572

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	171
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors fees, directors wages and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000

+ See chapter 19 for defined terms.

3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	250,000
4.2	Development	
Total		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	7,572	8,493
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details) Unpresented cheques		
Total: cash at end of quarter (item 1.22)		7,572	8,493

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	165,244,720	165,244,720	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	750,000 2,500,000 500,000 3,000,000		<i>Exercise price</i> .30 cents .30 cents .30 cents 1.00 dollar	<i>Expiry date</i> 10.9 2009 15.12.2009 21.12.2009 29.11 2009
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 29th April 2009

Print name: Graeme Ellis.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of *International Accounting Standards for foreign entities*. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Houai Khouay RC Drill Intercepts												
Hole	East	North	RL	Dip	Azimuth	Depth	From	To	Interval	Au (g/t)	Comment	
BSRC1	189,519	2,027,267	341	32	-50	100	16	18	2	5.94		
BSRC2	189,519	2,027,262	341	337	-60	139	17	18	1	4.67		
<i>and</i>							94	98	4	0.52		
BSRC3	189,338	2,027,193	388	339	-60	120	69	71	2	0.30		
BSRC4	189,667	2,027,204	302	350	-60	150	2	4	2	0.25		
BSRC5	189,828	2,027,326	307	319	-60	150					NSI	
BSRC6	189,752	2,027,247	314	335	-60	140					NSI	
BSRC7	189,397	2,027,403	375	130	-50	150	96	103	7	0.36		
<i>and</i>							129	139	10	1.28		
<i>and</i>							149	150	1	1.34		
BSRC8	189,202	2,027,778	307	270	-50	143					NSI	
BSRC9	190,003	2,028,877	258	40	-60	150	54	66	12	0.32		
<i>and</i>							74	78	4	0.20		
<i>and</i>							86	89	3	0.16		
BSRC10	189,797	2,029,741	266	360	-60	150	101	105	4	0.43		
BSRC11	189,147	2,027,358	462	270	-60	150					NSI	

Nam Hone East RC Drill Intercepts												
Hole	East	North	RL	Dip	Azimuth	Depth	From	To	Interval	Ni (%)	Comment	
NHRC50	186,746	2,022,070	433	0	-90	150	0	150	150	0.21		
<i>including</i>							0	8	8	0.63		
NHRC51	186,747	2,022,070	433	90	-60	150	0	150	150	0.20		
<i>including</i>							0	6	6	0.54		
NHRC52	186,744	2,022,070	433	270	-60	73	0	73	73	0.21		
<i>including</i>							0	6	6	0.51		
NHRC53	186,732	2,021,879	456	270	-60	85	0	85	85	0.21		

Notes

- 1 Variable sample interval
- 2 Splitting by riffle splitting of one metre intervals and quartering of 1m intervals if bulked
- 3 Analysis by ALS Chemex - Methods ME-ICP43, Au-TL43, Au-OG43, Ni-OG62
- 4 Coordinate System: WGS84, Zone 48 Nth
- 5 NSI = No Significant Intercept

