

ASX: ARE

CAPITAL STRUCTURE:

Issued shares: 1,544 million

Listed options: None

Unlisted options: 65 million

Cash on hand: \$1,443,000

DIRECTORS:

Patrick Elliott,
Non-Exec Chairman

Lindsay Owler,
Director/CEO

Andrew Bursill,
Director/Secretary

Malcolm Richmond,
Non-Exec Director

COPPER PROJECTS:

Torrens, South Australia

Copper, gold (large IOCG)
Phase: Drilling, exploration
Interest: Aeris Resources 70%,
Argonaut 30%
Agreement Phase: Exploration
Operator: Aeris

Murdie, South Australia

Copper, gold (large IOCG)
Phase: Permitting
Interest: Argonaut 100%
Operator: Argonaut

Lumwana West, Zambia

Copper, cobalt (shear-hosted)
Phase: Advanced exploration
Interest: Argonaut 90%
Agreement Phase: Exploration
Operator: Argonaut

GOLD & NICKEL PROJECTS:

Higginsville, Western Australia

Oxide and primary gold, nickel
Phase: Exploration
Interest: Argonaut 51%,
earning 80%
Agreement Phase: Earn-in,
phase two
Operator: Argonaut

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Quarterly report

FOR THE PERIOD ENDING 30 SEPTEMBER 2019

Argonaut Resources NL (*Argonaut* or the *Company*) (ASX: ARE) is pleased to present the following report for the period to 30 September 2019 (the *Quarter*).

Highlights

Murdie, South Australia – Copper – 100%

- The Murdie Project is 100% held and operated by Argonaut.
- The Murdie licences abut the Torrens Project and sit within 10km of Oz Mineral's Carrapateena deposit and 45km of BHP's high-grade Oak Dam discovery (Figure 1).
- During the Quarter, Argonaut made good progress towards the grant of authorisations for planned drilling at Murdie.

Drill targets

- Geophysical modelling defined numerous large and prospective iron oxide copper-gold (IOCG) drilling targets (Figure 2) at Murdie.
- The Murdie IOCG targets are predominantly 'gravity-only' anomalies in the style of Oak Dam and Carrapateena.
- Targets recently defined at Murdie are equally as prospective as those defined at the Torrens Project.

Drilling

- IOCG targets at Murdie have been defined in three operational domains (Figure 2): onshore, nearshore and offshore.
- Six of the seven most prospective 'gravity-only' targets are located within the onshore and nearshore exploration domains and can be drilled using a conventional, truck-mounted drilling rig.
- Argonaut plans to commence drilling at the Murdie project on receipt of the final permit.

Permits

- Three authorisations are required to commence drilling at the Murdie project:
 1. native title authorisation has already been secured;
 2. an application for operational and environmental authorisation is awaiting final approval; and
 3. an application under the Aboriginal Heritage Act has been prepared and will be lodged on receipt of the operational approval.

Torrens, South Australia – Copper – 30%

- During the previous quarter, Argonaut's joint venture partner, Aeris Resources Ltd, unilaterally ceased drilling at Torrens following the completion of the second hole in an agreed program of 8-10 drill holes.
- Argonaut has focused its attention on sensible pathways to the recommencement of systematic drill testing of the Torrens anomaly under a pro-rata 30:70 joint venture.

Lumwana West, Zambia – Copper-Cobalt – 90%

- A program of metallurgical test work on four samples of copper-cobalt mineralisation from the Nyungu deposit continued during the Quarter.
- Preliminary results indicate that a flotation plant can achieve high recovery from both transitional zone copper minerals (88% recovery) and primary zone copper sulphides (96% recovery).
- A scoping economic study of various processing flowsheets will commence in November 2019.

Outlook

- Argonaut is executing a decisive plan to recommence drilling into prospective IOCG targets in the Olympic Domain in South Australia.
- Shareholders can expect the value of Argonaut's copper assets to rise as drilling arrangements are finalised and exposure to a major copper discovery is re-established with an expanded scope.
- Argonaut is well placed with world-class copper assets such as Torrens, Murdie and Lumwana West.

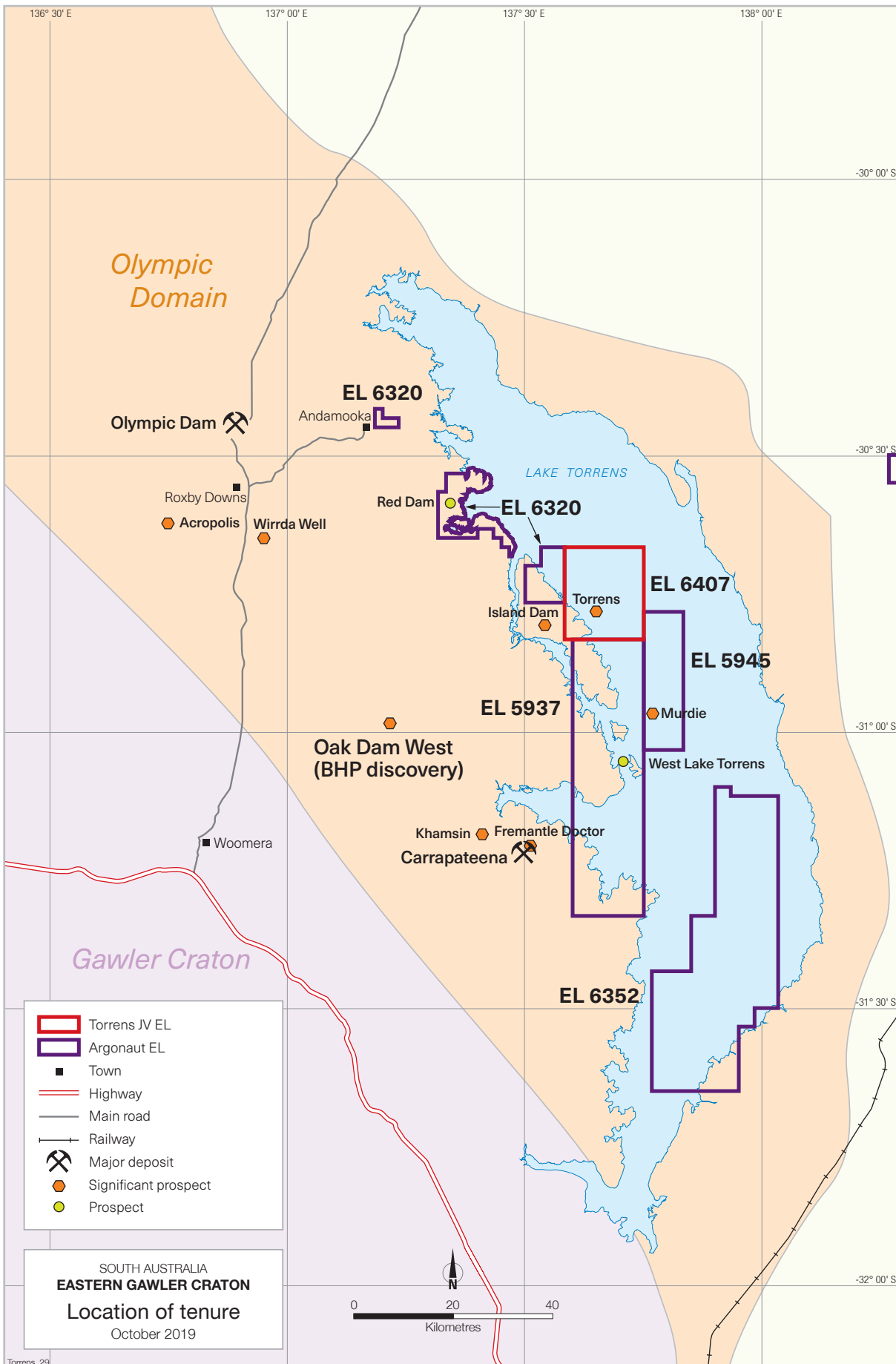


Figure 1 Lake Torrens exploration licences.

Murdie, South Australia

(Argonaut 100%)

Highlights

- The Murdie Project is 100% held and operated by Argonaut.
- The Murdie licences are located directly south of the Torrens Project.
- Numerous large, prospective drilling targets have been defined in the same host rock as Oak Dam and Carrapateena.
- Argonaut plans to commence drilling at the Murdie project on receipt of the final permit.

Murdie Project

Argonaut Resources holds a 100% interest in two highly prospective exploration licences, EL5937 and EL5945 via its subsidiary, Kelaray Pty Ltd. The Murdie licences are contiguous with the Company's Torrens licence and are located within 10km of the Carrapateena deposit and 45km of BHP's high-grade Oak Dam West discovery, along the western margin of Lake Torrens (Figure 1).

The Murdie Project encompasses a confirmed magnetite-bearing IOCG system known as Murdie plus a series of non-magnetic, gravity-only targets that straddle the shoreline and islands (Figure 2). Recent geophysical modelling has defined new drilling targets and Argonaut is seeking permits to access these areas for drilling.

Targets

Argonaut has geophysically modelled an airborne gravity survey (Barrick, 2010) and an aeromagnetic survey (SA Government, 2017). These data were modelled by 3D inversion and 54 distinctive anomalies were defined (Figure 2).

Of these 54 anomalies, eight gravity-only anomalies were selected for 2D modelling. The 2D modelling resulted in the definition of seven anomalies that warrant drill testing. Further 2D modelling is required to assess many of the remaining 3D anomalies.

Preliminary Murdie drill targets were selected on the basis of:

1. a high density compared to surrounding rocks;
2. size;
3. host rock lithology – most targets appear to be in or adjoining Donnington Suite Granite, the host rock of Oak Dam and Carrapateena; and
4. structural setting – targets are near the intersection of major faults which can act as a pathway for mineralising fluids.

The Argonaut technical team has come to know a great deal about Olympic Domain IOCG deposits, and the team is excited about the Murdie anomalies and their geological setting.

The drill targets at Murdie are equally to prospective to those at the Torrens Project.

Drilling

The Murdie drill targets are in three operational domains (Figure 2): onshore, nearshore and offshore. Each of these domains involves different drilling procedures due to different surface and subsurface conditions. Table 1 below summaries these conditions.

Table 2 Murdie Project operational domains and required drilling techniques

	Drilling Techniques		
	Helicopter Supported	Artesian Groundwater	Percussion Pre-Collar
Onshore	No	No	Yes
Nearshore	No	No	Yes
Offshore – No Aquifer	Yes	No	No
Offshore – Aquifer	Yes	Yes	No

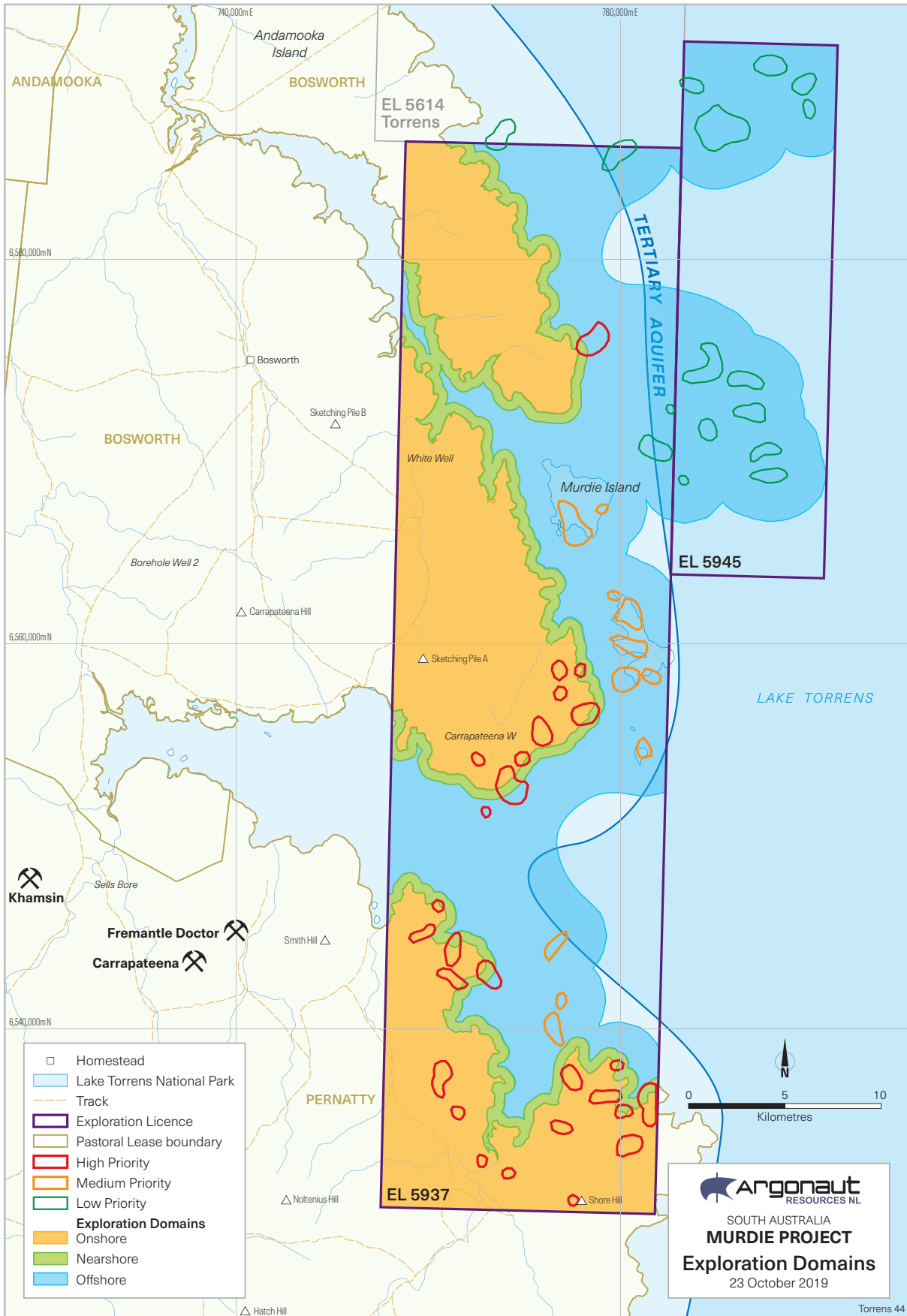


Figure 2 Murdie Project gravity targets and exploration domains.

Six of the seven selected drill targets selected are located within the onshore and nearshore exploration domains and therefore can be drilled:

- using a conventional track-mounted drilling rig (not helicopter supported); with
- cost-effective percussion pre-collars; and
- without additional equipment, consumables and staff required for drilling through an artesian aquifer.

Argonaut plans to commence drilling at the Murdie project as soon as practical after receiving the final permit.

Permits

Native Title

Native title authorisation for nearshore and offshore drilling was granted via an ERD Court determination in 2018.

Operational Approval

An Exploration Program for Environmental Protection and Rehabilitation (E-PEPR) has been submitted for approval. Argonaut is proposing to conduct ground gravity surveys and deep drilling. Drilling proposed under the E-PEPR is by conventional drilling methods within the onshore and nearshore domains (Figure 2) and heli-supported drilling in the offshore domains (Figure 2).

Aboriginal Heritage Act

Argonaut has prepared an application under the SA Aboriginal Heritage Act for authorisation to undertake nearshore and offshore drilling. This authorisation is equivalent to the authorisation secured by Argonaut for the Torrens project in February 2018.

Argonaut will submit this application on receipt of authorisation of the E-PEPR.

This Aboriginal heritage authorisation is not required for onshore drilling in areas away from Lake Torrens.

Torrens, South Australia

(Argonaut 30%)

Drilling

On 29 May 2019, parties to the Torrens Joint Venture announced that drilling at the Torrens Project had been unilaterally stopped by Argonaut's 70% joint venture partner, Aeris Resources Ltd, following the completion of the second drill hole, TD10.

The agreed drilling program announced by the parties on 17 September 2018 of 8 to 10 holes to depths of between 700m and 1,500m was not completed.

Argonaut is strongly opposed to the early cessation of the agreed drilling program which was stopped in contravention of an agreed work program of 8-10 drill holes..

The drill targets at Murdie are equally to prospective to those at the Torrens Project.

Next Steps

General Comments

The Torrens anomaly is a particularly attractive set of exploration targets hosted in a geological domain that has persistently rewarded explorers with large, high-grade copper discoveries. The discovery of an IOCG deposit by a listed junior exploration company creates to a once-in-a-lifetime opportunity for shareholders. Argonaut continues to work towards this goal.

Exploration in the Olympic Domain has historically been hindered by two factors: the thickness of cover formations, and difficulties securing access. These factors, although frustrating, have preserved exploration targets that would have otherwise been tested.

Statistically, the drill testing of gravity targets in the Olympic Domain has delivered a higher than average discovery rate. It makes commercial sense to invest exploration budgets into drilling well defined gravity targets in Eastern Gawler Craton.

Major, diversified miners and mid-cap copper miners are specifically seeking to increase copper production due to forecast copper supply shortages. There was an underinvestment in copper exploration between 2012 and 2017, consequentially there are relatively few to acquire copper deposits. Copper discoveries are necessary and copper deposits are in-demand.

The combination of geological prospectivity, granted access rights and a global appetite for new copper deposits make the Torrens Project a compelling investment opportunity.

Joint Venture Provisions

Argonaut is of the view that its partner Aeris has acted in contravention of the Torrens Joint Venture Agreement. A dispute notice was served during the previous quarter by Argonaut's subsidiary, Kelaray Pty Ltd, on Aeris' subsidiary, Straits Exploration (Australia) Pty Ltd.

Looking Forward

Argonaut is optimistic that the setback suffered at Torrens in late May 2019 can be overcome in a timely manner.

Argonaut has focused its attention on sensible pathways to the recommencement of systematic drill testing of the Torrens anomaly under a pro-rata 30:70 joint venture.

Torrens Project

The Torrens Project is located within the globally recognised Olympic Domain, at the eastern margin of South Australia's Gawler Craton, within 40 kilometres of BHP Group's Oak Dam copper discovery, 50 kilometres of Oz Minerals' Carrapateena copper-gold deposit and 75 kilometres from BHP's Olympic Dam mine.

BHP's recent discovery at Oak Dam has confirmed the validity of the Torrens target and the copper endowment of the Eastern Gawler Craton.

Torrens Anomaly

The Torrens anomaly is a coincident magnetic and gravity anomaly with a footprint 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 at Torrens to date has confirmed the existence of a major IOCG mineralising system beneath several hundred metres of sedimentary cover.

Further 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.

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, EL6407. Aeris' subsidiary, Straits Exploration (Australia) Pty Ltd, is the manager of the project.

Red Dam, South Australia

(Argonaut 100%)

Argonaut recently acquired exploration licence EL6320 located adjacent to the Torrens Project (Figure 1). The 198 square kilometre licence area is in three parts and encompasses the Red Dam IOCG target, previously identified by WMC.

The licence areas were relinquished by BHP prior to the announcement of the Oak Dam discovery.

Argonaut has assessed the relevant, historical drill core and plans to acquire additional gravity data to improve resolution for geophysical modelling and target generation.

Lake Torrens South, South Australia

(Argonaut 100%)

Argonaut was granted exploration licence 6352 located southeast of the Torrens and Murdie Projects (Figure 1). The 993 square kilometre licence area covers a portion of southern Lake Torrens. Argonaut now has a commanding 2,501 square kilometre land position.

Lumwana West, Zambia

(Argonaut 90%)

Highlights

- A program of metallurgical test work on copper-cobalt mineralisation continued during the Quarter.
 - Preliminary results indicate that a flotation circuit can achieve high recovery from both:
 - transitional zone copper minerals (88% recovery); and
 - primary zone copper sulphides (96% recovery).
 - Efficient production of a copper concentrate from transitional zone mineralisation makes strong, positive contribution to project economics.
- Scoping economic study for various processing flowsheets will commence in November 2019.
- A permit for continued drilling at the Nyungu deposit was granted by the Zambian Government during the Quarter.

Lumwana West Project

The Lumwana West Project is in the Central African Copperbelt, North-Western Province, Zambia. The area is prospective for large tonnage, low to medium grade copper/cobalt deposits. There are several major mines nearby to Lumwana West in similar geological settings (Figure 3).

Argonaut, via its 90% held subsidiary, Mwombeshi Resources Ltd, has been successful in intercepting broad copper and cobalt intercepts at the Nyungu deposit. Argonaut is working on a series of scoping studies to better understand the economics of a potential mine. Table 2 summarises elements of a potential mining development at Lumwana West.

Table 2 Feasibility factors for a mine development at Lumwana West.

Jurisdiction	Zambia has a long and ongoing history of large-scale copper mining. Social and Governmental pressures favour the development of new mines.
Infrastructure	Lumwana West is located at major electricity and transport corridors (Figure 3).
Resource	The Nyungu copper-cobalt deposit has predictable geometry and scope for significant growth with continued drilling (Table 3).
Mining	Very low stripping ratio of 1.5 tonnes of waste rock for every 1 tonne of ore. Resource drilling to greater depths is warranted.
Processing	Fast, high copper recovery flotation of both transitional and primary copper ore minerals.
Economics	Scoping economic study about to commence.

Metallurgical Test Work

Argonaut exported metallurgical test samples to Australia for a program of testwork. Mineralogy, comminution and flotation testwork is substantially completed for three of four samples.

Preliminary results indicate that a flotation plant can achieve high recovery from both transitional zone copper minerals (88% recovery) and primary zone copper sulphides (96% recovery). It is unusual and encouraging to achieve a copper recovery of 88% via the flotation of transitional (partially oxidised) mineralisation. Efficient production of a copper concentrate from transitional zone mineralisation makes strong, positive contribution to project economics.

Current testing is focused on reducing carbon (graphite) in concentrate. Visual indications from recent tests suggest this will be achieved via conventional methods.

Various oxidation and leaching tests plus solvent extraction and electro-winning (SX/EW) testing will follow.

Results from metallurgical studies and the mining study will feed into the scoping economic study.

Mining Study

RPM conducted a preliminary open pit optimisation study on the Nyungu Central and Nyungu South deposits. The modelling was conducted for copper production only using costs from similar mines with highly encouraging results.

Modelling shows excellent deposit geometry via a very low stripping ratio.

- Stripping ratio of 1.5 to 1 for the optimum pit at the February 2018 copper price; and
- Stripping ratio of 2.3 to 1 to a depth of >300m at 150% of the February 2018 copper price, indicating the deposit has a low sensitivity to stripping ratio.

RPM concluded the project had economic potential and warrants further studies.

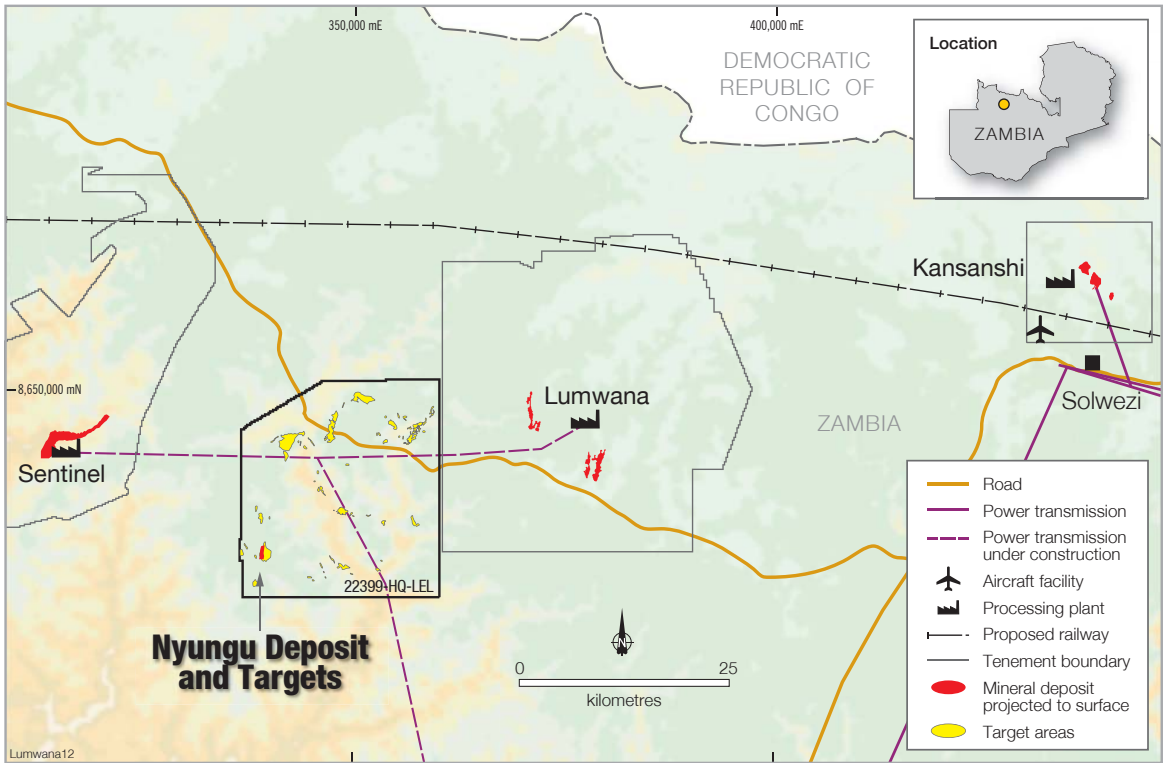


Figure 3 Lumwana West licence showing the Nyungu copper-cobalt deposit plus nearby mines and infrastructure.

Copper and Cobalt Exploration Targets

RPM have previously estimated Exploration Targets for both copper and cobalt mineralisation at Nyungu. These are shown below in Table 3.

Table 3 Nyungu March 2017 Exploration Target

Commodity	Tonnage Range (Mt)	Grade Range (%)	Contained Metal Range (kt)
Copper*	130 to 180	0.45 to 0.65	580 to 1,150
Cobalt^	15 to 20	0.08 to 0.12	12 to 24

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

* Copper Exploration Target announced to the ASX by Argonaut on 9 April 2013.

^ Cobalt Exploration Target announced to the ASX by Argonaut on 27 March 2017.

Both Exploration Targets are estimated to JORC 2012 standards.

Consent for further drilling at Nyungu was granted by Zambian authorities during the Quarter.

Alford, South Australia

(Argonaut 100%)

The Alford Project on South Australia’s Yorke Peninsula lies 20km north-east of Wallaroo within the geological province known as the Olympic Domain. The tenement is prospective for iron oxide copper-gold mineralisation as found at Prominent Hill mine, Olympic Dam mine and the Hillside Project.

No field based work was undertaken at Alford during the Quarter.

Kroombit, Queensland

(Argonaut 100%)

Argonaut holds a 100% interest in the Kroombit zinc-copper deposit in Central Queensland via its interest in ML5631 and MDL2002. Mining on ML5631 is subject to a 2% net smelter royalty, payable to Aeris Resources Ltd.

On 11 June 2009 Argonaut announced a maiden resource estimation for the Kroombit deposit. The Indicated and Inferred Resources at Kroombit comprise:

- a Zinc Resource of 5.2 million tonnes at 1.9% zinc and 0.15% copper using a cut-off of 1.0% zinc, for 98,800 tonnes of zinc and 7,800 tonnes of copper; and
- a Copper Resource of 0.9 million tonnes at 1.0% copper at a cut-off of 0.5% copper for 9,000 tonnes of copper.

In addition, Exploration Results are reported comprising a defined Exploration Potential of between:

- 1 million and 1.5 million tonnes at 1.5% to 2.0% zinc, and between
- 0.5 million and 1 million tonnes at 0.7% to 1.3% copper.

No field based work was undertaken at Kroombit during the Quarter.

Aroona, South Australia

(Argonaut 100%)

EL5336, Aroona, is subject to a joint venture agreement with Perilya Limited.

No field based work was undertaken at Aroona during the Quarter.

Higginsville, Western Australia

(Argonaut earning 80%)

The tenements that make-up the Higginsville project are in Western Australia's Eastern Goldfields. Geologically, the package sits within the Norseman-Wiluna Belt, a belt of ancient rocks endowed with gold and nickel that sits within the broader Yilgarn Craton.

Approximately 70% of Australia's historical gold production has come from the Yilgarn Craton and most of that from the Norseman-Wiluna Belt.

The Higginsville Project is located south of Kambalda, west of Lake Cowan and adjacent to the Higginsville mine where over two million ounces of gold has been defined.

The package of tenements at Higginsville is held by Loded Dog Prospecting Pty Ltd. Argonaut and Loded Dog Prospecting are parties to an earn-in joint venture agreement which grants Argonaut the right to earn up to 80% of the tenements in two phases.

Argonaut has completed the first earn-in phase and earned a 51% interest in the company that holds the Higginsville tenement package.

The earn-in agreement is currently in the second phase.

Gold Exploration

Argonaut's goals are to explore for near-surface oxide gold in areas with historic shallow drilling results and to target deeper primary gold mineralisation at previously untested depths.

The Amorphous and Footes Find targets are located approximately 5km along existing roads from an operating mill and present an excellent opportunity for a meaningful, near-term exploration outcome.

Nickel Exploration

Argonaut is currently investigating the nickel potential of the Higginsville Project following the high-grade nickel intercepts returned from the Cassini deposit and announced by Mincor in December 2018.

The mineralisation model is typical of Kambalda-style komatiitic nickel sulphide deposits, comprising Ni-Cu-PGE ores identified using geochemistry, geophysical and stratigraphic analysis. Published mapping, interpretation of the aeromagnetics and review of existing drill logs shows that an ultramafic trend continues through the licence area.

The ultramafics are almost completely concealed by Lake Cowan and represent an obvious target for future testing. Field mapping and sampling is planned over the outcropping ultramafics with follow-up aircore drilling on the target zone under the edge of Lake Cowan to assist in identifying priority areas for follow-up EM surveying and deeper drilling.

Agreement Terms

Argonaut and Loded Dog Prospecting Pty Ltd executed the Eastern Goldfields Earn-In Joint Venture and Royalty Agreement on 7 February 2017. Under the agreement, Argonaut has the right to earn an 80% interest in the tenement package according to the following terms:

- Argonaut earned a 51% interest in the tenement package by completing \$500,000 in exploration expenditure within two years of commencement; and
- Argonaut may earn a further 29% interest, for a total of 80%, for completing an additional \$1,500,000 in exploration expenditure within a further three years.
- Reimbursement of tenement acquisition expenses totalling \$250,000 was paid by Argonaut progressively under the agreement.
 - Reimbursement of \$100,000 was paid on execution of the definitive earn-in agreement;
 - Reimbursement of \$75,000 was paid on the first anniversary; and
 - Reimbursement of \$75,000 was paid on election to proceed to the second phase of the earn-in.
- An issue of ordinary fully paid Argonaut shares valued at \$50,000 was issued on execution of the definitive earn-in agreement.

The earn-in agreement is currently in the second phase.

About Argonaut

Argonaut Resources NL is an Australian Securities Exchange listed exploration and development company focused on the Torrens Project in joint venture with Aeris Resources Ltd in South Australia, the Murdie copper project (adjacent to the Torrens Project) and the Nyungu copper-cobalt project at Lumwana West in north-western Zambia.

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 2018 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.

The information regarding Resource definition and Exploration Potential for the Kroombit deposit is extracted from a report entitled 'Maiden resource estimate announced for Queensland zinc-copper project'. This report was released on 11 June 2009 and is available to view on www.asx.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Tenement Schedule

Table 1 Summary of mining tenements
South Australian Mineral Exploration Licences

Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
EL 5998	21/05/2017	20/05/2020	33	Campfire Bore	Coombedown Resources Pty Ltd	10% ¹
EL 6172	05/11/2017	04/11/2019	351	Alford	Kelaray Pty Ltd	100%
EL 6199	04/06/2018	03/06/2020	27	Myrtle Springs	Kelaray Pty Ltd	100%
EL 6407	18/08/2019	17/08/2022	295	Lake Torrens	Kelaray Pty Ltd	30%
EL 5732	18/10/2015	17/10/2020	104	Sandstone	Coombedown Resources Pty Ltd	10% ¹
EL 5937	30/03/2017	29/03/2021	794	West Lake Torrens	Kelaray Pty Ltd	100%
EL 5945	20/04/2017	19/04/2021	221	Murdie	Kelaray Pty Ltd	100%
EL6320	28/02/2019	27/02/2021	198	Andamooka Station	Kelaray Pty Ltd	100%
EL6352	24/06/2019	23/06/2021	993	Lake Torrens Area	Kelaray Pty Ltd	100%

Queensland Mining Lease

Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
ML 5631	16/05/1974	31/05/2026	0.32	Kroombit	Kelaray Pty Ltd	100%

Queensland Mineral Development Licence

Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
MDL 2002	03/08/2016	02/08/2021	0.64	Kroombit	Kelaray Pty Ltd	100%

Zambian Large Scale Exploration Licence

Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
22399-HQ-LEL	29/12/2017	28/12/2021	521	North Western Province	Mwombezhi Resources Ltd	90%
23232-HQ-LEL	10/04/2019	09/04/2023	226	North Western Province	Sunrise Exploration and Mining Limited	100%
23474-HQ-LEL	18/12/2018	17/12/2022	41.58	North Western Province	Sunrise Exploration and Mining Limited	100%

Zambian Small Scale Exploration Licence

Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
23606-HQ-SEL	18/12/2018	17/12/2022	9.4	North Western Province	Sunrise Exploration and Mining Limited	100%

Western Australian Mineral Exploration Licences

Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
E15/1484 ²	18/07/2016	17/07/2021	12	Nawock-Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
P63/2071 ²	24/04/2017	23/04/2021	1.37	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
P63/2072 ²	24/04/2017	23/04/2021	1.27	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
P63/2073 ²	24/04/2017	23/04/2021	1.54	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
E15/1509 ²	03/05/2017	02/05/2022	3	Eundynie	Loded Dog Prospecting Pty Ltd	100%
E 15/1510 ²	08/05/2017	07/05/2022	3	Eundynie	Loded Dog Prospecting Pty Ltd	100%
E 63/1773 ²	08/05/2017	07/05/2022	21	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
E15/1523 ²	08/05/2017	07/05/2022	42	Higginsville	Loded Dog Prospecting Pty Ltd	100%
E 15/1540 ²	17/05/2017	16/05/2022	9	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P15/6029 ²	04/07/2017	03/07/2021	1.2	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P15/6030 ²	25/05/2017	24/05/2021	1.2	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P15/6031 ²	25/05/2017	24/05/2021	1.2	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P15/6032 ²	25/05/2017	24/05/2021	1.2	Higginsville	Loded Dog Prospecting Pty Ltd	100%
E15/14892	14/08/2017	13/08/2022	52	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P63/2077 ²	26/10/2017	25/10/2021	0.7	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
E15/1588 ²	01/12/2017	30/11/2022	61	Higginsville	Loded Dog Prospecting Pty Ltd	100%

Table 2 - Summary of mining tenements acquired in Quarter

No tenements were acquired in the September 2019 Quarter.

Table 3 - Summary of mining tenements surrendered in Quarter

No tenements were surrendered in the September 2019 Quarter.

¹ Kelaray holds a 33% interest in Coombedown Resources Pty Ltd.

² Under option agreement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Argonaut Resources NL

ABN

97 008 084 848

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(353)	(353)
(b) development		
(c) production		
(d) staff costs (including exploration staff)	(195)	(195)
(e) administration and corporate costs	(62)	(62)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (reimbursement from JV partner)	-	-
1.9 Net cash from / (used in) operating activities	(606)	(606)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,039	2,039
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(606)	(606)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,433	1,433

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,433	2,039
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (credit card)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,433	2,039

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
127
-

Remuneration and fees paid to Directors (including backpay) and their related entities.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	165
9.2 Development	-
9.3 Production	-
9.4 Staff costs	212
9.5 Administration and corporate costs	195
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows *	572

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Quarterly Activities Report		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Refer to Quarterly Activities Report		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Executive Director

Date: 30 October 2019

Print name: **Lindsay Owler**

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.