



Investor Update

Lumwana West, Zambia,
plus Australian copper projects

LINDSAY OWLER, Director – November 2014



CORPORATE OVERVIEW

Company

Registered Office: Sydney

Operations Offices:

Adelaide, South Australia

Lusaka, Zambia

ASX Code: ARE

Market cap: A\$6.2 million

Price: 1.4c

Issued shares: 443,791,701

Options (10c, 15c): 17,000,000

Options (6c): 38,004,957

Top 20 shareholders: hold 53%

Cash: A\$1.7 million

Board

Pat Elliott Non-Executive Chairman

Lindsay Owler CEO/Director

Andrew Bursill Director/Secretary

Malcolm Richmond Non-Executive Director

Management

Tim Birt Exploration Manager

*Argonaut is a prudent mining company
which makes sensible decisions to
maximise its limited funds for the
long-term benefit of its shareholders.*

SHARE CAPITAL

Top 5 Registered Shareholders as at 14 November 2014

Top 5	Entity	Holding	%
1	Antofagasta (held by Citicorp Nominees Pty Ltd)	54,899,991	12.37
2	Tattersfield Securities Limited	44,508,345	10.03
3	HSBC Custody Nominees (Australia) Limited	28,819,385	6.49
4	BDO Zambia Trust Company Limited	22,600,000	5.09
5	Gleneden Nominees Pty Limited	13,315,160	3.0
	Total	164,142,881	36.98

PROJECTS IN ZAMBIA AND SOUTH AUSTRALIA

Argonaut is focused on large copper targets

Lumwana West, Zambia

- Large tonnage, deposits in mineralised copper province
- Rapidly delineating large-scale copper deposits/targets
- Mature copper mining jurisdiction
- Signed agreement with a subsidiary of Antofagasta plc in April 2014 to explore and develop:
 - » Lumwana West project is fully funded to production
 - » Antofagasta is now a cornerstone shareholder in Argonaut Resources

Torrens, South Australia

- One of the largest under-tested iron oxide copper-gold (IOCG) systems in Australia

Alford, South Australia

- Farm-in partner Sandfire Resources actively exploring for IOCG systems

LUMWANA WEST, ZAMBIA – OWNERSHIP

Setting the stage for a development partner

Underlying Joint Venture

- Argonaut completed the second earn-in of the underlying Lumwana West joint venture agreement to increase project ownership from 51% to 90%
- Increased project ownership facilitated the overlying option agreement with Antofagasta*
- Earn-in completed well ahead of schedule due to technical credentials and Argonaut Board's determination to realise project's value

Overlying option agreement with Antofagasta

- Antofagasta can earn a 70% project interest by spending US\$18.9M on exploration plus the amount required to complete a feasibility study to international standards
- If the project is feasible and Argonaut elects not to contribute pro-rata, Argonaut is either carried into production or bought-out prior to construction

** The Antofagasta group is a Chilean-based copper mining group with significant by-product production and interests in transport and water distribution. Antofagasta Minerals SA is a wholly-owned subsidiary of Antofagasta plc.*

Antofagasta is listed on the London Stock Exchange (LON: ANTO) and has a current market capitalisation of GBP 7.9 billion.

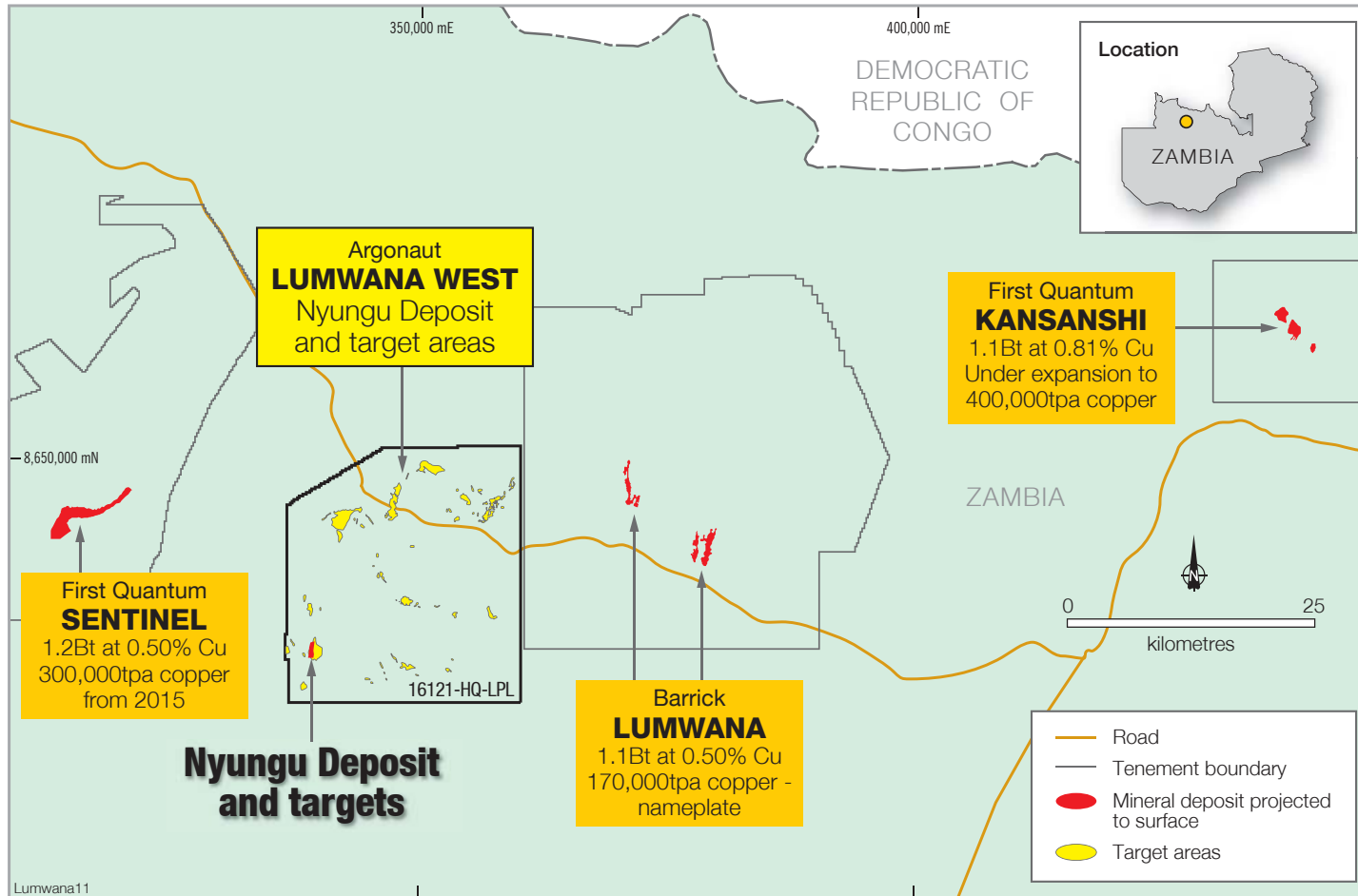
LUMWANA WEST DEVELOPMENT FULLY FUNDED

Development timeline: Pipeline of newsflow and price catalysts

Phase	Work period	Expenditure	Interest at completion	Notes
1	Exploration	US\$3.9M by ANTO within 1 year	ARE 65% – ANTO 25%	Drilling starting May 2014 ARE operator
2	Exploration & Resource Definition	US\$15M by ANTO up to 4 years	ARE 39% – ANTO 51%	ARE operator until ANTO elects to become operator
3	Pre-Feasibility & Feasibility	As required by ANTO up to 2 and 4 years	ARE 20% – ANTO 70%	Feasibility Study to international standards
4	After Feasibility Study		ARE 20% – ANTO 70%	No dilution by ARE
5	Construction & Production	Project capital expenditure	ARE election +/- ANTO election	ARE may contribute pro-rata. If not, ANTO may elect to either: <ul style="list-style-type: none"> • carry ARE into production, with ARE's costs being funded by 60% of future dividends, or; • buy-out ARE for its pro rata share of the Project's NPV

Note: Antofagasta may elect to stop contributing at certain stages in which case standard dilution and drag-along/tag-along rights will apply.

LUMWANA WEST, ZAMBIA – DEPOSIT COMPARISON



The Domes Region has an international-scale copper endowment and is host to the new generation of copper mines in the Central African Copperbelt.



WEST LUMWANA SURROUNDING MINES AND PROJECTS

Geologically comparable copper deposits

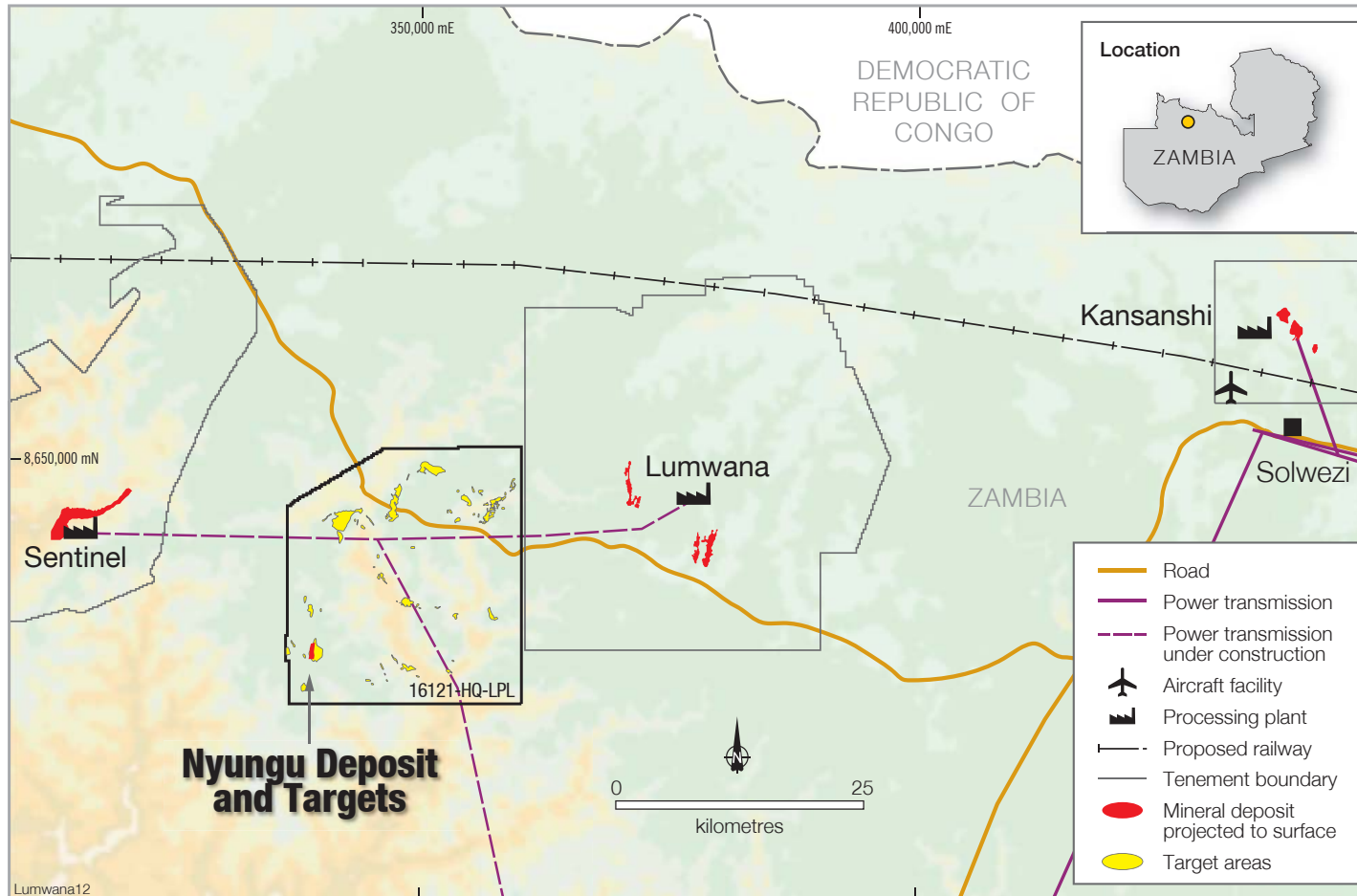
	Barrick LUMWANA	First Quantum KANSANSHI	First Quantum SENTINEL
Resource*	1.1Bt at 0.50% Cu	1.0Bt at 0.79% Cu	1.2Bt at 0.50% Cu
Reserves	594Mt at 0.56% Cu	711Mt at 0.74% Cu	774Mt at 0.50% Cu
Production	120,000t in 2013 170,000tpa nameplate	271,000t in 2013 Expansion to 400,000tpa	Commissioning mid 2014 300,000tpa nameplate

- Neighbouring deposits over 1 billion tonnes
- Neighbouring production approaching 1 million tonnes copper per annum
- Local production began in 2005 – rapidly developing, world-class copper province

Mineral Resource at 31 December 2013

** Measured, Indicated and Inferred Resource estimations combined by weighted average*

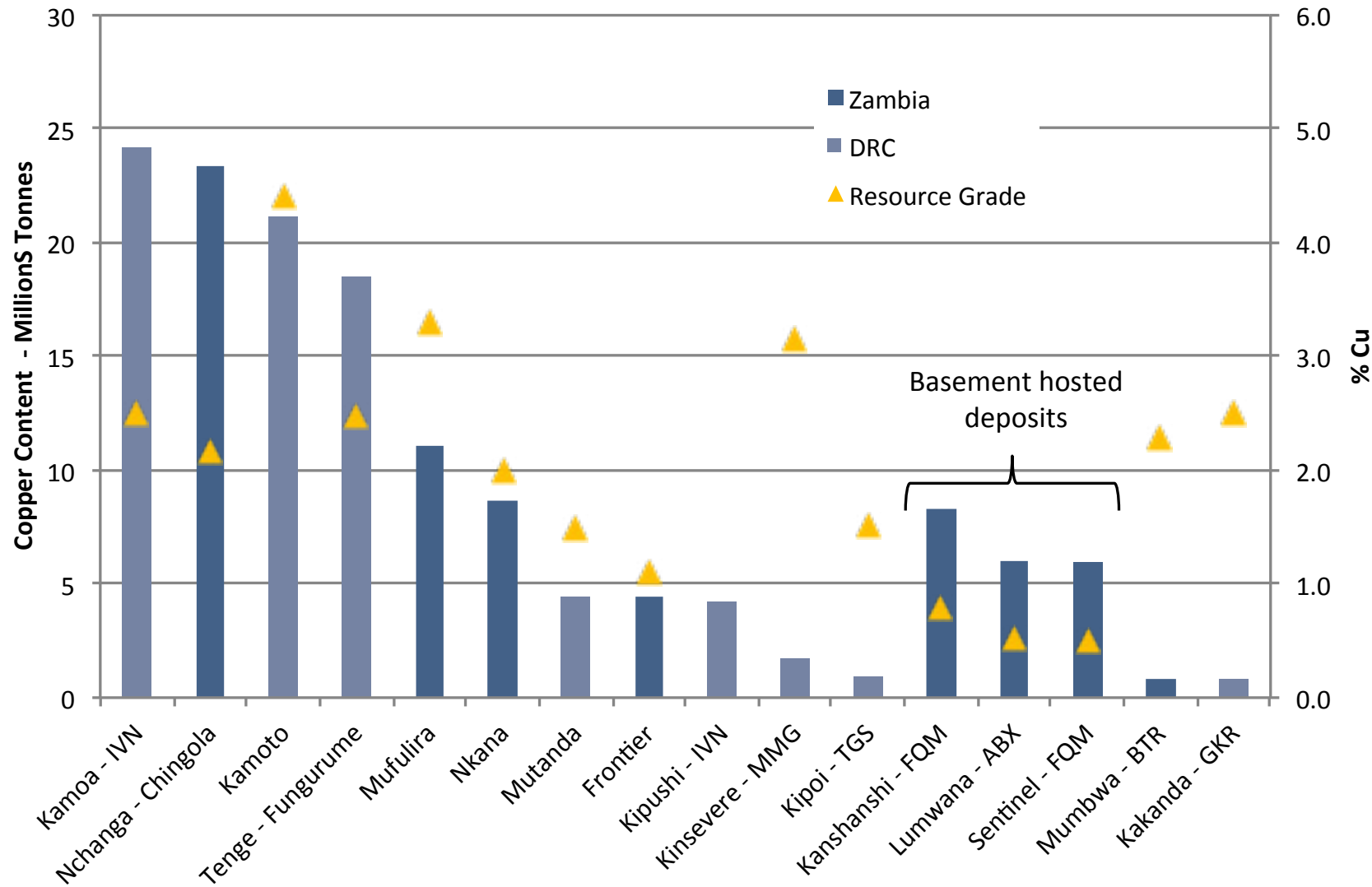
LUMWANA WEST, ZAMBIA – INFRASTRUCTURE



Recent mine developments at Kansanshi, Lumwana and Sentinel is bringing essential infrastructure to North Western Zambia



CENTRAL AFRICAN COPPERBELT DEPOSITS



Source: Lincoln Crowne & Co

LUMWANA WEST, ZAMBIA

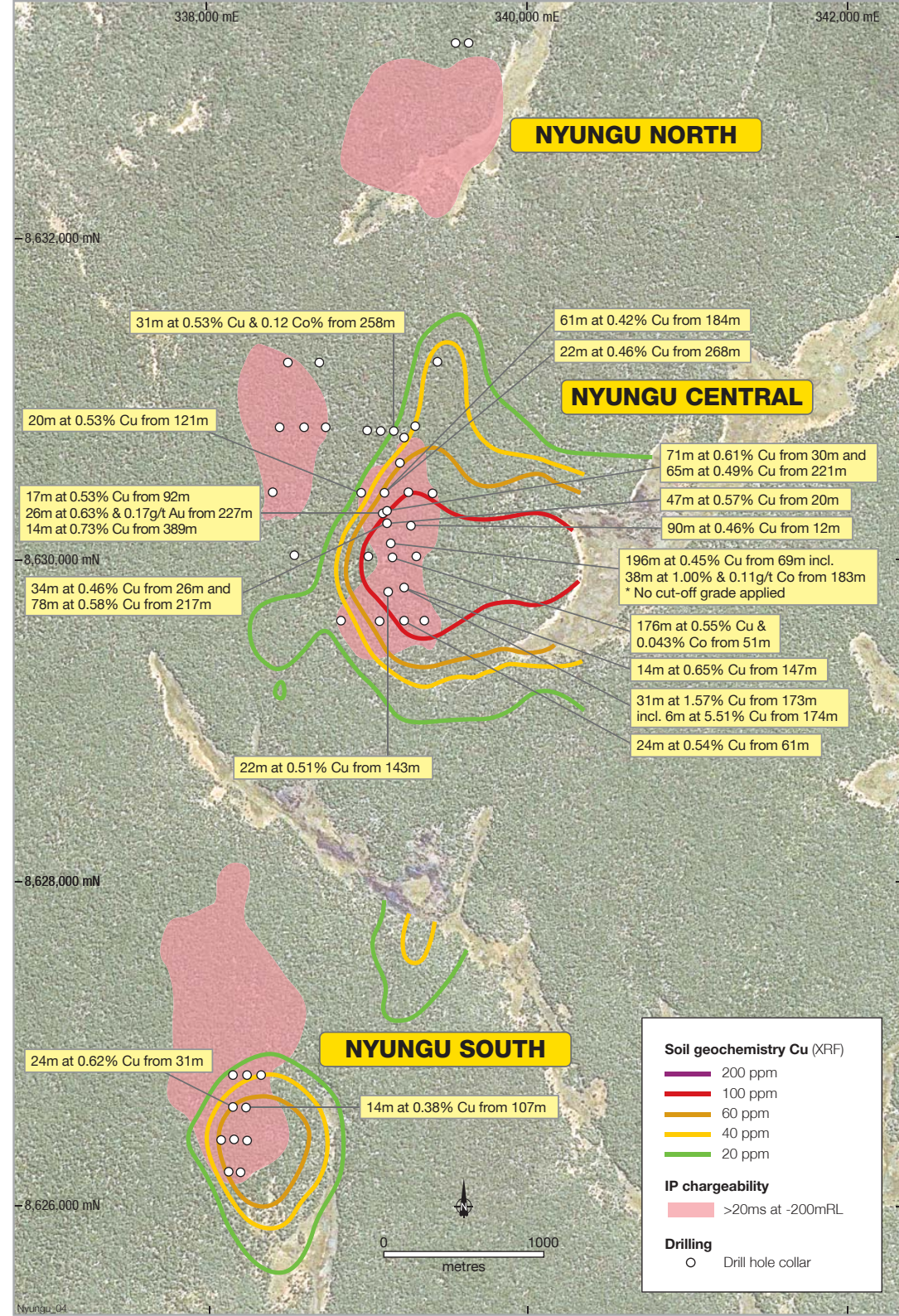
Nyungu

- **Nyungu Central** deposit defined by 46 modern drill holes – significant mineralised copper body with strong potential for extensions and repetitions.

Demonstrated strike length: 1,700m

- **Nyungu South:** edge of mineralised body intercepted by Argonaut drilling. Vast, undrilled IP anomaly

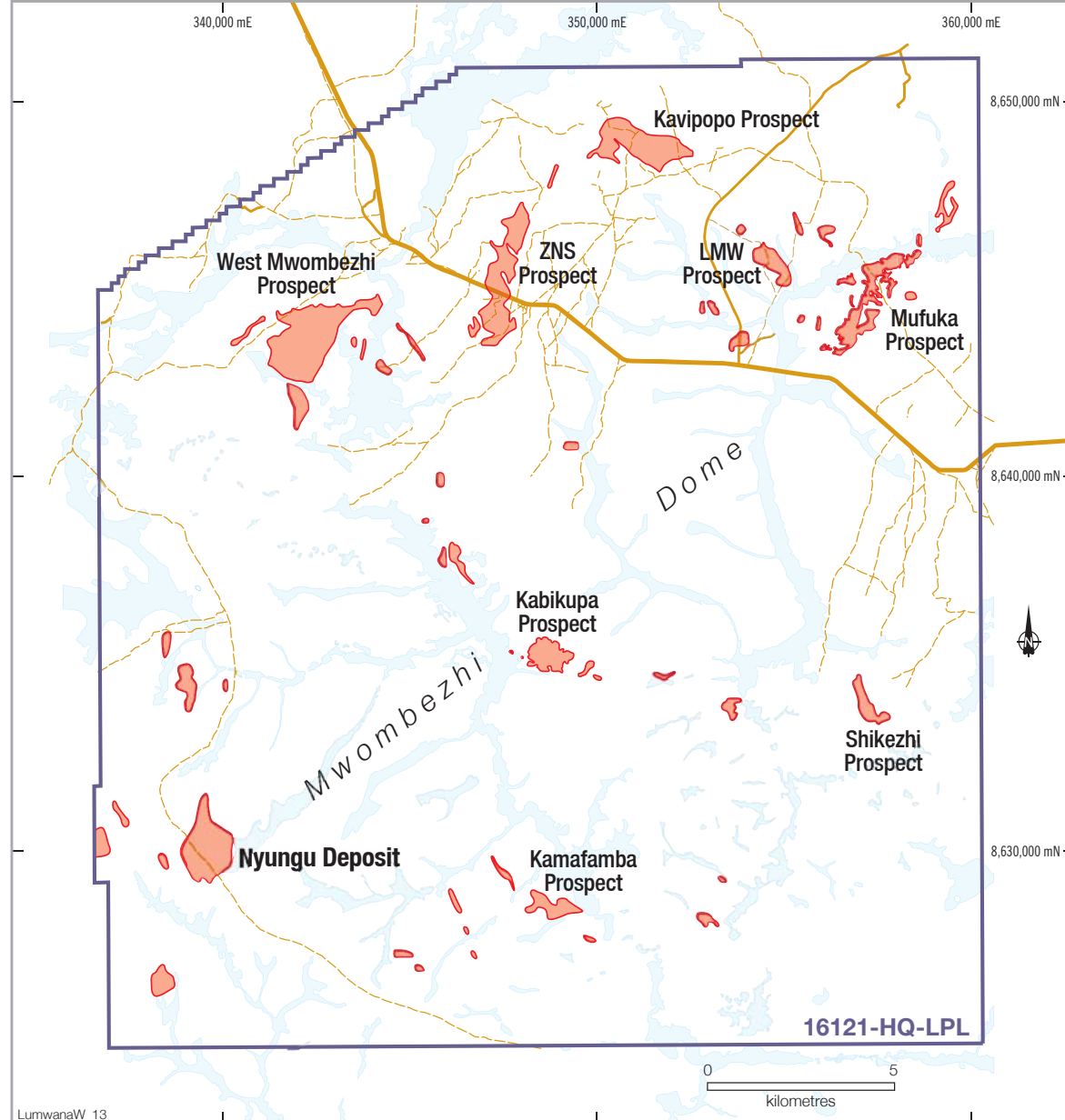
Major copper deposit with potential for extensions and repetitions



LUMWANA WEST, ZAMBIA

Regional Targets

- Argonaut has collected 7,800 soil samples from the Lumwana West area since May 2014, predominantly over new, regional targets
- Soil sampling defined new targets in the Kabikupa and Kamafamba areas and significantly extended the known strike of the Mufuka target.
- The drilling program targeted soil geochemistry anomalies at the Mufuka and Kabikupa prospects before the program was paused for the wet season.
- Drilling will recommence in April/May 2015.
- Ongoing interpretation of drill core, mapping data and surface sampling data will fine-tune 2015 drill targets.



Location



- Licence boundary
- Drainage path (Dambo)
- Road
- Track
- Prospect (+40ppm Cu soil sampling)

LUMWANA WEST, ZAMBIA

New Targets

- **Kabikupa** - Soil sampling at Kapikupa prospect has returned the strongest copper anomaly found within the tenement area to date.

Drilling commenced in October 2014 and was paused in November due to the onset of wet season.

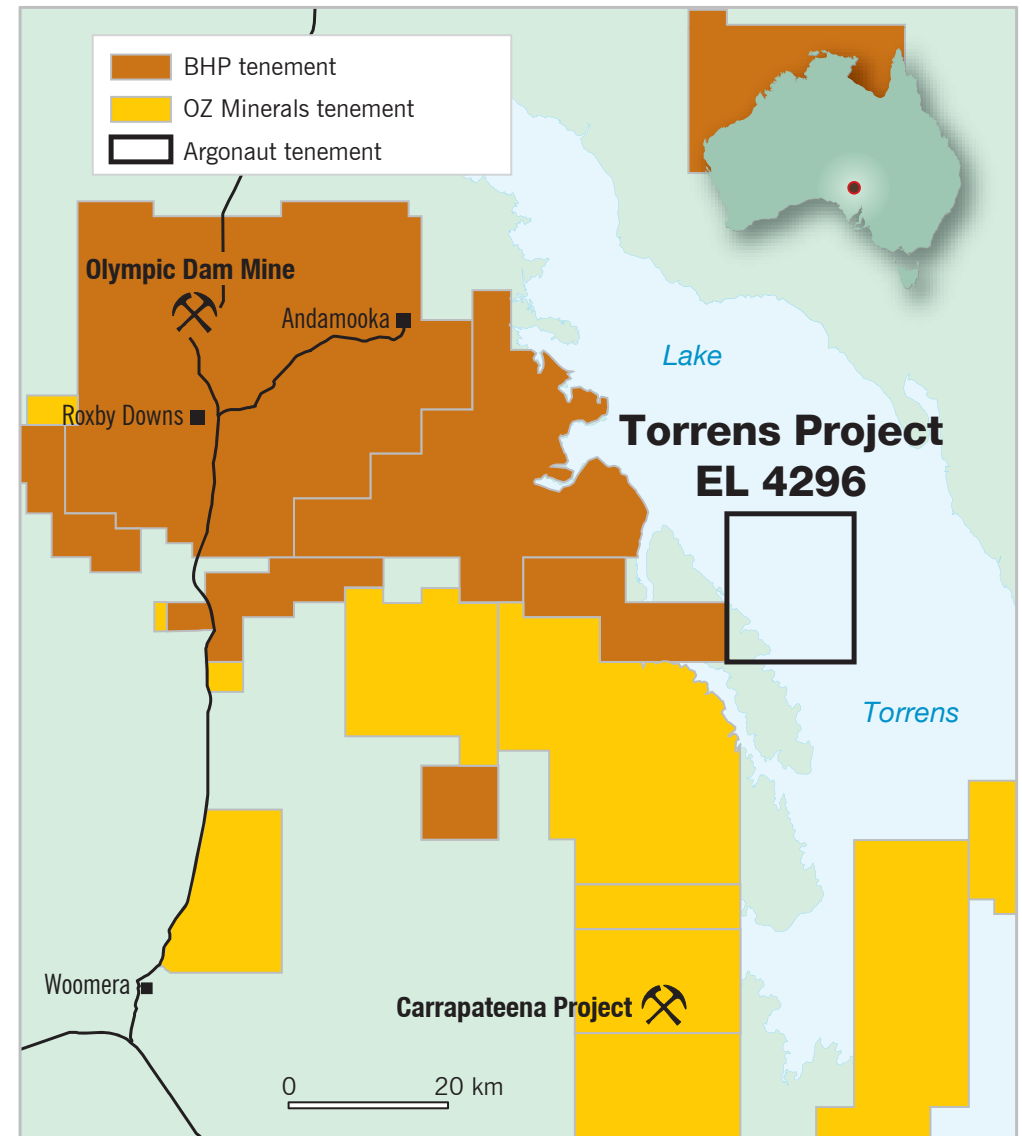
- **Mufuka** – Regional soil sampling significantly extended the strike length of the Mufuka prospect.
- **Kamafamba** was defined by 2014 regional soil sampling and is yet to be drill tested.



TORRENS, SOUTH AUSTRALIA

Torrens Project Summary

- Targeting Olympic Dam style iron oxide-copper-gold (IOCG) mineralisation
- Three holes drilled 2007–2008
- Geology and alteration confirmed
- Copper-gold mineralisation confirmed
- 30/70 joint venture with Straits Resources Limited
- Access litigation proceeding



TORRENS, SOUTH AUSTRALIA

Proposed Exploration Program

- Initial seven diamond drillholes to 1,200m
- Holes targeting high density/low magnetic susceptibility 'bodies' in IOCG system
- Commencement subject to access litigation

Olympic Dam style geophysical signature – only bigger footprint



ALFORD, SOUTH AUSTRALIA

Alford Joint Venture

Alford Farm-in Joint Venture

- **First earn-in:** Sandfire to earn a 49% interest by spending \$4M on exploration within three years
- **Second earn-in:** Sandfire has the right to jointly explore the tenement or earn an additional 26% interest by spending a further \$4M on exploration within an additional three years
- **Total potential earn-in expenditure of \$8M for a 75% interest**

Exploration Activities

- Sandfire has now completed over 22,000m of regional aircore drilling and 2,300m deep diamond drilling at Alford
- Major IP and gravity geophysics programs completed
- Alford East IOCG system delineated and tested
- Lower than anticipated grades within IOCG system
- Search must continue over other targets within the tenement

NEAR-TERM CATALYSTS FOR SHARE PRICE

Argonaut Resources NL ASX: ARE

Pending results for 3,000m of diamond core drilling completed in 2014 at:

- LMW
- Mufuka
- Kabikuba

Recommencement of Lumwana West drilling in April/May 2015:

- Drilling will continue at Mufuka and Kabikupa
- Kamafamba target will be tested
- Other testing pending final regional soil sampling results

Torrens Project:

- Finalise access litigation
- Commencement of drilling



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