

# ASX announcement

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## Torrens Project – Exploration Access Update

Argonaut Resources NL (ASX: ARE) (*Argonaut* or the *Company*) announces that three claimant groups whose applications for native title over Lake Torrens were dismissed by the Federal Court on 9 August 2016 have lodged notices of appeal.

### Court Processes:

- On 9 August the Federal Court rejected three native title applications over Lake Torrens. The matter was called the Lake Torrens Overlap Proceeding.
- Consequently, there are now no registered native title claims over Lake Torrens, including the area of the Torrens anomaly.
- On 30 and 31 August appeals were filed by all three of the claimant groups.
- The lodgement of appeals does not act as a stay of proceedings or – unless any appeal ultimately succeeds – reinstate native title claims.
- Appeals to the Full Federal Court typically take 12 to 30 months to decide.
- Argonaut has not properly considered the grounds of appeal but is unlikely to oppose two of the appeals. It is likely however that Argonaut will oppose the appeal by the Kokatha claimants.

### Exploration Access:

- Argonaut has the right enjoy the benefit of the 9 August judgment unless and until alternate orders are made.
- It is Argonaut's intention to seek drilling approvals and commence planned exploration drilling as soon as possible.

## The 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 over 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 iron oxide copper-gold 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 potential to host a world-class copper-gold deposit.

## The Lake Torrens Overlap Proceeding

The Lake Torrens Overlap Proceeding was initiated by the Federal Court to determine which of three native title claimant groups was entitled to hold native title rights and which claimed rights could be granted. The hearing came after a long period in which competing native title claims and intra-group conflict made access negotiations impossible.

The Aboriginal claimant groups involved in the proceeding were the Adnyamathanha people, the Barngarla people and the Kokatha people. All three groups have made multiple native title claims over all or part of Lake Torrens since the introduction of the *Native Title Act* in 1993. Until 9 August no claim in relation to Lake Torrens itself had been ruled on by the Federal Court. All three groups have however been recognised by the Federal Court as holders of native title rights in different areas adjoining the lake.

Argonaut's wholly owned subsidiary and tenement holder over the Torrens anomaly, Kelaray Pty Ltd, was an active respondent in the proceeding.

The judgement can be viewed at:

<http://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2016/2016fca0899>

## Implications

Certain members of the Kokatha group fought against access to the Torrens anomaly on the basis that exploration works were incompatible with mythological beliefs held in regard to Lake Torrens and Andamooka Island.

Justice Mansfield found that:

"There is no evidence of Kokatha occupation of any areas to the east of [the] western boundary of Lake Torrens at the time of first European contact, or indeed ... until well into the 20th century, probably about the 1980s."

Notwithstanding an appeal, the Kokatha people – particularly the individuals referred to above – are likely to have significant difficulty establishing standing to allow them withhold permission to access the Torrens anomaly for planned exploration.

Confrontational litigation in the early stages of a mineral development project is not conducive to a long-term working relationship and Argonaut is grateful for the opportunity to restart access negotiations on the basis established by the judgement of 9 August.

## The Way Forward

The Torrens Joint Venture can now make an application for exploration approval in the absence of any registered native title claims or recognised native title rights. This change significantly simplifies the process, particularly in light of previous environmental and operational approvals.

### Lindsay Owler

Director and CEO

Argonaut Resources

*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 2015 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.*