

ASX announcement

3 April 2017

Torrens Native Title Exploration Authority Granted

Argonaut Resources NL (ASX: ARE) (*Argonaut* or the *Company*) is pleased to announce that the South Australian ERD Court has granted native title authority for the conduct of exploration activities over the Torrens anomaly in South Australia.

Highlights

- The South Australian Environment, Resources and Development Court has granted native title authority to access and undertake exploration within the area of EL 5614 (*Torrens Project*).
- EL 5614 covers the huge Iron Oxide Copper-Gold anomaly known as Torrens.
- The granting of this authority is the most important step towards recommencement of drilling at the Torrens Project. This authority has been sought by Argonaut's subsidiary for 17 years.
- Friday's judgement came after the individuals opposed to drilling at the Torrens Project had exhausted their means of opposition.
- Argonaut and its 70% Joint Venture partner, Aeris Resources Limited (*Aeris*) (ASX: AIS), look forward to working with all Traditional Owners to preserve and protect heritage sites nearby to the Torrens licence.

Exploration Access

- The Torrens Joint Venture is also seeking the reissue of two government approvals to finalise access provisions for a drilling program at Torrens.
- Both of these approvals were previously held by the Joint Venture for the purpose of an equivalent drilling program.
- The joint venture has a reasonable expectation that these approvals will be reissued.

“The grant of this authority is the most significant milestone in the 17 year quest to access the Torrens anomaly. The Joint Venture has now begun planning for a drilling program, with the expectation that two remaining government approvals will be reissued as a matter of course in accordance with required procedures”,
Lindsay Owler, Argonaut CEO.

ERD Court Judgement

On 31 March 2017, Judge Cole of the South Australian Environment, Resources and Development Court granted Kelaray Pty Ltd and Straits Exploration (Australia) Pty Ltd (the *Torrens Joint Venturers*) authority to enter and undertake mining operations (exploration) within the area of Exploration Licence 5614. EL 5614 is located east of Olympic Dam and north-east of Carrapateena in South Australia, and covers the huge Iron Oxide Copper-Gold anomaly known as Torrens.

The Way Forward

The Torrens Joint Venture is seeking the reissue of two government approvals to finalise access provisions for a drilling program at Torrens. Both of these approvals were previously held by the joint venture for the purpose of an equivalent drilling program. The joint venture has a reasonable expectation that these approvals will be reissued, in accordance with required procedures.

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.

History

Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, was granted exploration rights for the Torrens anomaly in 1998. Kelaray first sought native title approval for exploration in the year 2000. Native title authority under the SA Mining Act has been the subject of lengthy negotiations and several court processes.

In the time since the initial licence was granted, three native title groups have been involved in seven native title claims over the area. These claims culminated in a three-party overlap proceeding in the Federal Court. In August 2016, all aboriginal groups had their claims dismissed by the Federal Court, allowing the Torrens Joint Venture to apply to the ERD Court for a declaration of native title authority in the situation where there are no registered native title claims or granted native title rights.

The Torrens Joint Venture

The Torrens Joint Venture is between Argonaut Resources NL (30%) and Aeris Resources Limited (70%) and relates to the Torrens Project, EL5614.

The Torrens Project is located near the eastern margin of South Australia's Gawler Craton (Stuart Shelf), within 50 kilometres of Oz Minerals' Carrapateena copper-gold deposit and 75 kilometres from BHP Billiton's Olympic Dam mine.

In its role as manager of the joint venture, Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, is working to secure access to the tenement for the purpose of a planned drilling program targeting areas which have been geophysically modelled as having the physical properties of large Iron Oxide-Copper-Gold deposits.

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 2016 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.