



Argonaut Resources NL
ABN 97 008 084 848

September 11th 2003

Torrens Option & Joint Venture Agreement

Further to our announcement of July 31st 2003 the Company has today received confirmation from Xstrata that it has assigned its interests under the Torrens Option and Joint Venture Agreement in EL 2533 Torrens to Straits Exploration (Australia) Pty Ltd ("**Straits**")

Straits has agreed to continue all of the terms as set out below of the Torrens Option and Joint Venture Agreement with Argonaut's subsidiary Kellaray Pty Ltd.

Presently Kellaray holds a 100% interest in EL 2533 as there has been insufficient expenditure to progress to exercise of the option.

Background

The Torrens Project is located 60km southeast of Olympic Dam in South Australia. The exploration target is 'Iron Oxide Copper-Gold' mineralisation associated with an extremely large gravity and magnetic anomaly. Basement drill-holes, greater than 1km from the target zone, contain both Olympic Dam style and Cloncurry-Mt Isa style mineralisation.

Kellaray previously entered into an agreement with M.I.M. Exploration in December 2002 whereby M.I.M. were to expend \$300,000 within 12 months to earn the right to exercise an option. Upon exercising this option, the joint venture required \$7 million to be spent in 5 years to earn a 70% interest in the tenement. Kellaray may elect to contribute to maintain the remaining 30%.

Enquiries: Lindsay Owler
Exploration Manager
Tel: 08 83387400