Argonaut Resources NL
ABN 97 008 084 848

ASX Code: ARE

QUARTERLY REPORT

For period ending 30th September 2005

The Board of Directors of Argonaut Resources NL (Argonaut) report for the quarter to 30th September 2005 as follows.

HIGHLIGHTS

- Initial drilling at the Ang Noi (AND) and Khokhe (KHD) prospects intersected gold mineralisation in five of seven holes. KHD1 intersected **7.8m at 2.56g/t gold plus 281g/t silver and 8.85% lead**, AND1 intersected **0.52m at 55.4g/t gold** and AND2 intersected **2.23m at 22.3g/t gold**
- Further trench sampling at Ang Noi (ANTR) and Khokhe (KHTR) intercepted **12m at 0.7g/t gold** in trench ANTR39, **8m at 2.3g/t gold** in trench ANTR59, **3m at 7.1g/t gold** in trench KHTR1A and **1.5m at 20.2g/t gold** in trench KHTR5.
- At Khokhe trenching and drilling results have demonstrated a potential structure analogous to the Oxiana Sepon Gold Mine in Laos.

EXPLORATION

Laos Venture

Century Block MREA, Sangthong District, Vientiane Municipality **(Argonaut 70%)**

Argonaut, through its 70% owned subsidiary, Argonaut Resources (Laos) Co. Ltd., **has delineated nine gold prospects on the Century Block.** These were identified from results of highly successful reconnaissance exploration work carried out between December 2004 and February 2005.

Drilling and trenching programs on the first two gold prospects at Ang Noi and Khokhe ran throughout the quarter.

Ang Noi Prospect

During the quarter Argonaut completed five diamond drillholes for a total of 748m at Ang Noi. In addition, 31 trenches for a combined 1,753m were completed. The company has now completed a total of 69 trenches at Ang Noi totalling 4,466m.

The initial diamond drilling program targeted gold mineralisation defined by trenching. Gold and associated silver mineralisation in these drillholes is hosted in quartz veins or altered granite porphyry with minor quartz veining and sulphide mineralisation. Results from this program are detailed in Table 1.

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Table 1: Highlights of initial drilling – Ang Noi Prospect

Prospect	Drillhole	From (m)	To (m)	Int. (m)	Grade
Ang Noi	AND1	32.8	33.32	**0.52**	**55.4g/t gold, 281g/t silver, 8.85% lead**
Ang Noi	AND1	103	105.65	2.65	1.72g/t gold, 9.8g/t silver. 0.48% lead
Ang Noi	AND2	31.64	32.34	0.7	2.9g/t gold, 11.3g/t silver, 0.45% lead
Ang Noi	AND2	32.9	33.62	0.72	0.75g/t gold, 2.3g/t silver, 0.45% lead
Ang Noi	AND2	78	80.23	**2.23**	**22.3g/t gold, 96g/t silver, 1.0% lead**
Ang Noi	AND3	37.8	39.98	1.28	0.52g/t gold

Trench sampling at Ang Noi has progressively delineated broad east-west zones of surface gold mineralisation. Trenching during the September quarter continued to extend these zones to the west. **The surface gold expression is now over 1,000m across and up to 550m from north to south.**

Table 2: Highlights of recent trenching – Ang Noi Prospect

Prospect	Trench	Intercept
Ang Noi	ANTR38	4m at 1.5g/t plus character sample of 3.0g/t gold
Ang Noi	ANTR39	**12m at 0.7g/t gold**
Ang Noi	ANTR49	2.5m at 0.8g/t gold
Ang Noi	ANTR50	4m at 0.7g/t gold
Ang Noi	ANTR51	1m at 1.9g/t gold and 26.7 g/t silver plus character sample of 2.5g/t gold
Ang Noi	ANTR54	Character sample of 2.6g/t gold and 25.2 g/t silver
Ang Noi	ANTR55	Character sample of 1.2g/t gold and 18.8 g/t silver
Ang Noi	ANTR57	1m at 3.5 g/t gold and 27.3 g/t silver
Ang Noi	ANTR59	**8m at 2.3g/t gold**
Ang Noi	ANTR62	2m at 3.4g/t gold and 47 g/t silver

Gold mineralisation at Ang Noi is within a body of granite porphyry. Gold intercepts from trenches are hosted in quartz veins and apparent, broad stockwork zones. Mapping of trench geology has defined substantial argillic and potassic alteration zones and rock chip sampling of late-stage extrusions shows the geochemical signature of certain mineralised alkalic/potassic porphyry systems. A geological cross section of the Ang Noi area is shown in Figure 1.

Although gold mineralisation in early drillholes at Ang Noi is not as extensive as that intersected in trenches, further deep drilling, possibly on the basis of IP geophysics, is required to better target the inferred porphyry gold ore body at depth. In addition, shallow RC drilling will be undertaken around significant trench intercepts, including 64m at 5.2g/t gold in trench ANTR2, to further test these targets.

Kokhe Prospect

During the quarter Argonaut completed two diamond drillholes for a total of 300m at Khokhe. In addition, 39 trenches for a combined 4,012m were completed.

Trenching and drilling results have demonstrated a geological system analogous in many ways to Oxiana's Sepon gold mine. At Khokhe this sequence of Triassic to Permian sediments is partially overlain by a younger volcaniclastic unit interbedded with agglomerate. These rocks have been intensely folded and mineralisation is concentrated in the anticlines of these folds. Gold mineralisation in these anticlines tends to be associated with faulting and the contact between a limestone unit and surrounding strata as shown in Figure 2.

Diamond drilling at Khokhe targeted gold intersections in early trenching. KHD1 was drilled towards the west of the prospect into the lower part of the sequence. KHD1 intersected 7.8m at 2.56g/t from surface near the upper boundary of the limestone and at an anticlinal structure in the vicinity of faulting. KHD2 intersected low grade mineralisation in the upper part of the sequence. This aureole of anomalous gold and arsenic in overlying units is a geochemical indicator of more intense gold mineralisation below. Mineralised trends have been mapped in trenches using a combination of structural geology, mineralogy and geochemistry. Figure 3 shows these interpreted mineralised trends.

Early confirmation of the geological model provides Argonaut geologists with the information required to conduct shallow RC drilling over mineralised trends in the west of the Khokhe prospect and deeper drilling of the same units with equivalent trends in the east.

Table 3: Highlights of initial drilling – Khokhe Prospect

Prospect	**Drill Hole**	**From** (m)	**To (m)**	**Int.** (m)	**Grade**
Khokhe	KHD1	0	7.8	**7.8**	**2.56g/t gold**
Khokhe	KHD2	88.3	90.6	2.30	0.27g/t gold

Trenching at Khokhe commenced early in the September quarter and this program consisted of several regional-scale trenches which were successful in exposing the stratigraphy, structure and geochemical anomalies. Although trenches at Khokhe have resulted in some grade intercepts, the primary goal in terms of exploration geochemistry was to generate anomalies indicating mineralisation in stratigraphic units at depth.

Results of geochemical anomalies in trenches are shown in Figure 3 and grade intercepts are shown in Table 4.

Table 4: Highlights of recent trenching – Khokhe Prospect

Prospect	**Trench**	**Intercept**
Khokhe	KHTR1A	3m at 7.1g/t gold
Khokhe	KHTR5	1.5m at 20.2g/t gold

Infill trenching along mineralised trends at Khokhe is well underway. This work will continue to define RC drilling targets.

Nasa Prospect

Trenching at Nasa will commence next month where reconnaissance sampling resulted in rock chips of 182g/t and 143 g/t gold as shown in Figure 4.

Nam Hone Prospect

Trenching will also be carried out during the current quarter at Nam Hone where stream sediment samples of 10.45g/t gold, and 6.99 g/t gold justify further exploration.

Other Prospects

Follow-up stream sediment sampling at Houai Toleo and Houai Ou, which feature maximum stream sediment results of 14.65g/t gold and 10.75g/t gold respectively, will also commence within the next month.

Sekong MREA, Kaleum District, Sekong Province **(Argonaut 65%)**

Argonaut through its wholly owned subsidiary Prospect Exploration and Mining Ltd holds a 65% interest in Sekong River Mining Co. Ltd. (Laos). With the end of the wet season in sight the company will recommence reconnaissance exploration work at Sekong in November. Early reconnaissance sampling generated two robust gold prospects at Sekong. The upcoming program aims to complete reconnaissance sampling over the entire 777km^2 area and to infill existing geochemical anomalies.

EL3277 Kanmantoo

No further exploration work was carried out during the quarter.

EL3037 Alford

No further exploration work was carried out during the quarter.

EL3195, Torrens

Access negotiations which include a site visit with Native Title Claimants continued during the quarter

No exploration work was undertaken on EL3195 during the quarter.

Radiometric Study

EL 3115 Aurora Tank, EL 3262 Sandstone, EL 2884 Campfire Bore, EL 2889 Sandstone and EL 3210 Garford

A radiometric study of each tenement has commenced to determine the potential for uranium exploration activity during the current quarter.

EL3193 and EL3075, Aroona

No exploration work was undertaken on EL3195 or EL3075 during the quarter.

Graeme Ellis
Managing Director
Argonaut Resources NL

Exploration results detailed in this report were compiled by Mr Lindsay Owler of Argonaut Resources NL who is a corporate member of the Australian Institute of Mining and Metallurgy and who has in excess of 5 years experience in this field of activity.

Notes to and forming part of Appendix 5B

TENEMENT SCHEDULE AS AT 30 SEPTEMBER 2005

SOUTH AUSTRALIAN EXPLORATION LICENCES

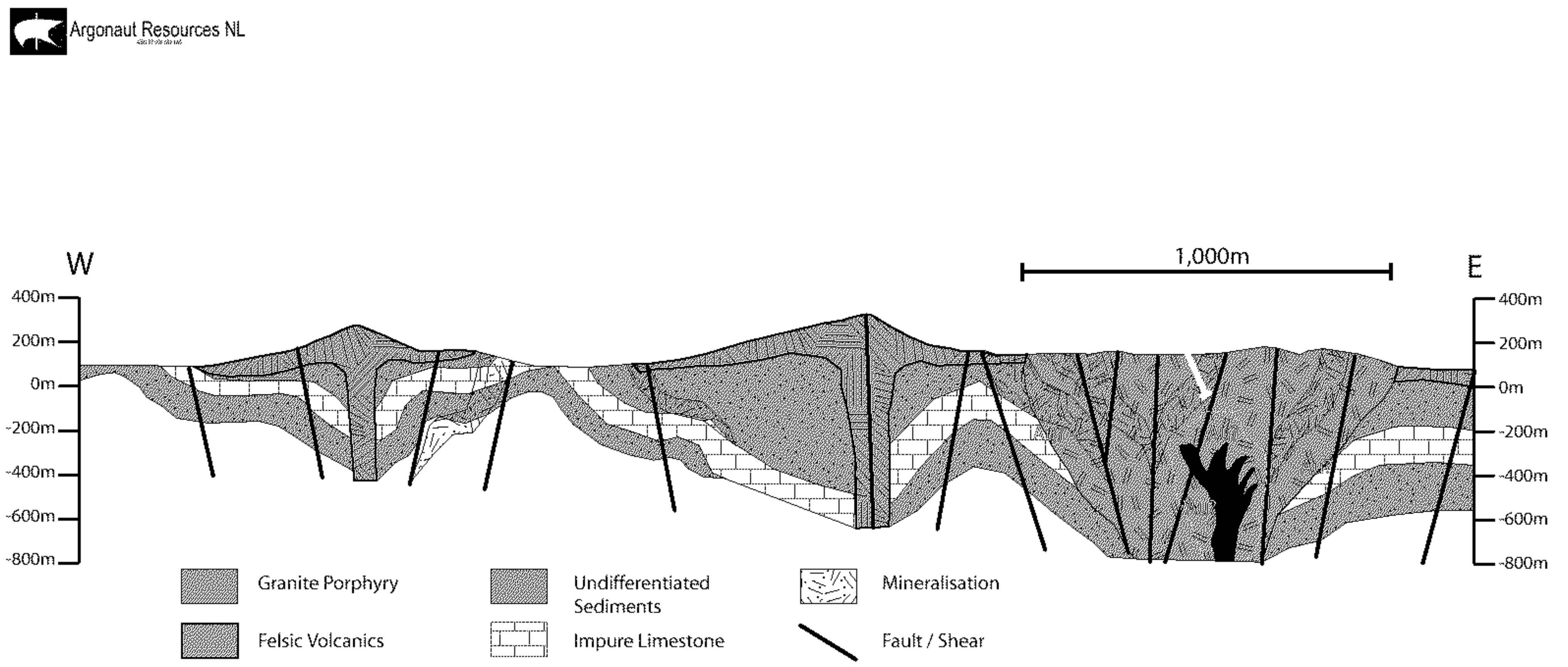
Tenement	Granted	Expiry	Area Km^2	Locality	Licensee	Interest
EL 2884	7/01/2002	6/01/2006	42	Campfire Bore	Coombedown Resources Pty Ltd	10%
EL 2889	18/01/2002	17/01/2006	215	Sandstone	Kelaray Pty Ltd	76.6%
EL 3037	25/10/2002	24/10/2006	477	Alford	Kelaray Pty Ltd	100%
EL 3075	2/04/2003	1/04/2005	166	Myrtle Springs	Kelaray Pty Ltd	100%
EL 3115	4/8/2003	3/8/2005	80	Aurora Tank	Kelaray Pty Ltd	45%
EL 3193	1/4/2004	31/3/2005	281	Mt Parry	Kelaray Pty Ltd	100%
EL 3195	6/4/2004	5/4/2006	295	Lake Torrens	Kelaray Pty Ltd	100%
EL 3210	1/6/2004	31/5/2005	66	Garford	Kelaray Pty Ltd	76.6%
EL 3262	14/10/2004	13/10/2005	226	Sandstone	Coombedown Resources Pty Ltd	10%
EL 3277	3/11/2004	2/11/2006	489	Kanmantoo	Kelaray Pty Ltd	10%

LAOTIAN EXPLORATION LICENCES

Tenement	Granted	Expiry	Area Km^2	Locality	Licensee	Interest (ARE)
174/MIH.DGM	8/10/2004	7/10/2006	300.2	Sangthong	Argonaut Resources (Laos) Co. Ltd.	70%
184/MIH.DGM	6/10/2004	5/10/2006	777	Kaleum	Xekong River Mining Co. Ltd.	65%

SOUTH AUSTRALIAN EXPLORATION LICENCE APPLICATIONS

Tenement	Application Date	Area Km^2	Locality	Applicant
ELA 143/97	6/02/1997	1040	Carbeena Hill	Kelaray Pty Ltd
ELA 144/97	6/02/1997	835	Harcus	Kelaray Pty Ltd
ELA 186/97	14/02/1997	1815	Moombunya	Kelaray Pty Ltd
ELA 321/97	15/04/1997	624	Mt Illillinna	Kelaray Pty Ltd



Regional Geological Cross Section - Ang Noi Prospect, Century Block, Lao PDR

Figure 1

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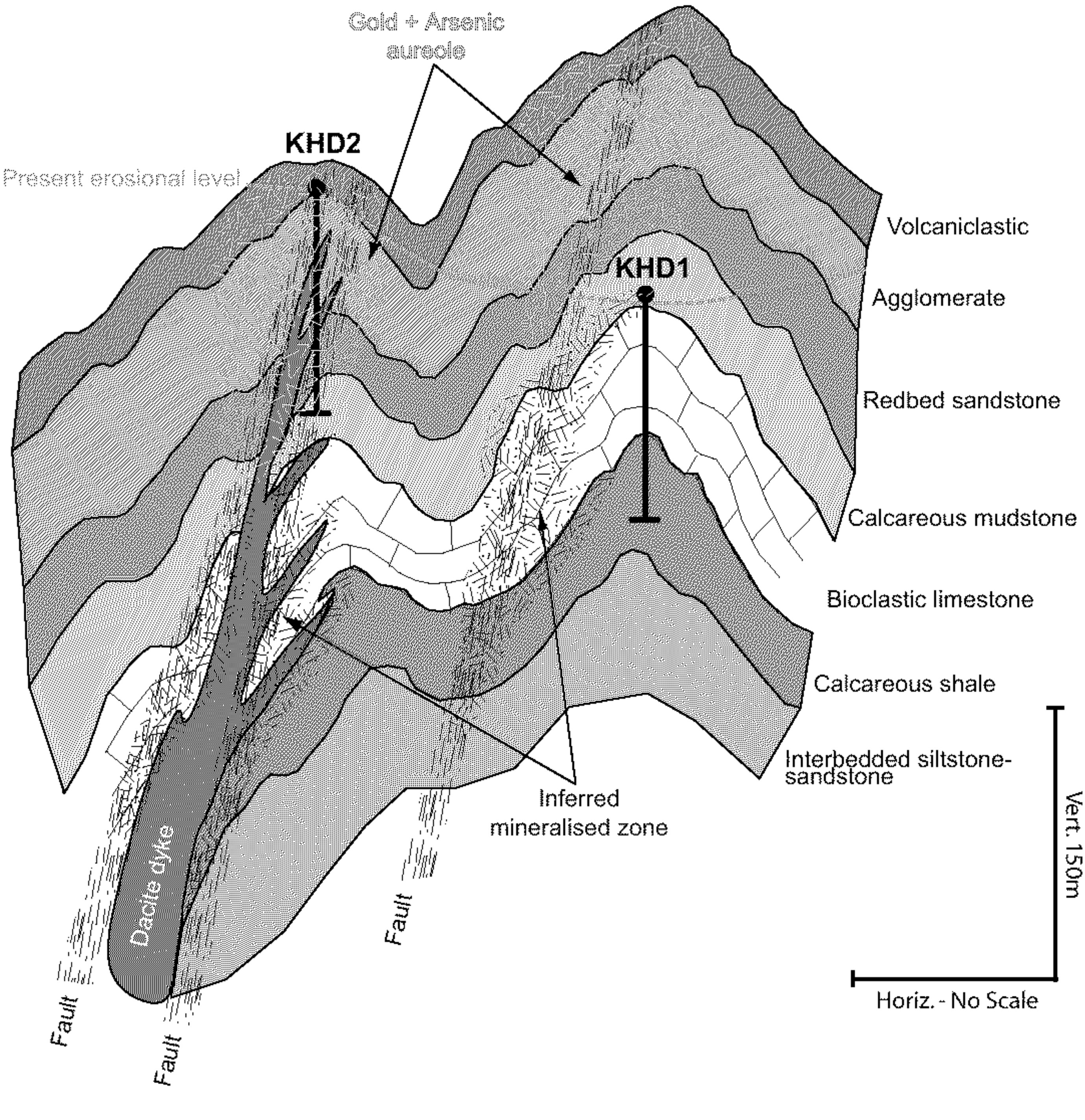
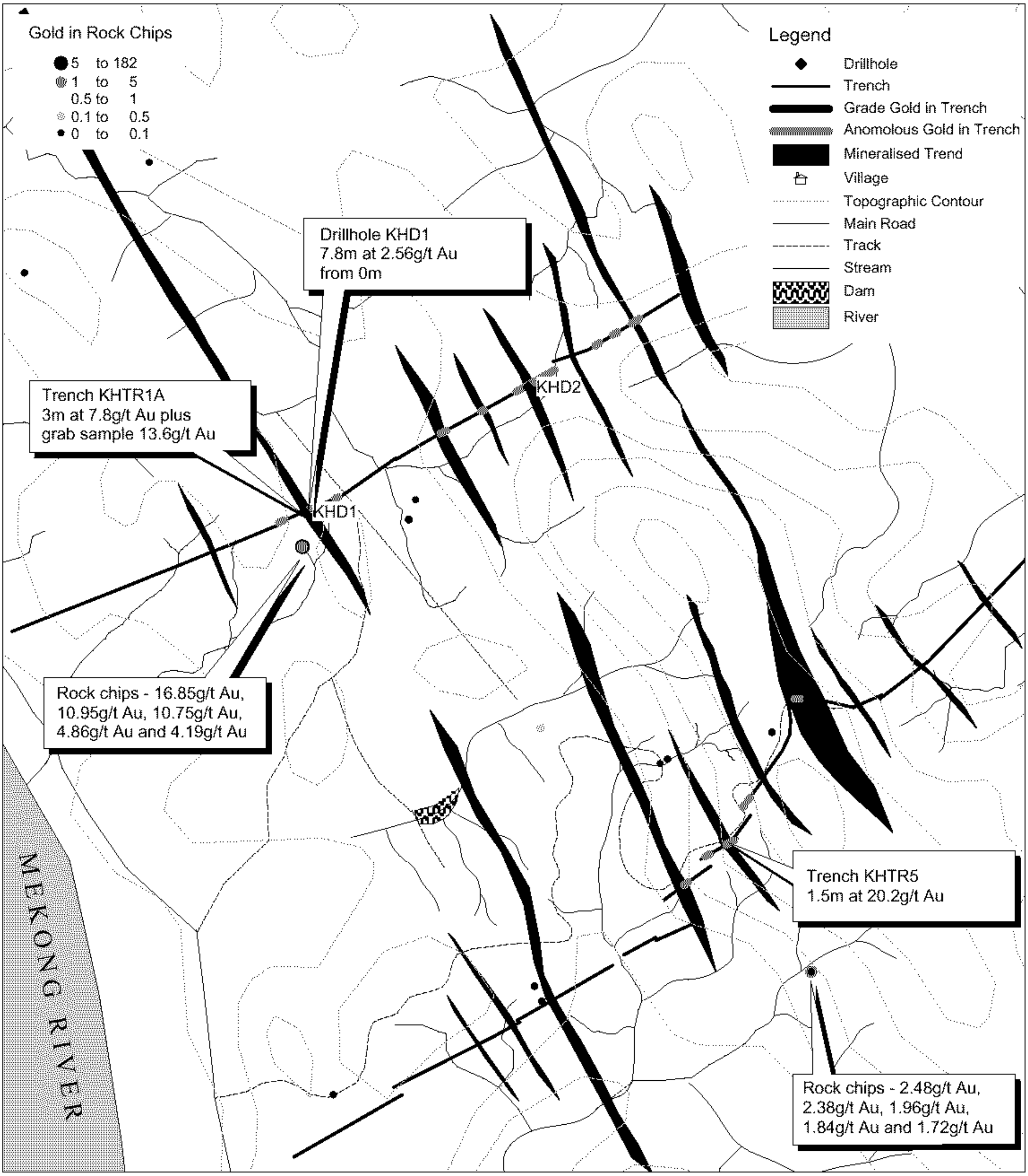


Conceptual mineralising system - Khokhe Prospect, Century Block, Lao PDR

Figure 2



NORTH

1km

UTM WGS84
(Zone 48 Nth)

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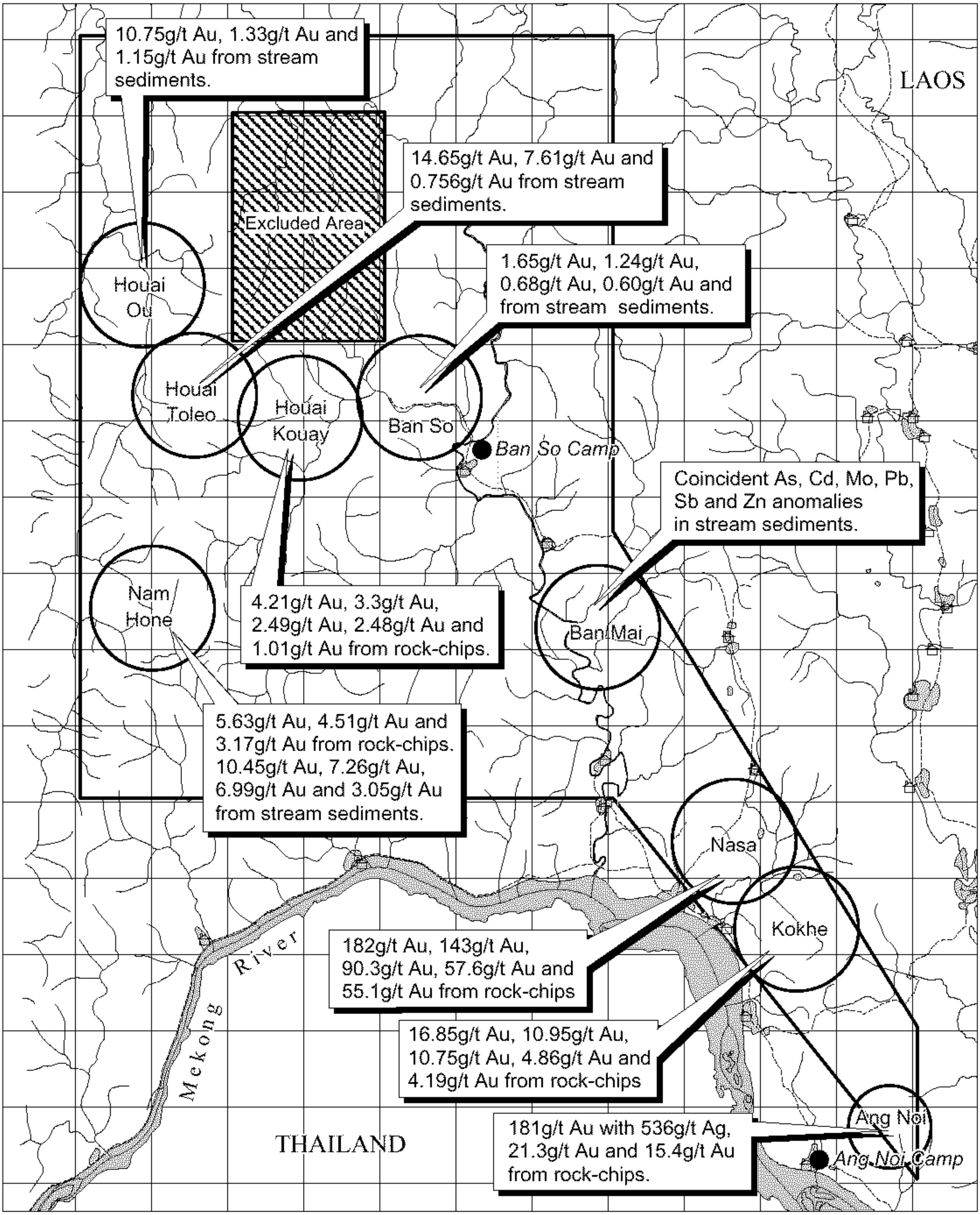
Khokhe Prospect Mineralised Trends

Century Block, Sangthong District,
Vientiane Municipality, Lao PDR

Date: 26 Oct 2005 Dwr: CB034 Figure: 3



NORTH

5km

UTM, WGS84
(Zone 48, Nth)

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Century Block Prospects

Sangthong District, Vientiane Municipality,
Lao P.D.R.

Date: 29 May 2005 Dwg: CB030 Figure: 4

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Argonaut Resources NL

ABN

97 008 084 848

Quarter ended ("current quarter")

30th September 2005

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (.3...months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(284)	(284)
	(b) development		
	(c) production		
	(d) administration	(244)	(244)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	15	15
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(513)	(513)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(30)	(30)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(30)	(30)
1.13	Total operating and investing cash flows (carried forward)	(543)	(543)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(543)	(543)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		
	Net increase (decrease) in cash held	(543)	(543)
1.20	Cash at beginning of quarter/year to date	1414	1414
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	871	871

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	119
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors fees payable

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available $A'000	Amount used $A'000

3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	200
4.2	Development	
	Total	**200**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	20	144
5.2	Deposits at call	851	1270
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	871	1414

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL 2895	Relinquished by wholly owned subsidiary Kelaray Pty Ltd	100%	Nil
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	63,684,419	63,684,419		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	22,511,379	18,985,187	*Exercise price* *.30 cents*	*Expiry date* *30.06.07*
7.8	Issued during quarter	275,000			
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 28th October 2005
(Director)

Print name: Graeme A. Ellis

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.