

Friday, 29 June 2007

Legislation amendment paves way for Zn-Cu drilling program

The Board of Argonaut Resources NL is pleased to announce that Environmental Protection and Other Legislation Amendment Regulation (No. 1) 2007; Subordinate Legislation 2007 No. 133 was gazetted by the Queensland Government on Friday, 22 June 2007 thus allowing Argonaut to apply to the Queensland EPA for approval to undertake confirmatory drilling at the Kroombit Zn-Cu deposit.

Argonaut announced the acquisition of the Kroombit Zn-Cu deposit (ML5631) on 14 August 2006. Subsequently the company was granted EPM15705, EPM15733 and EPM15734 covering the ground around the Kroombit deposit and other nearby targets. The Kroombit deposit lies within a 2 kilometre buffer zone surrounding Kroombit National Park.

Upon applying for permission to commence a drilling program at Kroombit, Argonaut was informed that an error in the Queensland Environmental Protection Act prevented a 'level 2 mining project' application being made due to the deposit's proximity to the National Park. This error has now been corrected and the company will resubmit the application to the Queensland EPA on 6 July 2007. The EPA will then have 20 days to review the information and respond.

Upon gaining environmental approval, the company will contract an appropriate reverse circulation drilling rig to undertake the confirmatory drilling program.

Background

The Kroombit Zn-Cu deposit and associated exploration permits are west of Gladstone in Central Queensland.

In the process of testing surface mineralisation, previous explorers generated the following results:

ZINC

- MK08: 43.3m at 6.02% Zn from 21.0m including 4.6m at 23.57% Zn from 27.6m
- MK17: 74.2m at 3.2% Zn from 3.8m
- MK11: 15.1m at 9.15% Zn from 26.4m including 1.4m at 26.2% Zn from 30.6m

COPPER

- MK03: 14.3m at 3.32% Cu from 20.7m
- MK16: 19.8m at 2.01% Cu from 82.3m
- MK28: 39.6 at 0.93% Cu from 24.4m

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On gaining environmental approval and access to an appropriate drilling rig, Argonaut will proceed with confirmatory drilling in order to substantiate previous zinc and copper resources calculations as the first step towards a pre feasibility study.

The Kroombit deposit is located within easy reach of power, road, rail and port facilities: essential infrastructure to allow early development of a production facility.

Graeme Ellis
Managing Director
Argonaut Resources NL

Sections of information contained in this report that relate to Exploration Results and Mineral Resources 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 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 2004 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.