

# ASX announcement

2 August 2021

## Murdie Project: Temporary Suspension of Drilling

Argonaut Resources NL (ASX: ARE) (*Argonaut* or the *Company*) announces that it has elected to temporarily suspend drilling operations at the Murdie project in South Australia due to access impediments.

The hampered access condition occurred at the third planned drill hole, WLTD003, which targets the Trimmer gravity anomaly on Lake Torrens and is near the south-eastern corner of Andamooka Island (Figure 1).

### Highlights

- Access to the third drill site on the surface of Lake Torrens has been hampered in recent weeks by:
  - several rain events which have affected access tracks to southern Andamooka Island,
  - related wetness of the surface and subsurface of Lake Torrens, and
  - impaired availability of earthmoving equipment during the South Australian COVID lockdown.
- Argonaut has elected to suspend drilling operations temporarily whilst it reconsiders access methodologies under its various authorisations.
- Argonaut will refine its drilling targets during this suspension of operations. The Company is in advanced discussions with a leading provider of mineral exploration artificial intelligence.
- Drilling at the Murdie project is targeting Iron Oxide Copper-Gold (IOCG) mineralisation defined by large gravity anomalies.

### Rain Events

Recent rain events have caused lake surface wetness and minor pooling of water in certain areas of Lake Torrens. Near-surface geotechnical conditions are currently unsuitable for accessing drilling areas on the surface of Lake Torrens using protective matting.

A protective matting roadway was used successfully for access to drill hole WLTD002 (Photo 1).

The lake surface in the vicinity of Argonaut's fourth planned drill hole is currently subject to minor flooding. In Argonaut's experience, standing water on the surface of the lake evaporates slowly during winter months and very quickly during summer. The fourth drilling target area is presently not accessible.

### Alternative Access Methods

Argonaut's drilling authorisations for the Murdie project contain alternative provisions for accessing drill sites on Lake Torrens. Argonaut has commenced discussions with relevant contractors regarding the continuation of drilling.



**Photo 1:** Drilling at WLTD002, Murdie project (Photo courtesy of SA Dept for Energy and Mines).

## Targeting

It is appropriate for Argonaut to review its targeting priorities during this suspension of operations. Targeting to date has been by geophysical modelling of ground gravity survey data. Argonaut is considering the merits of artificial intelligence (AI) and machine learning to provide a prioritisation of its various IOCG gravity targets at the Murdie project.

To this end, the Company is in advanced discussion with a leading provider of mineral exploration AI.

## Drilling Targets

The Murdie exploration licences covers two largescale, regional gravity anomalies – West Lake Torrens and Murdie (Figure 1). These anomalies represent locations with significant volumes of high-density rock that could contain economic IOCG deposits. Efforts are being focused on the West Lake Torrens anomaly and the Trimmer anomaly (Figure 1).

## Murdie, South Australia

Argonaut Resources holds two highly prospective South Australian exploration licences, EL5937 and EL5945 (Figure 1). The licences are contiguous with the Company's Torrens project in South Australia. The licence areas cover a confirmed IOCG target in an area known as Murdie as well as a second anomaly at West Lake Torrens. There are 54 known residual gravity targets within the area.

The licences cover an area of 1,015 square kilometres and are located immediately south and east of the Torrens project and east of the Carrapateena mine (Figure 1).

This report is authorised for release by:

**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 2020 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.*

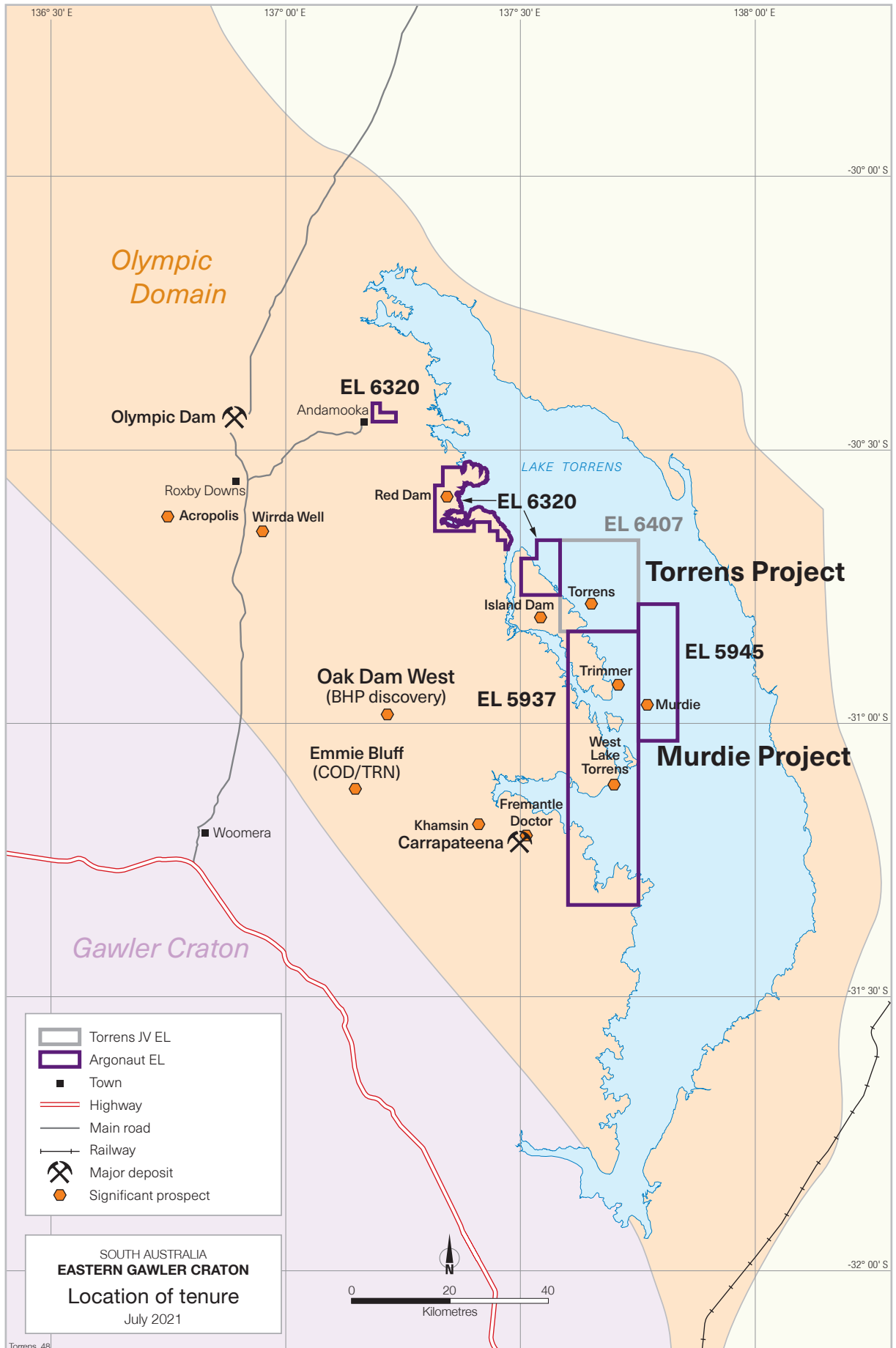


Figure 1 Lake Torrens exploration licences.