

16 March 2011

# ASX ANNOUNCEMENT

## **Torrens Update: Leave to appeal and Minister's decision on ERD Court determination**

Further to the announcement of 17 January 2011, Argonaut Resources NL (ASX: ARE) announces that the Minister for Mineral Resources Development in South Australia has advised that he will not overrule the determination that operations may not be conducted on EL4296 made by the Environment, Resource and Development (ERD) Court on 14 January 2011

In making this decision, the Minister has advised that the complexity of the issues involved in the case meant that an administrative decision was not the best interests of the State or the industry generally. The Minister further advised that the best course of action is for the South Australian Attorney-General, as a respondent to the appeal in the Supreme Court, to make submissions on behalf of the State generally in support of the Torrens Joint Venture.

The Minister will also provide the necessary assistance for the parties to negotiate an agreement that, with the authorisation of the ERD Court, can displace the earlier determination by the Court as provided for under Section 63X of the *Mining Act 1971* (SA).

### **Supreme Court Appeal**

Parties to the Torrens Joint Venture are continuing with the appeal to the Supreme Court of South Australia.

On 8 March 2011, the Full Court of the Supreme Court of South Australia granted leave to appeal against the whole of the ERD Court decision of 14 January 2011.

The judgment of the Full Court affirmed that no permission was required for mixed questions of fact and law which means that the bulk of the grounds of appeal put forward may be argued by Straits Exploration (Australia) Pty. Ltd and Kelaray Pty. Ltd. ('the Appellants').

The Full Court has also accepted the Appellants' proposed challenge of the ERD Court findings that were critical of the Appellants' conduct may be challenged on both the factual ground, as well as on the question of statutory construction.

The Full Court only refused to grant leave on four of the factual grounds. The loss of these grounds will not materially alter the strength of the appeal.

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## **About EL4296 – Torrens Project**

The Torrens Joint Venture is between Argonaut Resources NL and Straits Resources Limited and relates to the Torrens Project, EL 4296. Argonaut currently holds 100% of EL 4296 and Straits is earning a 70% interest.

The Torrens Joint Venture is exploring for iron-oxide copper-gold (“IOCG”) systems in the highly prospective Stuart Shelf region of South Australia. The Torrens Project is located near the eastern margin of South Australia’s Gawler Craton region (Stuart Shelf), within 50 kilometres of the Carrapateena copper-gold deposit and 75 kilometres from BHP Billiton’s Olympic Dam mine.

## **About Argonaut**

Argonaut is an Australian Stock Exchange listed mineral exploration and development company with projects in South Australia, Queensland and Laos. Argonaut’s projects are in the advanced exploration and feasibility stages. The company’s exploration efforts are focused on gold and copper in South Australia and Laos, whilst its Queensland project at Mt Kroombit involves a zinc-copper resource.

Argonaut has pre-IPO investments in several Queensland coal projects via a holding in Blackwood Coal Ltd.

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