

Tuesday 26 July 2011

ASX ANNOUNCEMENT

Blackwood Coal Announces Acquisition of Significant Portfolio of Coal Exploration Permits in Queensland

Argonaut Resources NL is pleased to announce that Blackwood Coal Pty Ltd ("Blackwood"), a company in which Argonaut holds a 38% undiluted interest, has announced that it has executed a legally binding sale and purchase agreement to acquire 100% of a significant portfolio of projects near Emerald in the Bowen Basin and a greenfields opportunity adjacent to a significant producing coalfield in the Callide Basin.

A copy of the announcement by Blackwood is attached to this release.

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Blackwood Acquires Significant Portfolio of Coal Exploration Permits in Queensland

Blackwood Coal Pty Limited (**Blackwood**) is pleased to announce that it has executed a legally binding sale and purchase agreement to acquire 100% of a significant portfolio of projects near Emerald in the Bowen Basin and a greenfields opportunity adjacent to a significant producing coalfield in the Callide Basin.

Blackwood believes that the RDB Coal Project located near Emerald has been significantly underexplored in the past and potentially hosts extensions of metallurgical and thermal coal deposits known in the region.

The assets have been bought from private interests and will be held in Blackwood's 100% owned subsidiary RDB Coal Pty Limited.

| Project | Equity | Tenure | Location Geology | Total Sub Blocks | Area (approx) km ² |
|---------|--------|-----------------------------------|------------------|------------------|-------------------------------|
| RDB | 100% | EPC 1821 | Bowen Basin | 34 | 102 |
| | 100% | EPC 1977 | Bowen Basin | 9 | 27 |
| | 100% | EPC 2323 | Bowen Basin | 5 | 15 |
| | 100% | EPCA 2093 (Priority Applicant) | Bowen Basin | 24 | 72 |
| | 100% | EPCA 1825 | Bowen Basin | 59 | 177 |
| | 100% | EPCA 1826 | Bowen Basin | 24 | 72 |
| | 100% | 1868 | Bowen Basin | 12 | 36 |
| Callide | 100% | EPCA 1809 (Priority Applicant) | Callide Basin | 18 | 54 |
| Total | | | | | 555 |

Table 1: Table indicating tenure acquired as part of the transaction.

Total consideration for the acquisition is:

- AU\$1,500,000 initial cash payment upon signing of SPA (already paid)
- 2,700,000 shares in Blackwood Coal
- AU\$3,000,000 cash upon listing Blackwood on the ASX.

A map of Queensland showing the new tenements is shown below; the newly acquired tenements are shown in dark green.

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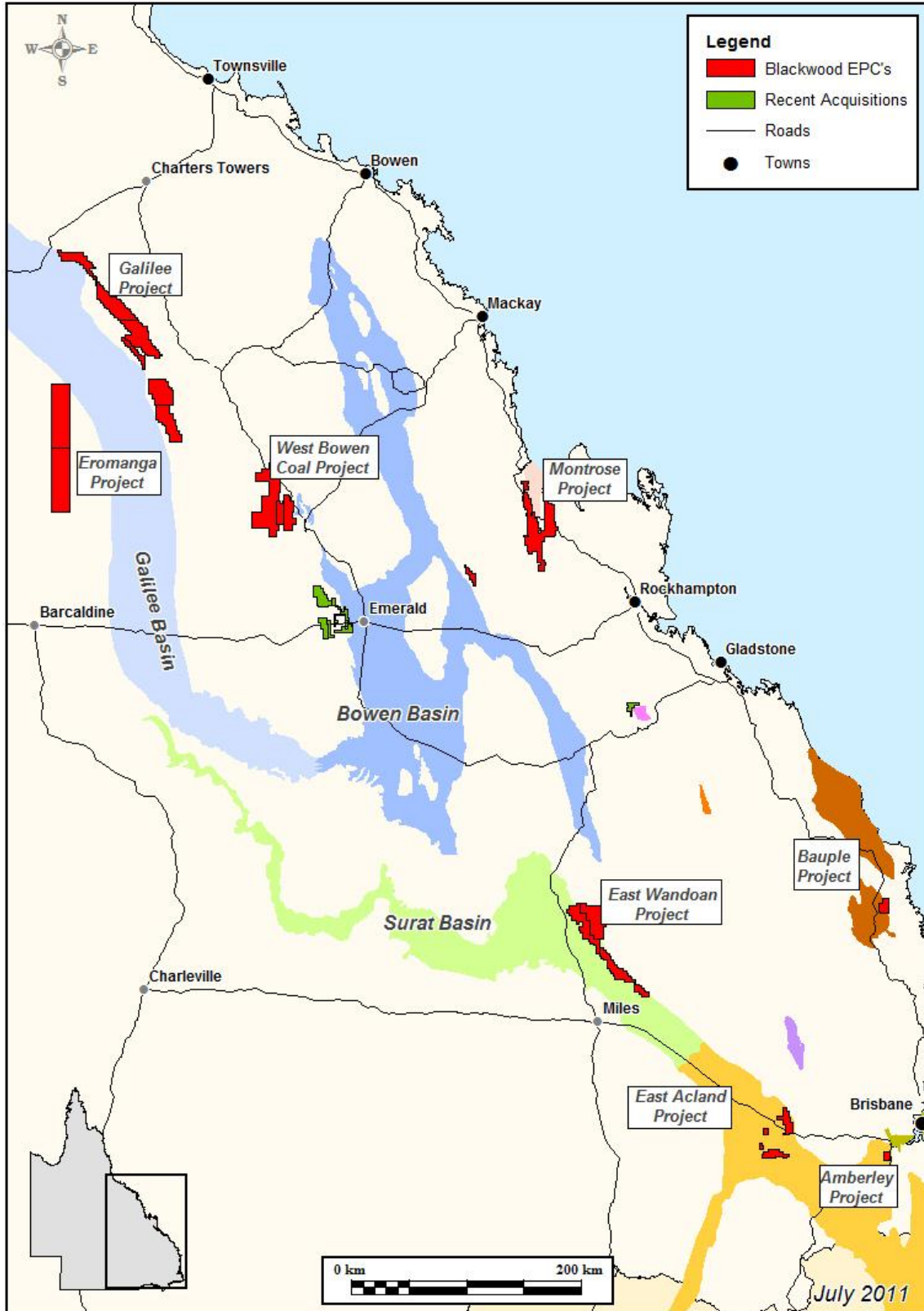


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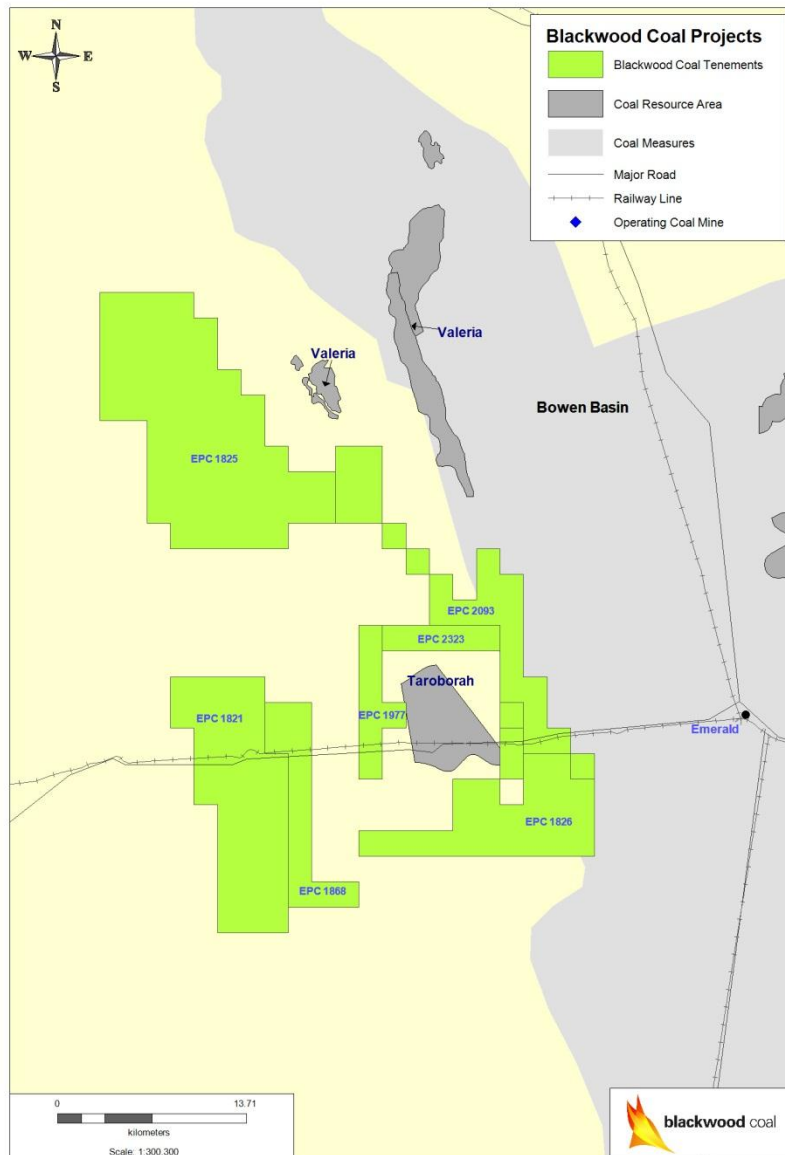
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RDB Coal Project

The RDB Project is located West and North West of the town of Emerald. Exploration in this area will predominately target the down dip and strike extensions of the existing Taroborah and Valeria Coal Deposits, plus untested Reid Dome Beds sequences.

Historic coal quality data suggest that the majority of the seams produce an export thermal / PCI product. Seams such as the Capella and Anakie at Valeria, develop a good coking product. It is currently interpreted that the RDB Coal projects may contain extensions to these areas.



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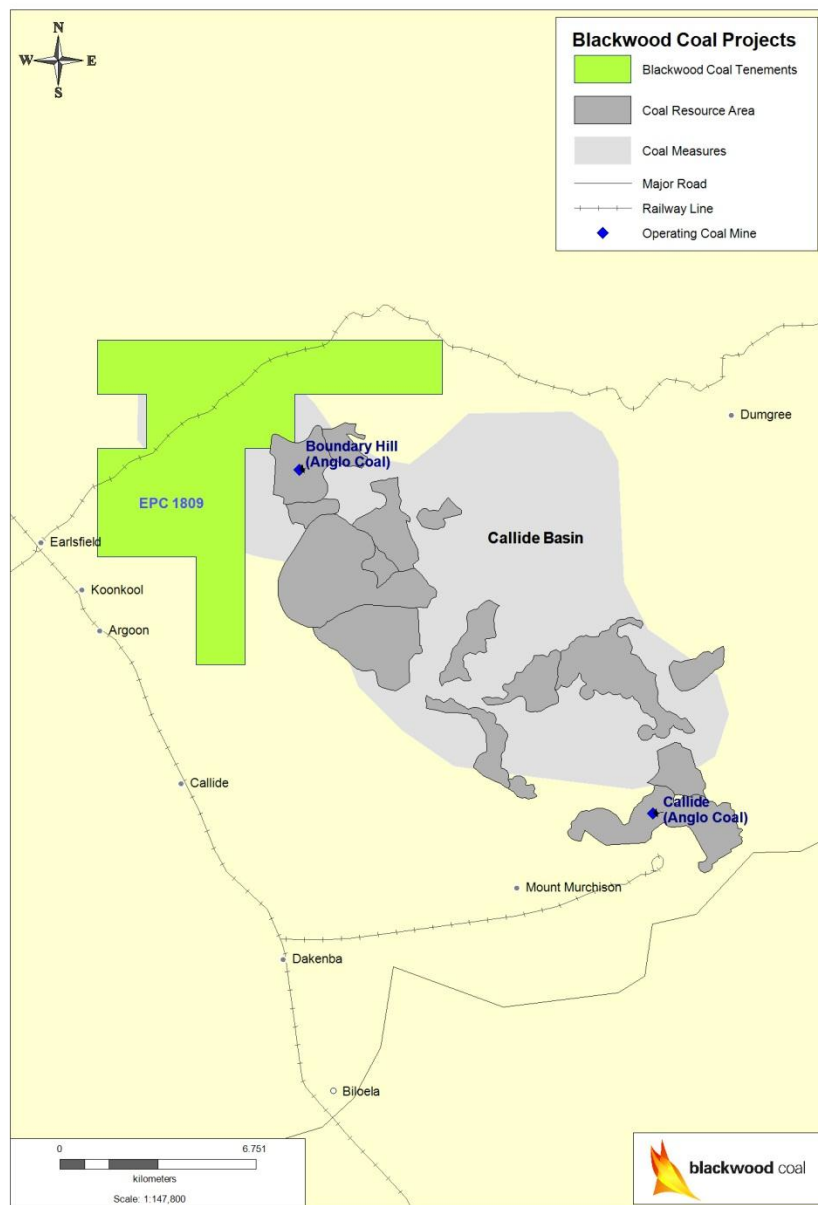
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Callide Project

EPCA 1809 consists of 18 sub-blocks and is located in the Callide Basin. It is located 20 kms north of the township of Biloela in Central Queensland. To its east is the open-cut Boundary Hill Coal mine operated by Anglo Coal Callide Mine (ACCM). This mine already has an existing rail line that transports the coal produced to the Port of Gladstone. The coal from Boundary Hill mine is sub-bituminous in nature and is sold to Gladstone Power Station and to two Alumina Refineries.

In EPC 1809, the Callide Coal Measures are the target of interest and their coal-bearing potential will be confirmed by a future exploration drilling program.



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Matt Crawford, Managing Director of Blackwood Coal said that the acquisition of the coal assets is another significant milestone for Blackwood in the lead up to the Q3 listing in 2011. The Blackwood technical team is particularly excited on the potential for metallurgical coal in the RDB Project area. Blackwood looks forward to developing the RDB Coal and Callide Projects and has already commenced an independent desktop geological review to identify the most prospective exploration areas for drilling.

About Blackwood Coal:

Blackwood Coal Pty Ltd is a Sydney based private Australian company, established in November 2009, and focused on coal exploration. Since then, the Company has acquired a portfolio of EPCs in the Bowen, Surat/Moreton and Galilee coal basins in Queensland. The company is seeking to list on the ASX in Q3 of 2011 and has raised in excess of AU\$7 million in pre-IPO funding.

Blackwood has a strong Board and Management team, led by Chairman Mr Arthur Sinodinos AO and its Managing Director Mr Matthew Crawford.

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