

4 August 2011

ASX ANNOUNCEMENT

Blackwood Coal Announces Summary of Preliminary Drill Results for East Wandoan EPC 1955

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 the initial results from the open holes from its maiden drilling campaign in its 90% owned East Wandoan Project.

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

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Blackwood Announces Summary of Preliminary Drill Results for East Wandoan EPC 1955

Blackwood is pleased to report the initial results from the open holes from its maiden drilling campaign in its 90% owned East Wandoan Project.

Fourteen (14) vertical open holes were drilled for a total 1,409 metres and were geophysically logged. All coal plies have been included in the results however optimisation in regards to potential stripping ratios, optimum coal quality from selected seams / plies will occur once the proposed infill drilling has been undertaken during August/September 2011.

Highlights include:

- Maximum cumulative coal thicknesses of **11.69 m** intersected in the southern western area of the tenement
- 2.8km strike length of cumulative coal thicknesses ranging from **11.69m** in the south to **6.14m** in the north, as shown in the diagram below
- Geophysical logging has indicated clean separate clean coal seams over **2.0m** thick
- Blackwood Coal technical team, believes the deposit is **open** to the north and north east of drill holes RC 10 and RC 11
- Blackwood has identified three areas for follow up infill drilling in the 2011 drill season to allow an initial Inferred Resource to be calculated.
- Six (6) open holes and three cored holes to be completed in the follow up drill campaign
- Blackwood is planning to complete the drilling in the next 6 weeks

Insufficient drilling has been completed to date to fully understand the extent of the coal coverage on the tenement, however, it is planned the follow up drill campaign will determine the full extent of the coal coverage within the drilled region. All seams are shallow dipping estimated at 1 – 2 degrees to the south west.

The below map indicates the cumulative coal thicknesses and drill hole locations in the southern part of EPC 1955.

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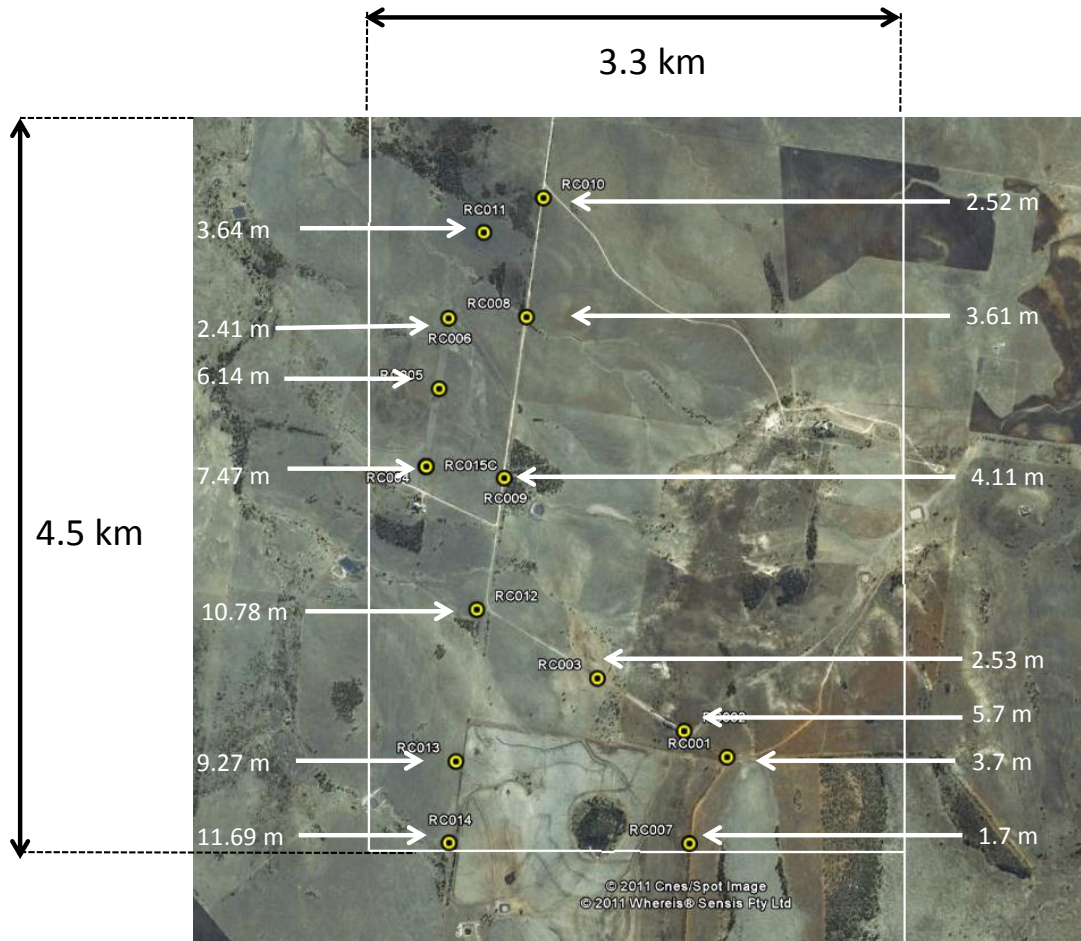


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Cumulative Coal Thicknesses from Open Holes



Hole ID	Easting	Northing	Zone	Hole Size (mm)	Total Depth (m)	Total Coal Thickness (m)	Approximate Depth to Base of Coal (M)
RC001	219029	7107280	56	112	109	3.7	29
RC002	218759	7107435	56	112	86	5.5	53
RC003	218212	7107746	56	112	84	2.53	53
RC004	217113	7109036	56	112	121	7.47	92
RC005	217184	7109521	56	112	121	6.14	61
RC006	217231	7109962	56	112	97	2.41	81
RC007	218807	7106743	56	112	79	1.7	n/a
RC008	217719	7109979	56	112	91	3.61	55
RC009	217603	7108975	56	112	97	4.11	50
RC010	217809	7110720	56	112	73	2.52	44
RC011	217440	7110500	56	112	85	3.65	60
RC012	217450	7108155	56	112	100	10.78	89
RC013	217342	7107212	56	112	121	9.27	98
RC014	217309	7106705	56	112	145	11.69	88

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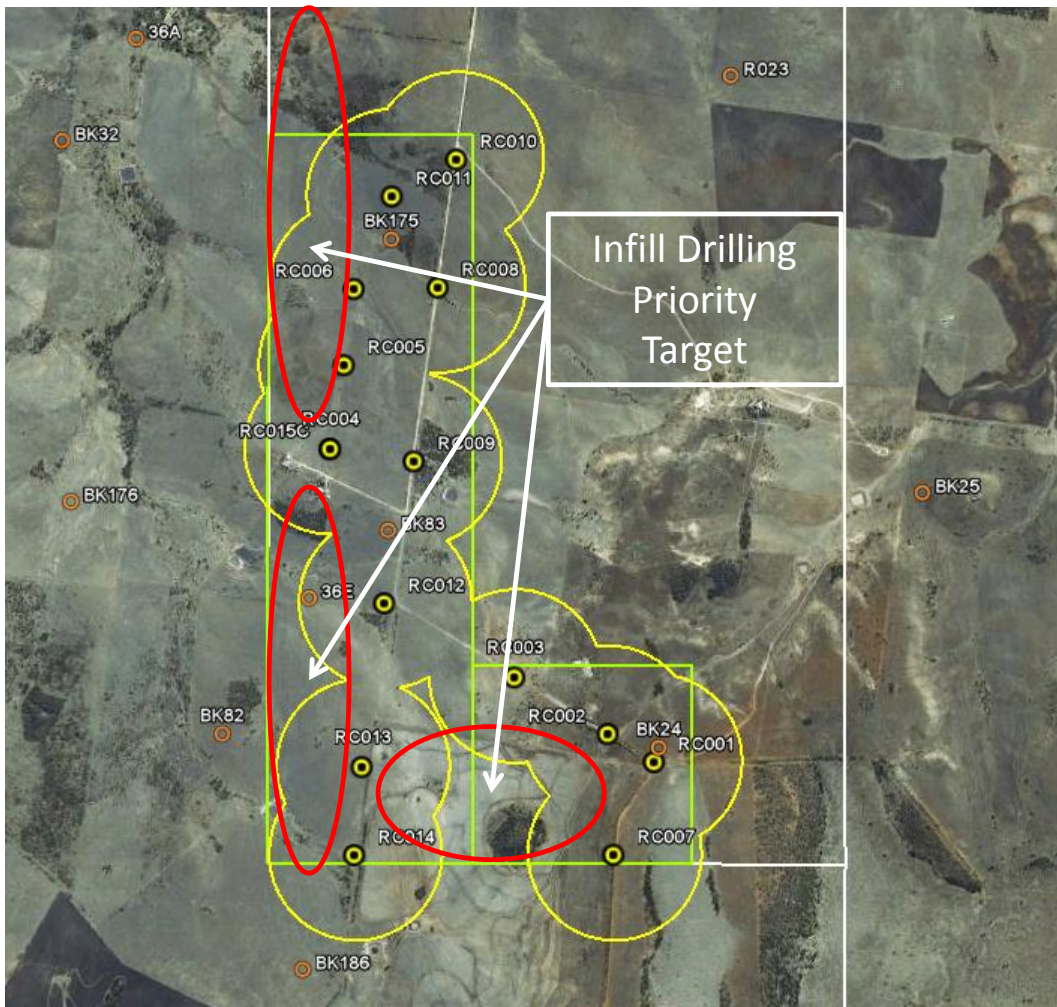
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The diagram below indicates the past drill holes completed by Blackwood with a yellow 500m radius around each of the drill holes. The holes as shown in orange are historic drilling completed by previous companies.

The areas shown in red indicate priority drill targets for the planned round of infill drilling. Once the infill drilling has been completed, Blackwood will compile all the data and have a resource calculation completed by an Independent Geologist.



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Blackwood and its JV partner, Australian Pacific Coal Limited (APC), will seek a range of options for the further development of the project. Blackwood and APC will weigh up the best option to attain maximum value for their shareholders.

Matt Crawford, Managing Director of Blackwood Coal said that “the results are very encouraging and substantiate the prospectivity that the Blackwood Coal Technical team believed was always there”.

Blackwood also believes considerable potential remains in northwest of the tenement where evaluation work is continuing leading to possible planned drilling. Mr Crawford further added “Blackwood Coal looks forward to the continued development of what is shaping up to be a quality coal resource”.

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.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Brice Mutton, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Mutton is engaged as the Technical Director of Blackwood Coal Pty Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Exploration Results, Mineral Resources and Ore Reserves’. Mr Mutton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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