

21 September 2011

ASX ANNOUNCEMENT

Blackwood Coal withdrawal from merger with CVG

Argonaut Resources NL (ASX:ARE) wishes to advise that Blackwood Coal Pty Ltd ("Blackwood"), a company in which Argonaut holds a 38% undiluted interest, has withdrawn from the proposed transaction with Convergent Minerals Ltd (ASX:CVG) as previously announced on 23 August 2011, based on the view that the transaction, as proposed, was no longer in the best interests of Blackwood's shareholders.

Blackwood have advised Argonaut that they remain committed to listing the company on the ASX and are considering other opportunities for the Company, including listing via an Initial Public Offering.

Further updates will be provided as the information becomes available.

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