



Morning Note

8 August 2011

Markets

World Markets		+ / -	%
Dow Jones	11,445	61	0.5
NASDAQ	2,532	-24	-0.9
S & P 500	1,199	-1	-0.1
FTSE 100	5,247	-146	-2.7
Nikkei 225	9,300	-359	-3.7
ASX All Ords	4,170	-183	-4.2

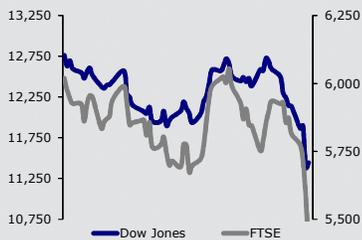
Currencies		+ / -	%
\$/US\$	1.039	-0.00	-0.5
\$/US\$/Yen	78.230	-0.17	-0.2
GBP/\$A	1.579	0.01	0.6
Euro/\$US	1.431	0.00	0.2

Energy		+ / -	%
WTI (US\$/bbl)	86.88	0.25	0.3
Henry Hub (US\$/mcf)	4.00	-0.21	-5.0
UxC Uranium (US\$/lb)	52.25	0.75	1.5

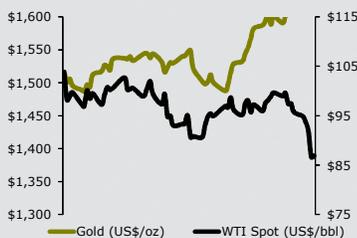
Precious Metals (Bloomberg)		+ / -	%
Gold (US\$/oz)	1,684.9	21.1	1.3
Platinum (US\$/oz)	1,722.0	3.8	0.2
Silver (US\$/oz)	38.7	0.3	0.8

LME, Cash		+ / -	%
Aluminium (US\$/t)	2,373	-74.0	-3.0
Copper (US\$/t)	9,017	-313.0	-3.4
Lead (US\$/t)	2,356	-119.3	-4.8
Nickel (US\$/t)	22,468	-1,146.0	-4.9
Tin (US\$/t)	24,275	-1,154.0	-4.5
Zinc (US\$/t)	2,174	-129.5	-5.6

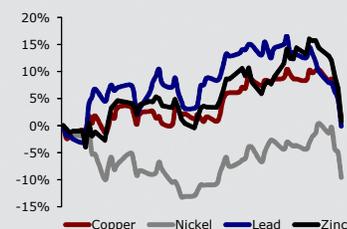
International Markets (3 Month)



Gold v Oil (3 Month)



Base Metals (Rebased) (3 Month)



On Wall Street, better-than-expected jobs figures for July and the first fall in the unemployment rate in four months initially helped stocks edge higher, but positive investor sentiment was dashed after ratings agency Standard and Poor's downgraded US government debt from AAA to AA+. The Dow gained 61 points, or 0.5%, to 11,445. The S&P 500 edged 0.69 point, or 0.06%, lower to 1199.38. U.S. futures are down 2%.

Base metals were all lower. Gold, the go-to metal in times of uncertainty, is trading at \$1,684/oz, while oil is up 0.25% to \$86.88/bbl.

Ausgold Limited – Site Visit

Argonaut recently visited Ausgold's (AUC) Boddington South Project at Katanning, located ~300km SE of Perth. AUC has a undiluted MC of \$194m and \$23m cash.

The mineralisation style at Katanning is believed to be similar to Newmont's 26Moz Boddington Gold mine, with gold concentrated on granite / mafic contact. Multiple mineralisation zones have been identified over a strike of 18km.

Currently there are 5 rigs (4 RC / 1 AC) drilling in preparation of a maiden Resource towards the end of the year. An additional 5 rigs (4 RC / 1 Diamond) have been contracted and should arrive at site during 3rd quarter 2011. AUC has budget a \$20m exploration program (\$15m Boddington South, \$5m regional) for the next 8-10 months.

Argonaut expects the upcoming maiden Resource to be in excess of 1Moz.

Old Jinkas pit (20koz mined)



Source: Argonaut

News flow include:

- Ongoing drilling results from Boddington South
- Nov / Dec - Met testing
- Late 2011 - Maiden Resource
- Early 2012 - Commence Scoping Study

AUC has other exploration projects in Yamarna, Doolgunna Station, Pilbara and Cracow.

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