

Argonaut Resources NL

ACN 008 084 848

Non-Renounceable Rights Issue Offer Document

Pursuant to S708AA(2) Corporations Act 2001(Cth)

A non-renounceable rights issue to existing shareholders of Argonaut Resources NL of one (1) New Share at an issue price of A\$0.012 each for every six (6) Shares held to raise up to approximately \$1,109,383 before costs of the Offer.

Important notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

The Offer is fully underwritten.

Important Information

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance.

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Definitions and Glossary in section 6.

Money as expressed in this Offer Document is in Australian dollars or else as indicated.

Key dates for investors

Record Date for determining entitlements under the Offer: 01 April 2016, 7:00pm (Sydney time)
Offer Opens: 04 April 2016, 9:00am (Sydney time)
Offer Expected to Close: 13 April 2016, 5:00pm (Sydney time)
Expected Date for Despatch of New Shareholding statements: 21 April 2016
Expected Commencement of trading of New Shares on ASX: 21 April 2016

Further details regarding the timetable for the Offer are set out in section 1.7. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

Offer statistics

Number of New Shares to be issued: up to 92,448,617*
Issue Price: \$0.012

*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date

Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This rights issue Offer Document is not a disclosure document for the purposes of Chapter 6D of the *Corporations Act*. The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX, and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 24 March 2016 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set forth in this Offer Document.

As at the date of this Offer Document, the Company has complied with the:

- Provisions of Chapter 2M of the *Corporations Act*, as they apply to the Company; and
- Section 674 of the *Corporations Act*.

No excluded information

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA (8) and (9) of the *Corporations Act*.

Foreign Shareholders

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, in which the Company's Shareholders may reside. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong and Singapore, having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, Shareholders having registered addresses outside of Australia, New Zealand, Hong Kong and Singapore.

New Zealand

In making this offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2013* by virtue of which this Offer Document is not required to be registered in New Zealand.

Hong Kong

This Offer is being made in Hong Kong and is exempt from the prospectus registration requirement under the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and restrictions under the Securities and Futures Ordinance.

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Offer have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the Offer may not be issues, circulated or distributed, nor may any shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to person in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore 9SFA), or as otherwise pursuant to, and in accordance with any conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of Shares in the Company. In the event that you are not an existing holder of Shares in the Company, please return the document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the shares. As such investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Notice to Nominees and Custodians

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer, and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Deciding to Accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 4. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.argonaut.com

Chairman's Letter

24 March 2016

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new, ordinary fully paid shares (**New Shares**) in Argonaut Resources NL (**the Offer**).

The Company is making a non-renounceable rights issue of one (1) New Share at \$0.012 per New Share for every six (6) ordinary shares held in Argonaut Resources NL on the Record Date, to raise up to approximately \$1,109,383 before the costs of this Offer.

It is proposed that the funds raised from the Offer will be applied for the purposes of providing additional working capital to the Company's existing projects (please visit www.argonautresources.com for details on the Company's projects).

The Offer provides Eligible Shareholders with the opportunity to increase their investment in Argonaut Resources NL.

The Offer is fully underwritten by Taylor Collison Limited.

Some or all of those Directors who are Eligible Shareholders intend to take up a portion of their entitlement to New Shares.

Pursuant to the Corporations Act, Argonaut Resources NL is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Offer is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is also attached to this Offer Document. If you are eligible and you wish to accept your Entitlement pursuant to the Offer, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate application money to the Company's share registry before the closing date of 13 April 2016 at 5:00pm (Sydney time).

On behalf of the Directors, I commend this investment to you.

Yours sincerely,



.....
Patrick J D Elliott
Chairman
Argonaut Resources NL

1. Offer Details

1.1 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 92,448,617 New Shares at an issue price of \$0.012 per New Share, on the basis of one (1) New Share for every six (6) Shares held by Eligible Shareholders as at the Record Date.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 21 April 2016.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all application monies (without interest) within 28 days of giving notice of such withdrawal.

1.2 Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders only.

Eligible Shareholders are Shareholders on the Record Date who have a registered address in Australia, New Zealand, Hong Kong or Singapore or who are Shareholders that the Company has otherwise determined are eligible to participate.

The Entitlement Offer is not being extended to shareholders in other jurisdictions because of the small number of such Shareholders, the number and value of Shares that they hold, and the cost of complying with the applicable regulations in jurisdictions outside of Australia, New Zealand, Hong Kong and Singapore.

In particular this Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

1.3 Minimum subscription

There is no minimum subscription to the Offer.

1.4 New Share terms

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.5 Acceptance of Entitlement to New Shares

The number of New Shares to which each Eligible Shareholder is entitled to is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted by Eligible Shareholders in full or in part or in excess of their Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

1.6 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer for the purposes of providing additional working capital to the Company's existing projects (please visit www.argonautresources.com for project information).

The proceeds from the Offer (assuming it is fully subscribed) is proposed to be allocated in the following manner:

Proposed use of funds	
Costs of Issue	\$75,000
Working Capital, including Company overheads	\$1,034,383
Total (maximum raising before costs)	\$1,109,383

However, in the event that circumstances change, or other better opportunities arise, the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.7 Important dates

Announcement and application for official quotation of New Shares	24 March 2016
Section 708AA notice given to ASX	24 March 2016
Lodge Offer Document with ASX	24 March 2016
Notice provided to Shareholders	24 March 2016
Ex Date	31 March 2016
Record Date for the Offer	01 April 2016 at 7.00 pm (Sydney time)
Dispatch of Offer Document and Acceptance Form and announcement of dispatch	04 April 2016
Opening Date of Offer	04 April 2016 at 9:00am (Sydney time)
Closing Date of Offer	13 April 2016 at 5:00pm (Sydney time)
Securities quoted on deferred settlement basis	14 April 2016
ASX notified of under subscriptions	18 April 2016
Allotment of New Shares	20 April 2016
Despatch of New Shares holding statements	21 April 2016
Expected Commencement of trading of New Shares on ASX	21 April 2016

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the *Corporations Act* and the Listing Rules, without notice. The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- Withdraw the Offer without prior notice; or
- Vary any of the important dates set out in this Offer, including extending the Offer.

1.8 Directors' intentions in respect of Entitlements

As at the date of this Offer Document, some of the Directors have either a direct or indirect interest in Shares. Some or all of those Directors who are Eligible Shareholders intend to take up a portion of their entitlement to New Shares.

1.9 Underwriting

The Offer is fully underwritten by Taylor Collison Limited (**Underwriter**).

1.10 Fees and Commissions

The following fees and commissions are payable to the Underwriter in relation to the Offer:

- (1) An Underwriting Fee of 4.0%; and
- (2) Management Fee of \$20,000, exclusive of GST; and
- (3) Issue of 7,500,000 ARE unlisted options exercisable at any time at \$0.02 (2c) until 5pm on 30 June 2019, exclusive of GST.

1.11 Additional shares

Entitlements not taken up may become available as Additional Shares. Eligible Shareholders may, in addition to their Entitlements, apply for New Shares over and above their Entitlement at the Offer Price (**Additional Shares**) regardless of the size of their present holding.

It is an express term of the Offer that applicants for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded without interest (where the amount is \$1.00 or greater) and will be returned to Eligible Shareholders as soon as practicable following the Closing Date, without interest. The Company reserves the right to scale back any applications for Additional Shares in their absolute discretion and to ensure that no Shareholder will as a consequence of taking up their Entitlement and being issued any Additional Shares holds a relevant interest of more than 19.99% of all of the Shares in the Company after this Issue.

1.12 How to accept your Entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part, or apply for Additional Shares.

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement they will have no right to subscribe for the New Shares pursuant to this Offer. If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Offer may be placed by the Directors to third parties.

- (a) Payment by cheque or bank draft

Entitlements to New Shares can be accepted in full or in part or in excess of the Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. Payment may be made by cheque or bank draft. The Issue Price of \$0.012 per New Share is payable in full on acceptance of part or all of your Entitlement.

If you wish to take up all of your Entitlement and apply for Additional Shares, complete the Entitlement and Acceptance Form by inserting the number of New Shares for which you wish to accept the Offer under this Offer Document plus the number of Additional Shares (being more than your Entitlement as specified on the Entitlement and Acceptance Form) in accordance with the instructions set out on the form and ensure that your payment is sufficient to cover the Acceptance Money for both the New Shares under your Entitlement and the Additional Shares in excess of your Entitlement.

Cheques should be in Australian currency and made payable to "Argonaut Resources NL - Rights Issue Account" and crossed "Not Negotiable".

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

Mailing Address	Hand Delivery
Argonaut Resources NL Rights Issue Offer c/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	Argonaut Resources NL Rights Issue Offer c/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2038 [Please do not use this address for general mailing purposes]

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

(b) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form, which includes the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) You do not need to submit the Entitlement and Acceptance Form, but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) If you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Acceptance Money.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

(c) Administration of applications for New Shares

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any Acceptance Money received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

1.13 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) Are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;

- (b) Acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia, New Zealand, Hong Kong or Singapore; and
- (c) Have not, and will not, send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

1.14 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors reserve the right to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.15 ASX listing

The Company applied for the listing and quotation of the New Shares on the ASX on 24 March 2016. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

1.16 Investment risks

Investors should carefully read the section on Risk Factors outlined in section 4. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

1.17 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.18 No rights trading

Entitlements to New Shares pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

1.19 Overseas shareholders

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia, New Zealand, Hong Kong and Singapore in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form. The distribution of this Offer Document and the accompanying form in jurisdictions outside of Australia, New Zealand, Hong Kong and Singapore may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe

those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong and Singapore having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia, New Zealand, Hong Kong and Singapore.

In particular the Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

Notice to nominees and custodians

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2. Use of Funds

The capital raised will be used for the purpose of providing additional working capital to the Company's existing projects (please visit www.argonautresources.com for information on existing projects).

The proceeds from the Offer (assuming it is fully subscribed) is proposed to be allocated in the following manner:

Proposed use of Funds	
Costs of Issue	\$75,000
Working Capital, including Company overheads	\$1,034,383
Total (maximum raising before costs)	\$1,109,383

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

3. Control issues arising from the Offer on the Company

3.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity who controls the Company.

The top 20 shareholders of the Company as at 21 March 2016 are as follows:

Rank	Name	Shares Held	%
1	CITICORP NOMINEES PTY LIMITED	58,452,672	13.17
2	BDO ZAMBIA TRUST COMPANY UNLIMITED	22,600,000	5.09
3	TATTERSFIELD SECURITIES LIMITED	22,308,345	5.03
4	TATTERSFIELD SECURITIES LIMITED	22,200,000	5.00
5	CLELAND PROJECTS PTY LTD	19,207,729	4.33

6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,143,303	3.19
7	GLENEDEN NOMINEES PTY LTD	13,315,160	3.00
8	NEFCO NOMINEES PTY LTD	9,000,000	2.03
9	MS SARAH JANE LOUISE FRANKS	6,017,967	1.36
10	GRANBOROUGH PTY LTD	5,000,000	1.13
11	MR ANDREI MAZOURENKO & MRS ELENA MAZOURENKO	3,750,000	0.84
11	MARTIN GREEN	3,750,000	0.84
11	DAVID SYLVESTOR	3,750,000	0.84
12	CHATENOIS PTY LTD	3,600,002	0.81
13	MR JONATHAN CLIVE MANIFOLD	3,533,779	0.80
14	MS ZHENGHUA WANG	3,109,563	0.70
15	MS LAY KEE TAY	3,056,033	0.69
16	MR ANDREW MISTARZ	3,016,844	0.68
17	MR IANAKI SEMERDZIEV	2,796,000	0.63
18	COMSEC NOMINEES PTY LIMITED	2,628,111	0.59
19	PACIFIC GOLD RESOURCES LIMITED 23RD FLOOR	2,609,484	0.59
20	MR XIANG GAO	2,582,000	0.58
		Total	230,426,992
		Balance of register	213,364,709
		Grand total	443,791,701
			51.92
			48.08
			100.00

3.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Issue assuming the Offer is fully subscribed will be as follows:

	Shares
Shares on issue at the date of the Offer Document*	443,791,701
Shares proposed to be issued on or before 30 March 2016	110,900,000
Maximum number of New Shares under the Offer Document	92,448,617
Total:	647,140,318

As at the date of this Offer Document, the Company has the following Existing Options on issue:

Expiry Date	Exercise Price	Number of Options
31/03/2017	\$0.06 per share	38,004,957

The above Existing Options are listed, vested and exercisable.

3.3 Potential effect of the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements, and provided that none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, the proportional shareholdings of Shareholders who are not resident in Australia, New Zealand, Hong Kong and Singapore may be diluted as those Shareholders are not entitled to participate in the Offer. Additionally, if an Eligible Shareholder does not take up their entitlement in full, there may be a dilutionary effect on that Shareholder's proportional shareholdings (which may occur as a result of other Eligible Shareholders taking up Additional Shares, or as a result of the placement of the Shortfall by the Directors).

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

As set out in section 1.11 above, the Company reserves the right to scale back any applications for Additional Shares in their absolute discretion and to ensure that no Shareholder will as a consequence of taking up their Entitlement and being issued any Additional Shares holds a relevant interest of more than 19.99% of all of the Shares in the Company after this Issue.

4. Risk factors

4.1 Introduction

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Document before you decide whether to accept New Shares.

4.2 Nature of investment

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that the:

- (a) Price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) Applicant is unable to sell the New Shares; and
- (c) Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.

4.3 Stock market

The New Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Shares after listing may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

4.4 Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

4.5 Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

4.6 Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

4.7 Additional capital requirements

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

4.8 Regulatory risk, Government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse affect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

4.9 Insurance arrangements

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

4.10 Operational risks and costs

The Company will be exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however, certain residual risk will remain with the Company

4.11 Currency fluctuations

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs in its operations. The appreciation of the Zambian Kwacha (ZMK) and the Canadian Dollar (CAD) against the Australian Dollar (AUD) would increase the costs of production at such mining operations, which could materially and adversely affect the Company's earnings and financial condition.

4.12 Exploration risk

Exploration involves a high degree of risk in relation to the probability of the discovery of a significant resource which can be commercially developed. Regardless of the application of experience, technical knowledge and careful evaluation, the discovery of commercial deposits of phosphate cannot be assured. The Company strives to reduce exploration risk by ensuring a high level of experience and technical skill is applied to planning and execution of exploration programs.

There is also no assurance that if deposits of minerals are discovered, that commercial development of these resources will occur. The commercial viability of a particular resource is dependent on a number of factors including the quality and nature of the resource and future commodity and exchange rate fluctuations, factors which are beyond the control of the Company.

4.13 Resource estimate risks

Resources and reserves are estimates based upon drilling results, past experience with mining properties, experience of the person making the resource/reserve estimates and many other factors. Resource/reserve estimation is an interpretative process based upon available data. The actual quality and characteristics of ore deposits and metallurgical recovery rates cannot be known until mining takes place, and will almost certainly differ from the assumptions used to develop reserves.

Further, reserves are valued based on current costs and current prices and consequently may be reduced with declines in, or sustained low, metal prices. A reduction in the price of alternative fuels may lead to a decrease in demand for consequent fall in price.

4.14 Operating hazards

The Company holds mining properties in Zambia, Canada and Australia and is exposed to the laws governing the mining industry in those country.

In particular the government in Zambia is currently supportive of the mining industry but changes in government regulations including taxation, the repatriation of profits, restrictions on production, export controls, environmental compliance, expropriation of property, shifts in the political stability of the country and labour unrest could adversely affect the Company and its exploration and production initiatives in Zambia.

4.15 Tenements

Tenements may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. The renewal of a tenement is not as-of-right. The Ministers retain a discretion to grant the renewal of a tenement. Similarly, a Minister may in the future grant production tenements to the holders of exploration tenements.

4.16 Environmental and Compliance Issues

All phases of the Company's operations are subject to environmental regulation in Zambia, Canada and Australia. These regulations mandate, among other things, water quality standards and land reclamation and regulate the generation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

The current or future operations of the Company, including mineral exploration or development activities and commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, environmental protection, mine safety, land access and other matters. Such laws and regulations may vary in future. There can be no assurance, however, that all permits which the Company may require for mineral exploration or construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

In relation to current activities, the Company is in compliance with governing laws and regulations and manages these risks through its existing operating procedures, Environmental Plans, internal audits and liaison with regulators and stakeholders.

4.17 Business risks

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.

4.18 Contractual risk

The Company's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances, been entered into by the Company and its subsidiaries in this regard. As in any contractual relationship the ability for the Company to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations. To the extent that such third party defaults in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

4.19 Other risks

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Shares.

4.20 Underwriting Agreement

The Company has appointed Taylor Collison Limited ABN 53 008 172 450 as Underwriter to the Rights Issue under an Underwriting Agreement dated 23 March 2016.

Under the terms of the Underwriting Agreement, Taylor Collison Limited have agreed to underwrite the Offer to the maximum extent of approximately \$1,109,383 and will receive a capital raising fee of 4.0% of the amount of underwritten amount. Taylor Collison will also receive a management fee of \$20,000 subject to certain termination events, referred to in the Underwriting Agreement.

In addition, and to align the interests of Taylor Collison with those of the Company, the Company has agreed, subject to and upon completion of the Rights Issue, to grant to Taylor 7.5 million options (each such option is to subscribe for one Share at an exercise price of 2 cents, expiring on 5:00pm on 30 June 2019. This is exclusive of GST.

5. Additional information

5.1 Section 708AA Corporations Act

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Offer is being undertaken pursuant to Section 708AA of the *Corporations Act*. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under Section 708AA(2)(f) need only:

- (a) Contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA (8) and (9); and
- (b) State the:
 - (1) Potential effect the issue of the New Shares will have on the control of the Company; and
 - (2) Consequences of that effect.

A notice under Section 708AA(2)(f) was lodged with the ASX on 24 March 2016.

5.2 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

5.3 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$75,000.

In addition, the Company may if it deems it necessary for the placement of any Shortfall, pay stockbrokers' fees which will be equal to a percentage of the issue price (including GST) of New Shares issued under the Shortfall.

5.4 Directors' Statement

This Offer Document is issued by Argonaut Resources NL. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of by Argonaut Resources NL:



.....
Patrick J D Elliott
Chairman
Argonaut Resources NL

6. Definitions and Glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements
Acceptance Money	The Issue Price multiplied by the number of New Shares accepted for
Additional Shares	Has the meaning given in section 1.12
Applicant	A person who submits an Entitlement and Acceptance Form
ASX	ASX Limited ACN 008 624 691
Board	The board of directors of the Company
CHESS	Means the clearing house electronic sub register system, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form
Closing Date	The date by which valid acceptances must be received by the Share Registrar, being 5.00pm (Sydney time) on 13 April 2016 or such other date determined by the Board
Company or Argonaut Resources NL	Argonaut Resources NL ACN 008 084 848
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Directors	The directors of the Company
Eligible Shareholder	A Shareholder of the Company that holds Shares in the Company on the Record Date whose registered address is in Australia, New Zealand, Hong Kong or Singapore
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document
Entitlements	The entitlement to accept New Shares under this Offer Document
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Offer Document
Issue or Offer	The offer and issue of New Shares in accordance with this Offer Document
Issue Price	A\$0.012 for each New Share applied for
Listing Rules	The official listing rules of the ASX
New Shares	Shares proposed to be issued under the Offer
Opening Date	The date of commencement of the Offer, expected to be 04 April 2016 at 9:00am (Sydney time)
Offer Document	This Offer Document dated 24 March 2016 as modified or varied by the Company
Record Date	01 April 2016 at 7:00pm (Sydney time)
Register	The company register of the Company
Relevant Interest	Has the meaning given to that term in the Corporations Act
Securities	Has the same meaning as in Section 92 of the Corporations Act
Share Registry	Link Market Services Limited ACN 083 214 537
Shares	The ordinary shares on issue in the Company from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
US Securities Act	The US Securities Act of 1933, as amended.

Corporate Directory

Present Directors	Share Registry
Patrick J D Elliott Lindsay J Owler Malcolm R Richmond Andrew W Bursill	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Australia
Administration and Registered Office	Company Secretary
c/- Franks & Associates Pty Limited Suite 4, Level 9 341 George Street Sydney NSW 2000 Australia	Andrew W Bursill
Other Information	
Stock Exchange Listing	Argonaut Resources NL shares are listed on the Australian Securities Exchange (ASX code: ARE)